appropriate to promote fairness in funding the operation and administration of the Board and would achieve a more equitable balance among regulated entities and a more balanced allocation of the expenses of the regulatory activities, systems development, and operational activities undertaken by the MSRB. Because the three fees that are the subject of the proposed rule change (underwriting, transaction and technology fees) are the primary drivers for the MSRB's reserves, the Board believes that it is appropriate to temporarily reduce these fees for the designated period.

The MSRB does not believe that the proposed rule change would result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as it would temporarily decrease the underwriting, transaction and technology fees by the same percentage for all dealers subject

to these fees.

The MSRB believes that the proposed rule change would not impose an unnecessary or inappropriate regulatory burden on small regulated entities, as smaller dealers would benefit from the temporary fee reduction in the same proportion as larger dealers in relation to the assessible activity during the relevant period.

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

The Board did not solicit comment on the proposed rule change. Therefore, there are no comments on the proposed rule change received from members, participants or others.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act ²¹ and Rule 19b–4(f)(2) ²² thereunder. 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.

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–MSRB–2019–06 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-MSRB-2019-06. 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 MSRB. 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-MSRB-2019-06 and should be submitted on or before April 18,

For the Commission, pursuant to delegated authority. $^{\rm 23}$

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2019–05924 Filed 3–27–19; $8{:}45~\mathrm{am}]$

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85396; File No. SR-ISE-2019-07]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Market Maker Plus Program

March 22, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b–4 thereunder,² notice is hereby given that on March 11, 2019, Nasdaq ISE, LLC ("ISE" or "Exchange") 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 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 amend the Market Maker Plus program under Options 7, Section 3.

The text of the proposed rule change is available on the Exchange's website at http://ise.cchwallstreet.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 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 purpose of the proposed rule change is to amend the Exchange's Market Maker Plus program, as described in detail below.

²¹ 15 U.S.C. 78s(b)(3)(A)(ii).

²² 17 CFR 240.19b-4(f)(2).

^{23 17} CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

As set forth in Section 3 of the Pricing Schedule, the Exchange operates a Market Maker Plus program for regular orders in Select Symbols 3 where Market Makers 4 that contribute to market quality by maintaining tight markets are eligible for enhanced rebates. Market Makers are evaluated each trading day for the percentage of time spent on the National Best Bid or National Best Offer ("NBBO") for qualifying series that expire in two successive thirty calendar day periods beginning on that trading day. A Market Maker Plus is a Market Maker who is on the NBBO a specified percentage of the time on average for the month based on daily performance in the qualifying series for each of the two successive periods described above. Qualifying series are series trading

between \$0.03 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock's previous trading day's last sale price was greater than \$100) in premium. If a Market Maker would qualify for a different Market Maker Plus tier in each of the two successive periods described above, then the lower of the two Market Maker Plus tier rebates shall apply to all contracts.⁵ These general qualification requirements will remain unchanged with the amendments to the applicable Market Maker Plus rebates described in this proposed rule change.

Market Maker orders in Select Symbols are charged a maker fee of \$0.11 per contract; ⁶ provided that Market Makers that qualify for Market Maker Plus will not pay this fee if they meet the applicable tier thresholds set forth in the table below, and will instead receive the below maker rebates based on the applicable tier for which they qualify.⁷

SELECT SYMBOLS OTHER THAN SPY, QQQ, AND IWM

Market Maker Plus tier (specified percentage)	Maker rebate
Tier 1 (80% to less than 85%)	(\$0.15)
95%)	(0.18) (0.22)

SPY, QQQ, AND IWM

Market Maker Plus tier (specified percentage)	Regular Maker rebate	Linked Maker rebate ⁸
Tier 1 (70% to less than 80%)	(\$0.00)	N/A
Tier 2 (80% to less than 85%)	(0.18)	(0.15)
Tier 3 (85% to less than 90%)	(0.22)	(0.19)
Tier 4 (90% or greater)	(0.26)	(0.23)

The Exchange now proposes to introduce a separate rebate program for Market Makers that achieve Market Maker Plus in options overlying symbols AMZN, FB, or NVDA in order to promote and encourage liquidity in those particular Select Symbols.⁹ Specifically, Market Makers that achieve Market Maker Plus Tiers 1–3 as proposed below for executions in AMZN, FB, or NVDA will receive the following maker rebates:

Market Maker Plus tier (specified percentage)	Maker rebate
Tier 1 (70% to less than 85%)	(\$0.15)
Tier 2 (85% to less than 95%)	(0.18)

³ "Select Symbols" are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program.

Market Maker Plus tier (specified percentage)	Maker rebate
Tier 3 (95% or greater)	(0.22)

The proposed rebates for AMZN, FB, and NVDA are the same as the rebates currently provided for Select Symbols (other than SPY, QQQ, and IWM), except that the proposal lowers the minimum qualification in Tier 1 from 80% to 70% for AMZN, FB, and NVDA.

