

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-CBOE-2021-057 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-CBOE-2021-057. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2021-057 and should be submitted on or before October 29, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁷

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021-21985 Filed 10-7-21; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93254; File No. SR-CboeBZX-2021-069]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 19.6.05 To Allow Monday and Wednesday Expirations for Options Listed Pursuant to the Short Term Option Series Program on the iShares Russell 2000 ETF ("IWM")

October 4, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 1, 2021, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe BZX Exchange, Inc. (the "Exchange" or "BZX Options") proposes to amend Rule 19.6.05 to allow Monday and Wednesday expirations for options listed pursuant to the Short Term Option Series Program on the iShares Russell 2000 ETF ("IWM"). The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/bzx/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

²⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(6).

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 19.6.05 to allow Monday and Wednesday expirations for options listed pursuant to the Short Term Option Series Program on IWM. The Exchange notes that this proposed rule change is substantively identical to a rule change recently adopted by Nasdaq Phlx LLC. ("Phlx")⁵ and approved by the Securities and Exchange Commission ("Commission").⁶

Rule 19.6.05⁷ currently governs the Exchange's Short Term Option Series Program. The term "Short Term Option Series" means a series in an option class that is approved for listing and trading on the Exchange in which the series is opened for trading on any Monday, Tuesday, Wednesday, Thursday or Friday that is a business day and that expires on the Monday, Wednesday or Friday of the next business week, or, in the case of a series that is listed on a Friday and expires on a Monday, is listed one business week and one business day prior to that expiration. If a Tuesday, Wednesday, Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday, Wednesday, Thursday or Friday, respectively. For a series listed pursuant to this section for Monday

⁵ See Securities Exchange Release No. 92655 (August 12, 2021), 86 FR 46304 (August 18, 2021) (SR-Phlx-2021-43) (Notice of Filing of Proposed Rule Change To Permit Monday and Wednesday Expirations for Options Listed Pursuant to the Short Term Option Series Program on the iShares Russell 2000 ETF ("IWM")).

⁶ See Securities Exchange Release No. 93157 (September 28, 2021) (SR-Phlx-2021-43) (Order Approving a Proposed Rule Change to Permit Monday and Wednesday Expirations for Options Listed Pursuant to the Short Term Options Program on the iShares Russell 2000 ETF (IWM)).

⁷ The proposed rule change corrects an incorrect cross-reference in Rule 19.05 [sic].

expiration, if a Monday is not a business day, the series shall expire on the first business day immediately following that Monday.⁸ Rule 19.6.05(h) provides that the Exchange may open weekly series for options on the SPDR S&P 500 ETF Trust (“SPY”) and the Invesco QQQ Trust (“QQQ”) with Monday and Wednesday expirations.

The proposed rule change amends Rule 19.6.05(h) to also allow Monday and Wednesday expirations for options on IWM. Specifically, the proposed rule change amends Rule 19.6.05(h) to provide that the Exchange may open for trading on any Friday or Monday that is a business day series of options on the SPDR S&P 500 ETF Trust (“SPY”), the iShares Russell 2000 ETF (“IWM”) and⁹ the Invesco QQQ Trust (“QQQ”) to expire on any Monday of the month that is a business day and is not a Monday on which Quarterly Options Series expire (“Monday SPY Expirations”, “Monday IWM Expirations” and “Monday QQQ Expirations”), provided that any Friday on which the Exchange opens for trading a Monday SPY, IWM and QQQ Expiration is one business week and one business day prior to expiration. The Exchange may also open for trading on any Tuesday or Wednesday that is a business day series of SPY options, IWM options and QQQ options to expire on any Wednesday of the month that is a business day and is not a Wednesday on which Quarterly Options Series expire (“Wednesday SPY Expirations”, “Wednesday IWM Expirations” and “Wednesday QQQ Expirations”). The Exchange may list up to five consecutive series of each Monday SPY, IWM and QQQ Expirations and up to five consecutive series of each Wednesday SPY, IWM and QQQ Expirations at one time; the Exchange may have no more than a total of five of each Monday SPY, IWM and QQQ Expirations and no more than a total of five of each Wednesday SPY, IWM and QQQ Expirations. Monday and Wednesday SPY, IWM and QQQ Expirations will be subject to the provisions of this Rule.¹⁰ Additionally, the proposed rule change amends Rule 19.6.05(b), which currently exempts Monday and Wednesday SPY and QQQ Expirations from the prohibition on Short Term Option Series expiring in the same week in which monthly option

series on the same class expire, to provide that, with the exception of Monday and Wednesday SPY, IWM and QQQ Expirations, no Short Term Option Series may expire in the same week in which monthly option series on the same class expire.

Similar to SPY and QQQ, the Exchange believes that the introduction of IWM Monday and Wednesday Expirations will expand hedging tools available to market participants and continue to assist in reducing the premium cost of buying protection. By offering Monday and Wednesday IWM Expirations, the proposed rule change will allow market participants to purchase IWM based on their timing needs and allow them to more effectively tailor their investment and hedging strategies.

