

permit affiliated Users to immediately enable ERSTP functionality in order to better manage order flow and assist with preventing undesirable executions in the same manner as individual Users who currently enable ERSTP at either the MPID, Exchange Member identifier, or ERSTP Group identifier levels. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change does not raise any new or novel issues. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>27</sup>

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.<sup>28</sup>

#### 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-CboeEDGX-2022-048.

##### *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-CboeEDGX-2022-048. 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-CboeEDGX-2022-048, and should be submitted on or before December 7, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>29</sup>

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2022-24895 Filed 11-15-22; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96281; File No. SR-ISE-2022-18]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Order Granting Approval of a Proposed Rule Change To Amend the Short Term Option Series Program

November 9, 2022.

#### I. Introduction

On September 9, 2022, Nasdaq ISE, LLC ("ISE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to: (1) limit the number of Monday and Wednesday expiration dates for options on SPDR S&P 500 ETF Trust (SPY), the INVECO QQQ Trust<sup>SM</sup>, Series 1 (QQQ), and iShares Russell 2000 ETF (IWM); and (2) permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed

pursuant to the Exchange's short term option series program ("Short Term Options Series Program"). The proposed rule change was published for comment in the **Federal Register** on September 26, 2022.<sup>3</sup> No comments were received. The Commission is approving the proposed rule change.

#### II. Description of the Proposal<sup>4</sup>

The Exchange proposes to amend the Short Term Option Series Program rules to: (1) decrease the number of Monday and Wednesday short term option expiration dates for options on SPY, QQQ, and IWM from five to two expirations; and (2) expand the Short Term Option Series program to permit the listing and trading of options series with Tuesday and Thursday expirations for options on SPY and QQQ listed pursuant to the Short Term Option Series Program, subject to the same proposed limitation of two expirations.

##### *Curtail Short Term Option Expiration Dates and Re-Organize Short Term Option Daily Expiration Rules*

Currently, the Exchange may open for trading on any Tuesday or Wednesday that is a business day series of options on SPY, QQQ, and IWM to expire on any Wednesday of the month that is a business day and is not a Wednesday in which Quarterly Options Series expire ("Wednesday Expirations"). The Exchange also may open for trading on any Friday or Monday that is a business day series of options on the SPY, QQQ, or IWM to expire on any Monday of the month that is a business day and is not a Monday in which Quarterly Options Series expire ("Monday Expirations"), provided that Monday Expirations that are listed on a Friday must be listed at least one business week and one business day prior to the expiration. Currently, the Exchange may list up to five consecutive Wednesday Expirations and five consecutive Monday Expirations on each of SPY, QQQ, and IWM. The Exchange proposes to curtail the number of Short Term Option Expiration Dates from five to two per symbol for Monday Expirations and Wednesday Expirations.

Further, in conjunction with the proposal to add Tuesday and Thursday Expirations (as described below), the Exchange proposes to create a new category of Short Term Options called "Short Term Option Daily Expirations," which will encompass the Monday, Tuesday, Wednesday, and Thursday

<sup>27</sup> 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).

<sup>28</sup> 15 U.S.C. 78s(b)(3)(C).

<sup>29</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 95841 (September 20, 2022), 87 FR 58399 ("Notice").

<sup>4</sup> For a full description of the proposal, refer to the Notice, *supra* note 3.

Expirations. The Exchange proposes to include a table, labelled “Table 1”, within Supplementary Material .03 to Options 4, Section 5 to specify each symbol that qualifies as a Short Term Option Daily Expiration as well the number of expirations for each symbol on each expiration day. The Exchange is also proposing to specify that Monday and Wednesday expirations may not expire on the same day in which monthly options series expire.<sup>5</sup> Finally, the Exchange is amending Supplementary Material .03(b) to Options 4, Section 5, to replace the reference to Monday and Wednesday Expirations with “Short Term Option Daily Expirations,” which would permit Monday, Tuesday, Wednesday, and Thursday Expirations to expire in the same week in which monthly option series on the same class expire.

Short Term Options Series with Friday expirations on SPY, QQQ, IWM, and other symbols will continue to have a total of five Short Term Option Expiration Dates. These Friday expirations would be referred to as “Short Term Option Weekly Expirations” to distinguish them from the proposed Short Term Option Daily Expirations.

#### *Tuesday and Thursday Expirations*

The Exchange proposes to expand the Short Term Option Series Program to permit the Exchange to open for trading on any Monday or Tuesday that is a business day series of options on SPY and QQQ that expire at the close of business on each of the next two Tuesdays that are business days and are not business days in which monthly options series or Quarterly Options Series expire (“Tuesday Expirations”). If the Tuesday Expiration falls on a Tuesday that is not a business day, the series shall expire on the first business day immediately prior to that Tuesday.

