

regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of data, views, and arguments, the Commission will consider, pursuant to Rule 19b-4 under the Act,<sup>50</sup> any request for an opportunity to make an oral presentation.<sup>51</sup>

Interested persons are invited to submit written data, views, and arguments regarding whether the proposed rule change, as modified by Amendment No. 2, should be approved or disapproved by April 29, 2022. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal May 13, 2022.

The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in Amendment No. 2, and any other issues raised by the proposed rule change under the Act. In this regard, the Commission seeks commenters' views regarding whether a delay in the calculation of the BZX Official Opening Price would affect the trading of BZX-listed securities on other national securities exchanges or other trading venues or otherwise impact any processes that rely on the calculation of the BZX Official Opening Price, including the calculation and dissemination of LULD price bands.

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](mailto:rule-comments@sec.gov). Please include File No. SR-CboeBZX-2021-086 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 No. SR-CboeBZX-2021-086. The 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 to 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 No. SR-CboeBZX-2021-086 and should be submitted by April 29, 2022. Rebuttal comments should be submitted by May 13, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>52</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-07464 Filed 4-7-22; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-94594; File No. SR-CBOE-2022-009]

### **Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of a Proposed Rule Change To Amend Rule 4.3.06 To Allow the Exchange To List and Trade Options on the Goldman Sachs Physical Gold ETF**

April 4, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on March 25, 2022, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") filed

with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend Rule 4.3.06 to allow the Exchange to list and trade options on the Goldman Sachs Physical Gold ETF ("AAAU"). 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://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

#### **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 4.3.06 to allow the Exchange to list and trade options on the Goldman Sachs Physical Gold ETF ("AAAU" or the "Trust") as a Unit deemed appropriate for options trading on the Exchange. Rule 4.3.06(a) provides that securities deemed appropriate for options trading include Units (also referred to as Exchange-Traded Funds ("ETFs"))<sup>3</sup> that represent certain types of interests,<sup>4</sup> and

<sup>3</sup> See Rule 1.1, definition of "Unit and ETF".

<sup>4</sup> See Rules 4.3.06(a)(1)-(3) and (5), which, respectively, include Units that represent interests in registered investment companies (or series thereof) organized as open-end management investment companies, unit investment trusts or similar entities that hold portfolios of securities

<sup>50</sup> 17 CFR 240.19b-4.

<sup>51</sup> Section 19(b)(2) of the Act, as amended by the Securities Acts Amendments of 1975, Public Law 94-29 (June 4, 1975), grants to the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Acts Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

<sup>52</sup> 17 CFR 200.30-3(a)(12); 17 CFR 200.30-3(a)(57).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Rule 4.3.06(a)(4), in particular, includes Units that represent interests in the SPDR Gold Trust or the iShares COMEX Gold Trust or the iShares Silver Trust or the ETFS Silver Trust or the ETFS Gold Trust or the ETFS Palladium Trust or the ETFS Platinum Trust or the Sprott Physical Gold Trust. The proposed rule change expands the ETFs under Rule 4.3.06(a)(4) deemed appropriate for options trading on the Exchange to include AAAU. The Exchange notes that the proposed rule change makes a nonsubstantive change to Rule 4.3.06(a)(4) by replacing superfluous conjunctions with commas to simplify the rule language, and by updating the “ETFS Silver Trust”, the “ETFS Gold Trust”, the “ETFS Palladium Trust” and the “ETFS Platinum Trust” to the “Aberdeen Standard Physical Silver Trust”, the “Aberdeen Standard Physical Gold Trust”, the “Aberdeen Standard Physical Palladium Trust”, the “Aberdeen Standard Physical Platinum Trust”, respectively, as these ETFs were renamed in 2018.