The Exchange notes that, pursuant to the definition of Short Term Option Series,¹¹ if the Exchange is not open for business on a Wednesday, then a Wednesday IWM Expiration will expire on the first business day immediately prior to that Wednesday (e.g., Tuesday of that week). However, regarding Monday IWM Expirations, if the Exchange is not open for business on a Monday, then a Monday IWM Expiration will expire on the first business day following that Monday (e.g., Tuesday of that week). This is the same expiration process currently in place for Monday and Wednesday SPY and QQQ Expirations. The Exchange believes that it is appropriate to require Monday expiration series to expire on the Tuesday of that week, rather than the previous business day (e.g., the previous Friday), when expiration Monday does not fall on a business day because the immediately following Tuesday is closer in time to the scheduled expiration date of the series than the previous Friday. Therefore, the following business day in this case may be more representative of anticipated market conditions than the previous business day. The Exchange notes that, not only are Monday SPY and QQQ Expirations treated in the same manner today, but the same applies to weekly index options listed pursuant to the Nonstandard Expiration Program.¹² The Exchange also notes that permitting Monday and Wednesday IWM Expirations to expire in the same week as monthly options series on the same class, like that of Monday and Wednesday SPY and QQQ Expirations, is appropriate because Monday and Wednesday IWM Expirations and standard monthly options will not

expire on the same trading day, as standard monthly options expire on Fridays. Additionally, the Exchange believes that listing Monday and Wednesday IWM Expirations each week of the month will provide consistency for investors and mitigate any potential confusion regarding weekly listings.

The Exchange notes that the interval between strike prices for the proposed Monday and Wednesday IWM Expirations are the same as those for the Monday and Wednesday SPY and QQQ Expirations and the Short Term Option Series with Wednesday and Friday expirations.¹³ Specifically, the proposed Monday and Wednesday IWM Expirations have a \$0.50 strike interval minimum.¹⁴ As is the case with other equity options series listed pursuant to the Short Term Option Series Program, Monday and Wednesday IWM Expirations are P.M.-settled. Also, pursuant to Rule 19.6.05(a), the Exchange may open up to 30 Short Term Option Series for each expiration date in each option class eligible for participation in the Short Term Option Series Program. This includes Monday and Wednesday IWM Expirations for IWM options. In addition to the 30 series per class, the Exchange may open Short Term Option Series, including Monday and Wednesday IWM Expirations, that are opened by other securities exchanges in option classes selected by such exchanges under their respective short term option rules.

The Exchange does not believe that listing series of P.M.-settled Monday and Wednesday expirations for options on IWM will have any adverse impact on fair and orderly markets as the Exchange already lists weekly series with the same settlement and expirations for options on SPY and QQQ, as well as for weekly index options pursuant to the Nonstandard Pilot Program,¹⁵ and has not experienced any issues regarding adverse market impact in connection with the listing of these series. The Exchange represents that it has the necessary capacity and surveillance programs in place to support and properly monitor trading in the proposed Monday and Wednesday IWM Expirations. The Exchange currently deploys such surveillance programs to monitor Monday and Wednesday SPY and QQQ Expirations and has not experienced any issues with capacity in connection with listing Monday and Wednesday SPY and QQQ Expirations. The Exchange intends to begin

⁸ See Rule 16.1, definition of “Short Term Option Series”.

⁹ The proposed rule change makes a nonsubstantive change in order to simplify the rule language.

¹⁰ The proposed rule change also updates a reference to “Monday or Wednesday SPY and QQQ Expirations” in Rule 19.6.05 to refer to “Monday or Wednesday SPY, IWM and QQQ Expirations”.

¹¹ See *supra* note 8.

¹² See Rule 29.11(j)(1).

¹³ See Rule 19.6.05(e).

¹⁴ See *id.*

¹⁵ See *supra* note 12.

implementation of the proposed rule change on October 5, 2021, as Phlx, as well as its affiliated options exchanges, intend to begin listing weekly Monday IWM Expirations on this date.¹⁶ The Exchange will issue a notice of the planned implementation date to its Members in advance.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.¹⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁸ requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)¹⁹ requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes the Short Term Option Series Program has been successful to date and that listing Monday and Wednesday IWM Expirations, like Monday and Wednesday SPY and QQQ Expirations already listed for trading, will expand the ability of investors to effectively hedge risk against market movements stemming from economic releases or market events that occur throughout the month. The Exchange believes that offering Monday and Wednesday IWM Expirations will create greater trading and hedging opportunities and flexibility for investors, allowing them to use IWM options listed pursuant to the Short Term Option Series Program in a manner more effectively tailored their investment and hedging objectives.