Similarly, the proposal would permit the Exchange to open for trading on any Wednesday or Thursday that is a business day series of options on SPY and QQQ that expire at the close of business on each of the next two Thursdays that are business days and are not business days in which monthly options series or Quarterly Options Series expire (“Thursday Expirations”). If the Thursday Expiration falls on a Thursday that is not a business day, the

<sup>5</sup> The Exchange notes that practically speaking, Monday and Wednesday Expirations would not expire on the same day as a monthly expiration. See Notice, *supra* note 3 at 58401. As is currently the case, Monday and Wednesday Expirations may not expire on the same day as a Quarterly Options Series. See Supplementary Material .03 of Options 4, Section 5.

series shall expire on the first business day immediately prior to that Thursday.<sup>6</sup>

Tuesday and Thursday Expirations would be subject to Supplementary Material .03 of Options 4, Section 5, as proposed to be amended. As noted above, the Exchange proposes to amend Commentary .11(b) to Options 4, Section 5 to permit Tuesday Expirations and Thursday Expirations to expire in the same week in which monthly options series on the same class expire. Otherwise, Tuesday Expirations and Thursday Expirations will be subject to the same rules as other Short Term Option Series.<sup>7</sup>

The Exchange does not believe that any market disruptions would be encountered with the introduction of Tuesday and Thursday Expirations.<sup>8</sup> The Exchange believes that it has the necessary capacity and surveillance programs in place to support and properly monitor trading in the proposed Tuesday and Thursday Expirations.<sup>9</sup> The Exchange currently trades Short Term Option Series that expire Monday and Wednesday for SPY, QQQ and IWM and stated that it has not experienced any market disruptions nor issues with capacity.<sup>10</sup>

#### *Implementation*

The Exchange proposes to implement this rule change on or before November 14, 2022. The Exchange would issue an Options Trader Alert to notify Members of the implementation date. The Exchange states that Monday and Wednesday Expirations in SPY, QQQ, and IWM that were listed prior to the date of implementation would continue to be listed on the Exchange until those options expire pursuant to current Short Term Option Series rules within Supplementary Material .03 of Options 4, Section 5.<sup>11</sup>

### **III. Discussion and Commission Findings**

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the

<sup>6</sup> Further, in order to accommodate the listing of Tuesday and Thursday Expirations, the Exchange also proposes to amend the definition of Short Term Options Series at Options 1, Section 1(a)(49) to add Tuesday and Thursdays to the permitted expiration days, which currently only include Monday, Wednesday, and Friday.

<sup>7</sup> For example, the Tuesday Expirations and Thursday Expirations would be subject to the same strike interval rules and series limitations as other Short Term Option Series. See Notice, *supra* note 3, at 58401.

<sup>8</sup> See *id.*

<sup>9</sup> See *id.*

<sup>10</sup> See *id.*

<sup>11</sup> See *id.* at 58403.

Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with Section 6(b) of the Act.<sup>12</sup> The Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>13</sup> which requires, among other things, that a national securities exchange have rules 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. The proposal reduces the number of Short Term Option Expirations to be listed on ISE.<sup>14</sup> This reduction may remove impediments to and perfect the mechanism of a free and open market by encouraging market makers to deploy capital more efficiently and improve displayed market quality. The Exchange stated that it believes that despite the proposed curtailment of expirations, its members would continue to be able to expand hedging tools and tailor their investment and hedging needs more effectively in SPY, QQQ, and IWM.<sup>15</sup> Therefore, the Commission believes that the proposal is reasonably designed to effectuate the Exchange’s goal of balancing a reduction in the number of Short Term Option Expirations with the needs of market participants.

The Exchange’s proposal to permit SPY and QQQ Tuesday and Thursday Expirations may provide the investing public and other market participants more flexibility to closely tailor their investment and hedging decisions in SPY and QQQ options, thus allowing them to better manage their risk exposure. In addition, the Tuesday and Thursday Expirations would be subject to rules similar to existing Exchange rules permitting the listing and trading of Monday and Wednesday Expirations in SPY and QQQ options.<sup>16</sup> Further, the Exchange has represented that it has an adequate surveillance program in place to detect manipulative trading in SPY and QQQ Tuesday and Thursday Expirations and has the necessary

<sup>12</sup> 15 U.S.C. 78f(b). In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> See Notice, *supra* note 3 at 58400.

<sup>15</sup> See *id.* at 58403.

<sup>16</sup> See *id.* at 58400.

systems capacity to support the new options series.<sup>17</sup>

Therefore, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>18</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>19</sup> that the proposed rule change (SR-ISE-2022-18), be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**J. Matthew DeLesDernier**,  
*Deputy Secretary*.