Like the SPDR Gold Trust (“GLD”), iShares COMEX Gold Trust (“IAU”),

and/or financial instruments including, but not limited to, stock index futures contracts, options on futures, options on securities and indexes, equity caps, collars and floors, swap agreements, forward contracts, repurchase agreements and reverse purchase agreements (the “Financial Instruments”), and money market instruments, including, but not limited to, U.S. government securities and repurchase agreements (the “Money Market Instruments”) comprising or otherwise based on or representing investments in indexes or portfolios of securities and/or Financial Instruments and Money Market Instruments (or that hold securities in one or more other registered investment companies that themselves hold such portfolios of securities and/or Financial Instruments and Money Market Instruments); interests in a trust or similar entity that holds a specified non-U.S. currency deposited with the trust or similar entity when aggregated in some specified minimum number may be surrendered to the trust by the beneficial owner to receive the specified non-U.S. currency and pays the beneficial owner interest and other distributions on deposited non-U.S. currency, if any, declared and paid by the trust (“Currency Trust Shares”); commodity pool interests principally engaged, directly or indirectly, in holding and/or managing portfolios or baskets of securities, commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or non-U.S. currency (“Commodity Pool Units”); or represents an interest in a registered investment company (“Investment Company”) organized as an open-end management investment company or similar entity, that invests in a portfolio of securities selected by the Investment Company’s investment adviser consistent with the Investment Company’s investment objectives and policies, which is issued in a specified aggregate minimum number in return for a deposit of a specified portfolio of securities and/or a cash amount with a value equal to the next determined net asset value (“NAV”), and when aggregated in the same specified minimum number, may be redeemed at a holder’s request, which holder will be paid a specified portfolio of securities and/or cash with a value equal to the next determined NAV (“Managed Fund Share”)

Aberdeen Standard Physical Gold Trust (“SGOL”), and Sprott Physical Gold Trust (“PHYS”), currently deemed appropriate for options trading pursuant to Rule 4.3.06(a)(4), AAAU is a gold-backed commodity ETF structured as a trust. Specifically, the Trust’s investment objective is for its shares to reflect the performance of the price of gold (less the expenses of the Trust’s operations), offering investors an opportunity to gain exposure to gold without the complexities of gold delivery. The Trust issues Goldman Sachs Physical Gold ETF Shares, which represent units of fractional undivided beneficial interest in the Trust, the assets of which consist principally of gold.<sup>5</sup> AAAU is a competitively priced commodity ETF, the cost of which is comparatively lower than the industry average for commodity ETFs. AAAU provides investors with a cost-efficient alternative that allows a level of participation in the gold market through the securities market. Likewise, the GLD, IAU, SGOL and PHYS trusts also issue shares that represent fractional undivided beneficial interest in the respective trust, each of which holds physical gold and is designed to track gold or the performance of the price of gold and offer access to the gold market.<sup>6</sup>

The Exchange believes that offering options on AAAU will benefit investors by providing them with an additional, relatively lower cost investing tool to gain exposure to the price of gold and hedging vehicle to meet their investment needs in connection with gold-related products and positions. The Exchange understands from customers that investors may currently transact in options on AAAU in the unregulated over-the-counter (“OTC”) options market, but may prefer to trade such options in a listed environment to receive the benefits of trading listing options, including (1) enhanced efficiency in initiating and closing out position; (2) increased market transparency; and (3) heightened contrary creditworthiness due to the role of OCC as issuer and guarantor of all listed options. The Exchange believes that listing AAAU options may shift liquidity from the OTC market onto the Exchange, would increase market transparency and enhance the process of price discovery conducted on the Exchange through increased order flow. As described above, the gold-backed commodity ETFs (GLD, IAU, SGOL and PHYS) on which the Exchange may already list and trade options are trusts

structured in substantially the same manner as AAAU and essentially offer the same objectives and benefits to investors. The Exchange notes that it has not identified any issues with the continued listing and trading of the gold-backed commodity ETF options that it currently lists and trades on the Exchange.