As already noted, the Exchange currently offers series with the same settlement (P.M.) and expirations (Monday and Wednesday) for options on SPY and QQQ and for weekly index options pursuant to the Nonstandard Pilot Program.²⁰ The Exchange again notes that the proposed rule change is substantively identical to a rule recently adopted by Phlx and approved by the Commission.²¹

The manner in which Monday IWM Expirations will expire when expiration Monday lands on a holiday is consistent with the manner in which Monday SPY and QQQ Expirations currently expire under the same circumstances. The Exchange believes that allowing Monday IWM Expirations that expire on a holiday to fall on the following business day, as opposed to the prior business day (as applicable to Wednesday and Friday expirations that expire on a holiday), removes impediments to and perfects the mechanism of a free and open market and national by permitting such Monday expirations to occur closer in time to the scheduled expiration date of the series, which may be more representative of anticipated market conditions. Additionally, the proposed rule change to except Monday and Wednesday IWM Expirations from the prohibition on Short Term Option Series expiring in the same week in which monthly option series on the same class expire is consistent with the same exception that currently applies to Monday and Wednesday SPY and QQQ Expirations.²² The proposed rule change is designed to provide consistency for investors and mitigate any potential confusion regarding weekly listings each week of the month.

The Exchange does not believe that listing series of P.M.-settled Monday and Wednesday expirations for options on IWM will have any adverse impact on fair and orderly markets as the Exchange already lists series with the same settlement and expirations for options on SPY and QQQ, as well as for weekly index options pursuant to the Nonstandard Pilot Program,²³ and has not observed any adverse market impact in connection with the listing of these series. The Exchange represents that it already has an adequate surveillance program in place to detect and deter any manipulative trading in Monday and Wednesday expirations, including

Monday and Wednesday IWM Expirations, and that it has the necessary systems capacity to support the listing and trading of the new series.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as Monday and Wednesday IWM Expirations will be available for quoting and trading on the Exchange for all market participants. Therefore, all market participants will equally be able to transact in IWM series listed with Monday and Wednesday expirations for trading on the Exchange.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as it only impacts the permissible expirations for an option series listed on the Exchange. As stated, another options exchange has recently implemented a substantively identical rule to permit Monday and Wednesday IWM expirations on its exchange.²⁴ As such, this proposal is a competitive response that will permit the Exchange to list the same expirations for series in a multiply-listed option as another options exchange.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section

¹⁶ See Options Trader Alert #2021—54, Nasdaq Introduces Monday and Wednesday Weekly Expirations For IWM Options (September 22, 2021) available at: <http://www.nasdaqtrader.com/MicroNews.aspx?id=OTA2021-54>. Phlx, BX, NOM, ISE, GEMX, and MRX anticipate listing weekly Wednesday IWM Expirations on October 5, 2021.

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ *Id.*

²⁰ See *supra* note 12.

²¹ See *supra* notes 5 and 6.

²² As stated herein, because monthly options expire on Fridays, Monday and Wednesday weekly options will not land on the same day.

²³ See *supra* note 12.

²⁴ See *supra* notes 5 and 6.

19(b)(3)(A) of the Act²⁵ and Rule 19b-4(f)(6) thereunder.²⁶

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)²⁷ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission notes that it recently approved Phlx's substantially similar proposal to list and trade Monday IWM Expirations and Wednesday IWM Expirations.²⁸ The Exchange has stated that waiver of the 30-day operative delay will allow the Exchange to implement the proposal as a competitive response, permitting the Exchange to list the same expirations for series in a multiply-listed option as another options exchange, at the same time that such options exchange intends to list such series. For these reasons, the Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest, and will allow the Exchange to remain competitive with other exchanges. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.²⁹

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

²⁷ 17 CFR 240.19b-4(f)(6)(iii).

²⁸ See supra note 6.

²⁹ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

IV. Solicitation of Comments

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- Send an email to rule-comments@sec.gov. Please include File Number SR-CboeBZX-2021-069 on the subject line.

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For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021-21993 Filed 10-7-21; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-93256; File No. SR-NASDAQ-2021-007]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Granting Approval of a Proposed Rule Change To Adopt Additional Initial Listing Criteria for Companies Primarily Operating in Jurisdictions That Do Not Provide the PCAOB With the Ability To Inspect Public Accounting Firms

October 4, 2021.

I. Introduction

On February 1, 2021, The Nasdaq Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt additional initial listing criteria for companies primarily operating in jurisdictions that do not provide the Public Company Accounting Oversight Board ("PCAOB") with the ability to inspect public accounting firms. The proposed rule change was published for comment in the **Federal Register** on February 16, 2021.³ On March 26, 2021, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On May 17, 2021, the Commission instituted proceedings to determine whether to approve or disapprove the

³⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 91089 (February 9, 2021), 86 FR 9549 ("Notice"). Comments on the proposed rule change can be found at: <https://www.sec.gov/comments/sr-nasdaq-2021-007/srnasdaq2021007.htm>.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 91413, 86 FR 17263 (April 1, 2021). The Commission designated May 17, 2021 as the date by which the Commission shall approve or disapprove, or institute proceedings to determine whether to approve or disapprove, the proposed rule change.