[FR Doc. 2022-24888 Filed 11-15-22; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-96289; File No. SR-NYSEArca-2022-72]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change To Add Violations of Rule 2.1210 to the Exchange's Minor Rule Violation Plan for the Equities and Options Markets

November 9, 2022.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on October 26, 2022, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") 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 Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and approving the proposal on an accelerated basis.

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

The Exchange proposes to (1) add Rule 2.1210 to the list of minor rule violations in Rule 10.9217 for both the equities and options markets, and (2) make certain non-substantive clarifying

changes to Rule 10.9217. The proposed change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), 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 self-regulatory organization 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 those statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

###### 1. Purpose

The Exchange proposes to (1) add Rule 2.1210 (Registration Requirements) to the list of minor rule violations in Rule 10.9217 for both the equities and options markets, and (2) make certain non-substantive clarifying changes to Rule 10.9217.

##### Addition of Rule 2.1210 to the List of Rules Eligible for a Minor Fine

Rule 10.9217 sets forth the list of rules under which a ETP Holder, OTP Holder or OTP Firm or covered person may be subject to a fine under a minor rule violation plan as described in Rule 10.9216(b) for both its equities and options markets.

Rule 2.1210, which was adopted in 2018,<sup>4</sup> sets forth the requirements for persons engaged in the investment banking or securities business of an ETP Holder, OTP Holder or OTP Firm to be registered with the Exchange as a representative or principal in each category of registration appropriate to his or her functions and responsibilities as specified in Rule 2.1220.

The Exchange proposes to add Rule 2.1210 to the list of rules in Rule 10.9217 eligible for disposition pursuant to a minor fine under Rule 10.9216(b). Specifically, the Exchange proposes to

add Rule 2.1210 to Rule 10.9217(g) as new item 13 applicable to both equities and options permit holders. NYSE Arca Rule 2.1210 is substantially similar to Rule 1210 adopted by the Exchange's affiliate New York Stock Exchange LLC ("NYSE") in 2018<sup>5</sup> which is currently eligible for minor rule fines under the NYSE's version of Rule 10.9217.<sup>6</sup> The Exchange believes that having the ability to issue a minor rule fine for failing to comply with the registration requirements of Rule 2.1210 would be consistent with and complement the Exchange's current ability to issue minor rule fines for other registration violations (e.g., Rule 2.24 (Registration—Employees of ETP Holders)). The Exchange further believes that the violations of the registration requirements are particularly suited to minor rule fines because minor fines provide a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations.

The Exchange further proposes to add fine levels for violations of Rule 2.1210 to both the equities and the options fine schedules. First, the Exchange would add proposed first, second and third level fines for violations of Rule 2.1210 to the options fine schedule as proposed Rule 10.9217(h)(iii)(12) of \$1,000 for the first violation, \$2,500 for the second violation and \$3,500 for the third and subsequent violations. The proposed fine levels would be the same as those in the Exchange's current Rule 10.9217(h)(iii)(11) for violations of Rule 2.23. Second, the Exchange would add proposed first, second and third level fines for violations of Rule 2.1210 to the equities fine schedule as proposed Rule 10.9217(i)(2)(12) of \$1,000 for the first violation, \$2,500 for the second violation and \$3,500 for the third and subsequent violations. The proposed fine levels would be the same as those in the Exchange's current Rule 10.9217(i)(2)(11) for violations of Rule 2.24.

The Exchange believes that the proposed change would strengthen the

<sup>5</sup> See Securities Exchange Act Release No. 84336 (October 2, 2018), 83 FR 50727 (October 9, 2018) (SR-NYSE-2018-44) (Notice of Filing and Immediate Effectiveness of Amendments To Rules Regarding Qualification, Registration and Continuing Education Applicable to Members and Member Organizations).

<sup>6</sup> See NYSE Rule 9217. See generally Securities Exchange Act Release No. 87212 (October 3, 2019), 84 FR 54193 (October 9, 2019) (SR-NYSE-2019-44) (Order Granting Approval of a Proposed Rule Change, as Modified by Amendment No. 1, To Add Certain Rules to the List of Minor Rule Violations in Rule 9217, Delete Obsolete Rules, and Increase the Maximum Fine for Minor Rule Violations).

<sup>17</sup> See *id.* at 58401.

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> 15 U.S.C. 78s(b)(2).

<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> See Securities Exchange Act Release No. 84389 (October 10, 2018), 83 FR 52272 (October 16, 2018) (SR-NYSEArca-2018-71) (Notice of Filing and Immediate Effectiveness of Amendments to Rules Regarding Qualification, Registration and Continuing Education Applicable to Equity Trading Permit Holders, Options Trading Permit Holders or OTP Firms).