AAAU options will trade in the same manner as any other ETF options on the Exchange. The Exchange Rules that currently apply to the listing and trading of all ETF options on the Exchange, including, for example, Rules that govern listing criteria, expiration and exercise prices, minimum increments, position and exercise limits, margin requirements, customer accounts and trading halt procedures will apply to the listing and trading of options on AAAU on the Exchange in the same manner as they apply to other options on all other Units that are listed and traded on the Exchange, including the gold-backed commodity ETFs already deemed appropriate for options trading on the Exchange pursuant to Rule 4.3.06(a)(4).

The Exchange’s initial listing standards for ETFs on which options may be listed and traded on the Exchange will apply to AAAU. The Exchange notes that AAAU satisfies the initial listing standards as set forth in Rule 4.3(a) and Rule 4.3.06(b). Pursuant to Rule 4.3(a), a security (which includes an ETF) on which options may be listed and traded on the Exchange must be duly registered and be an NMS stock, and characterized by a substantial number of outstanding shares which are widely held and actively traded.<sup>7</sup> Rule 4.3.06(b) requires that Units must meet either (1) the criteria and guidelines under Rule 4.3.01,<sup>8</sup> or (2) they must be available for creation or redemption each business day from or through the issuer in cash or in kind at a price related to net asset value, and the issuer must be obligated to issue Units in a specified aggregate number even if some or all of the investment assets required to be deposited have not been received by the issuer, subject to the condition that the person obligated to deposit the investments has undertaken to deliver the investment assets as soon as possible and such undertaking is

<sup>7</sup> The Exchange notes that the year-to-date (March 23, 2022) average daily volume (“ADV”) of AAAU shares is approximately 845,200 shares, the market capitalization of AAAU as of March 23, 2022 is approximately \$727.3 million and the NAV of its shares is \$19.19.

<sup>8</sup> See Rule 4.3.01, which provides for guidelines established by the Board of Directors to be considered by the Exchange in evaluating potential underlying securities for Exchange option transactions.

<sup>5</sup> The Trust may include minimal cash.

<sup>6</sup> The trusts may include minimal cash.

secured by the delivery and maintenance of collateral consisting of cash or cash equivalents satisfactory to the issuer, as provided in the respective prospectus. The Exchange represents that, at minimum, AAAU satisfies Rule 4.3.06(b)(2).<sup>9</sup>

AAAU will also be subject to the Exchange's continued listing standards set forth in Rule 4.4.06 for ETFs deemed appropriate for options trading pursuant to Rule 4.3.06. Specifically, Rule 4.4.06 provides that Units that were initially approved for options trading pursuant to Rule 4.3.06 shall be deemed not to meet the requirements for continued approval, and the Exchange shall not open for trading any additional series of option contracts of the class covering that such Units, if the Units cease to be an NMS stock or the Units are halted from trading in their primary market. Additionally, options on Units may be subject to the suspension of opening transactions in any of the following circumstances: (1) In the case of options covering Units approved for trading under Rule 4.3.06(b)(1), in accordance with the terms of paragraphs (a), (b), and (c) of Rule 4.4.01; (2) in the case of options covering Units approved for trading under Rule 4.3.06(b)(2), following the initial twelve-month period beginning upon the commencement of trading in the Units on a national securities exchange and are defined as an NMS stock, there are fewer than 50 record and/or beneficial holders of such Units for 30 or more consecutive trading days; (3) the value of the index or portfolio of securities, non-U.S. currency, or portfolio of commodities including commodity futures contracts, options on commodity futures contracts, swaps, forward contracts and/or options on physical commodities and/or Financial Instruments and Money Market Instruments on which the Units are based is no longer calculated or available; or (4) such other event shall occur or condition exist that in the opinion of the Exchange makes further dealing in such options on the Exchange inadvisable.

AAAU options are physically settled contracts with American-style exercise.<sup>10</sup> Consistent with current Rule

<sup>9</sup> See Goldman Sachs Physical Gold ETF, Prospectus (January 8, 2021) available at <https://www.gsam.com/content/gsam/us/en/individual/products/etf-fund-finder/goldman-sachs-physical-gold-etf.html#activeTab=overview>.

<sup>10</sup> See Rule 4.2, which provides that the rights and obligations of holders and writers shall be as set forth in the Rules of the Clearing Corporation; and see Cboe Equity Options Product Specifications (March 23, 2022) available at [https://www.cboe.com/exchange\\_traded\\_stock/equity\\_options\\_spec/](https://www.cboe.com/exchange_traded_stock/equity_options_spec/)

4.5, which governs the opening of options series on a specific underlying security (including ETFs), the Exchange will open at least one expiration month for options on AAAU<sup>11</sup> and may also list series of options on AAAU for trading on a weekly<sup>12</sup> or quarterly<sup>13</sup> basis. The Exchange may also list long-term equity option series ("LEAPS") that expire from 12 to 180 months from the time they are listed.<sup>14</sup>

Pursuant to Rule 4.5.07, which governs strike prices of series of options on Units, the interval between strike prices for series of options on AAAU will be \$1 or greater where the strike price is \$200 or less and \$5.00 or greater where the strike price is greater than \$200.<sup>15</sup>

*?msclkid=8079efbbaaf11ec83b46e77a2984348; see also OCC Rules, Chapter VIII, which governs exercise and assignment, and Chapter IX, which governs the discharge of delivery and payment obligations arising out of the exercise of physically settled stock option contracts.*

<sup>11</sup> See Rule 4.5(b). The monthly expirations are subject to certain listing criteria for underlying securities described within Rule 4.3. Monthly listings expire the third Friday of the month. The term "expiration date" when used in respect of a series of binary options other than event options means the last day on which the options may be automatically exercised. In the case of a series of event options (other than credit default options or credit default basket options) that are automatically exercised prior to their expiration date upon receipt by the Corporation of an event confirmation, the expiration date is the date specified by the listing Exchange; provided, however, that when an event confirmation is deemed to have been received by the Corporation with respect to such series of options, the expiration date will be accelerated to the date on which such event confirmation is deemed to have been received by the Corporation or such later date as the Corporation may specify. In the case of a series of credit default options or credit default basket options, the expiration date is the fourth business day after the last trading day for such series as such trading day is specified by the Exchange on which the series of options is listed; provided, however, that when an event confirmation is deemed to have been received by the Corporation with respect to a series of credit default options or single payout credit default basket options prior to the last trading day for such series, the expiration date for options of that series will be accelerated to the second business day following the day on which such event confirmation is deemed to have been received by the Corporation. "Expiration date" means, in respect of a series of range options expiring prior to February 1, 2015, the Saturday immediately following the third Friday of the expiration month of such series, and, in respect of a series of range options expiring on or after February 1, 2015 means the third Friday of the expiration month of such series, or if such Friday is a day on which the Exchange on which such series is listed is not open for business, the preceding day on which such Exchange is open for business. See The Options Clearing Corporation ("OCC") By-Laws at Section 1.

<sup>12</sup> The weekly listing program is known as the Short Term Option Series Program and is described within Rule 4.5(d).

<sup>13</sup> See Rule 4.5(e).

<sup>14</sup> See Rule 4.5(f).

<sup>15</sup> The Exchange notes that for options listed pursuant to the Short Term Option Series Program,

Additionally, the Exchange may list series of options pursuant to the \$1 Strike Price Interval Program,<sup>16</sup> the \$0.50 Strike Program,<sup>17</sup> the \$2.50 Strike Price Program,<sup>18</sup> and the \$5 Strike Program.<sup>19</sup> Rule 5.4 governs the minimum increment for bids and offers for both equity and index options. Pursuant to Rule 5.4, where the price of a series of AAAU options is less than \$3.00 the minimum increment will be \$0.05, and where the price is \$3.00 or higher, the minimum increment will be \$0.10.<sup>20</sup> Any and all new series of AAAU options that the Exchange lists will be consistent and comply with the expirations, strike prices and minimum increments set forth in Rules 4.5 and 5.4, as applicable.

Position and exercise limits for options on ETFs, including options on AAAU, are determined pursuant to Rule 8.30 and Rule 8.32, respectively. Position and exercise limits for ETF options vary according to the number of outstanding shares and the trading volumes of the underlying ETF over the past six months, where the largest in capitalization and the most frequently traded ETFs have an option position and exercise limit of 250,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market; and smaller capitalization ETFs have position and exercise limits of 200,000, 75,000, 50,000 or 25,000 contracts (with adjustments for splits, re-capitalizations, etc.) on the same side of the market.<sup>21</sup> The Exchange further notes that Rule 10.3, which governs margin requirements applicable to the trading of all options on the Exchange, including options on ETFs, will also apply to the trading of AAAU options.

The Exchange represents that the same surveillance procedures applicable to all other options on other Units currently listed and traded on the Exchange will apply to options on AAAU, and that it has the necessary systems capacity to support the new option series. The Exchange believes that its existing surveillance and reporting safeguards are designed to

Rule 4.5(d)(5) specifically sets forth intervals between strike prices on Short Term Option Series.

<sup>16</sup> See Rule 4.5.01(a).

<sup>17</sup> See Rule 4.5.01(b).

<sup>18</sup> See Rule 4.5.04.

<sup>19</sup> The \$5 Strike Program is described within Rule 4.5.01(f).

<sup>20</sup> If options on AAAU are eligible to participate in the Penny Interval Program, the minimum increment will be \$0.01 below \$3.00 and \$0.50 above \$3.00. See also Rule 5.4(d), which governs the requirements for the Penny Interval Program.

<sup>21</sup> Given AAAU volume over the previous six months, the Exchange anticipates that, upon initial listing, AAAU options will fall into the position limit bucket of 75,000 contracts.

deter and detect possible manipulative behavior which might potentially arise from listing and trading ETF options, including AAAU options, as proposed. Also, the Exchange may obtain information from the CME Group New York Mercantile Exchange, Inc. (“NYMEX”) (a member of the Intermarket Surveillance Group) related to any financial instrument that is based, in whole or in part, upon an interest in or performance of gold.

The Exchange has also analyzed its capacity and represents that it believes the Exchange and OPRA have the necessary systems capacity to handle the additional traffic associated with the listing of new series that may result from the introduction of options on AAAU up to the number of expirations currently permissible under the Exchange Rules. Because the proposal is limited to one class, the Exchange believes any additional traffic that may be generated from the introduction of AAAU options will be manageable.

## 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.<sup>22</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>23</sup> 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)<sup>24</sup> 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 that the proposal to list and trade options on AAAU will remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, protect investors because offering options on AAAU will provide

investors with greater opportunity to realize the benefits of utilizing options on a commodity-based ETF, including cost efficiencies and increased hedging strategies. The Exchange believes that offering options on a competitively priced gold-backed commodity ETF will benefit investors by providing them with an additional, relatively lower cost risk management tool allowing them to more easily manage their positions and associated risk in their portfolios in connection with exposure to the price of gold and with gold-related products and positions. Additionally, the Exchange’s offering of AAAU options will provide investors with the ability to transact in such options in a listed market environment as opposed to in the unregulated OTC options market; shifting liquidity from the OTC market onto the Exchange, thus increasing market transparency and enhancing the process of price discovery conducted on the Exchange through increased order flow to the benefit of all investors. The Exchange also notes that it already lists options on other gold-based ETFs, which, as described above, are trusts structured in substantially the same manner as AAAU and essentially offer the same objectives and benefits to investors, and for which the Exchange has not identified any issues with the continued listing and trading of the gold-backed ETF options it currently lists for trading.

The Exchange also believes the proposed rule change will remove impediments to and perfect the mechanism of a free and open market and a national market system, because it is consistent with current Exchange Rules, previously filed with the Commission. Options on AAAU must satisfy the initial listing standards and continued listing standards currently in the Exchange Rules, applicable to options on all Units, including other gold-backed commodity ETFs already deemed appropriate for options trading on the Exchange. AAAU options will trade in the same manner as any other ETF [sic]—the same Exchange Rules that currently govern the listing and trading of all ETF options, including permissible expirations, strike prices and minimum increments, and applicable position and exercise limits and margin requirements, will govern the listing and trading of options on AAAU in the same manner.

The Exchange represents that it has the necessary systems capacity to support the new ETF option series. The Exchange believes that its existing surveillance and reporting safeguards are designed to deter and detect possible manipulative behavior which might

arise from listing and trading ETF options, including AAAU options.

Finally, the Exchange believes that the proposed nonsubstantive rule change to simplify the rule language and update the names of certain ETFs in Rule 4.3.06(a)(4) will protect investors and the public interest by adding clarity to the Rule and making the Rule more accurate, thereby mitigating any potential investor confusion and making the Rule easier to understand.

## 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 AAAU satisfies initial listing standards set forth in the Exchange Rules and options on AAAU will be equally available to all market participants who wish to trade such options. The Exchange Rules currently applicable to the listing and trading of options on Units on the Exchange will apply in the same manner to the listing and trading of all options traded on AAAU. Also, and as stated above, the Exchange already lists options on other gold-based ETFs.

The Exchange does not believe that the proposal to list and trade options on AAAU will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the extent that the advent of AAAU options trading on the Exchange may make the Exchange a more attractive marketplace to market participants at other exchanges, such market participants are free to elect to become market participants on the Exchange. Additionally, other options exchanges are free to amend their listing rules, as applicable, to permit them to list and trade options on AAAU. Additionally, the Exchange notes that listing and trading AAAU options on the Exchange will subject such options to transparent exchange-based rules as well as price discovery and liquidity, as opposed to alternatively trading such options in the OTC market. The Exchange believes that the proposed rule change may relieve any burden on, or otherwise promote, competition as it is designed to increase competition for order flow on the Exchange in a manner that is beneficial to investors by providing them with a lower-cost option to hedge their

<sup>22</sup> 15 U.S.C. 78f(b).

<sup>23</sup> 15 U.S.C. 78f(b)(5).

<sup>24</sup> *Id.*

investment portfolios. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues that offer similar products. Ultimately, the Exchange believes that offering AAAU options for trading on the Exchange will promote competition by providing investors with an additional, relatively low-cost means to hedge their portfolios and meet their investment needs in connection with gold prices and gold-related products and positions on a listed options exchange.

The Exchange does not believe that the proposed nonsubstantive rule change will impose any burden on intramarket or intermarket competition as the proposed rule change is not intended as a competitive change, but merely adds clarity to and provides for more accuracy within the Exchange Rules. The proposed rule change makes no substantive changes to the Exchange Rules, and thus will have no impact on trading on the 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**

Within 45 days of the date of publication of this notice in the **Federal Register** or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be disapproved.

**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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2022-009 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-2022-009. 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-2022-009 and should be submitted on or before April 29, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2022-07465 Filed 4-7-22; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-94592; File No. SR-NASDAQ-2022-027]

**Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing of Proposed Rule Change To Modify Certain Pricing Limitations for Companies Listing in Connection With a Direct Listing With a Capital Raise**

April 4, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 21, 2022, The Nasdaq Stock Market LLC ("Nasdaq" or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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**

The Exchange proposes to modify certain pricing limitations for companies listing in connection with a Direct Listing with a Capital Raise in which the company will sell shares itself in the opening auction on the first day of trading on Nasdaq.

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

**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.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>25</sup> 17 CFR 200.30-3(a)(12).