In addition, the Exchange proposes to "link" the benefits associated with the Market Maker's performance in AMZN, FB, and NVDA such that the proposed Tiers 1–3 maker rebates will apply to executions in AMZN, FB, or NVDA if the Market Maker does not achieve the applicable tier in that symbol, but

achieves the tier (i.e., proposed Tiers 1-3) for any badge/suffix combination in the other two symbols. Once the applicable tier—any of proposed Tiers 1, 2 or 3—is achieved for two out of the three symbols AMZN, FB, or NVDA, the Market Maker will be eligible for a maker rebate in the third symbol, which will be provided in addition to the maker rebate for the applicable tier achieved in the other two symbols. If a Market Maker would qualify for different Market Maker Plus Tiers 1-3 in the two symbols, then the lower of the two maker rebates will be applied to the third symbol. Thus, for example, if a Market Maker achieves Tier 1 in AMZN and Tier 2 in FB, the Market Maker would receive the Tier 1 maker rebate in NVDA (\$0.15 per contract), Tier 1

rebate in a linked symbol in addition to the regular maker rebate for the applicable tier. The linked maker rebate applies to executions in SPY, QQQ, and IWM if the Market Maker does not achieve the applicable tier in that symbol but achieves the tier (i.e., any of the Market Maker Plus Tiers 2-4) for any badge/suffix combination in the other linked symbol, in which case the higher tier achieved applies to both symbols. If a Market Maker would qualify for a linked maker rebate in SPY based on the tier achieved in QQQ and the tier achieved in IWM, then the higher of the two linked maker rebates will be applied to SPY. The regular maker rebate will be provided in the symbol that qualifies the Market Maker for the higher tier based on percentage of time at the NBBO.

⁹ Qualifying Market Makers will continue to receive the maker rebates described above in products other than AMZN, FB, and NVDA.

⁴ The term "Market Makers" refers to "Competitive Market Makers" and "Primary Market Makers" collectively. *See* ISE Rule 100(a)(32).

⁵ Market Makers may enter quotes in a symbol using one or more unique, exchange assigned identifiers—i.e., badge/suffix combinations. Market Maker Plus status is calculated independently based on quotes entered in a symbol for each of the Market Maker's badge/suffix combinations, and the highest tier achieved for any badge/suffix combination quoting that symbol applies to executions across all badge/suffix combinations that the member uses to trade in that symbol. A Market Maker's worst quoting day each month for each of the two successive periods described above, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate.

⁶This fee also applies to Market Maker orders sent to the Exchange by Electronic Access Members.

⁷ A \$0.15 per contract fee applies instead of the applicable fee or rebate when trading against Priority Customer complex orders that leg into the regular order book. There will be no fee charged or rebate provided when trading against non-Priority Customer complex orders that leg into the regular order book.

⁸To encourage Market Makers to maintain quality markets in SPY, QQQ, and IWM in particular, members that maintain tight markets in those symbols are eligible for higher regular maker rebates and may also be eligible for linked maker rebates, as shown in the table above. Specifically, the following symbols are linked for purposes of the linked maker rebate: (1) SPY and QQQ, and (2) SPY and IWM. Market Makers that qualify for Market Maker Plus Tiers 2–4 above for executions in SPY, QQQ, and IWM may be eligible for a linked maker

maker rebate in AMZN (\$0.15 per contract), and Tier 2 maker rebate in FB (\$0.18 per contract). The Exchange notes that this rebate will be provided in the third symbol regardless of time at the NBBO (i.e., there is no minimum tier threshold to be met in the third symbol for the "linked" maker rebate). As such, if all three symbols separately achieve any of Market Maker Plus Tiers 1-3, the symbol that achieves the tier with the lowest maker rebate will instead receive the same maker rebate as the symbol that achieved the next lowest tier. For example, if a Market Maker achieves Tier 1 in AMZN, Tier 2 in FB, and Tier 3 in NVDA, the Market Maker would receive the \$0.18 per contract "linked" Tier 2 maker rebate in AMZN based on their FB performance, the \$0.18 per contract Tier 2 maker rebate in FB, and the \$0.22 per contract Tier 3 maker rebate in NVDA.

Because the Exchange is introducing a separate rebate program for AMZN, FB, and NVDA, the associated rebate table heading for Select Symbols other than SPY, QQQ, and IWM will be expanded to include AMZN, FB, and NVDA under this proposal.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act, ¹⁰ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act, ¹¹ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is reasonable and equitable to offer special rebates for Market Makers that achieve Market Maker Plus in AMZN, FB or NVDA. As proposed, Market Makers would receive the same tiered rebates in those three symbols as the tiered rebates provided in Select Symbols other than SPY, QQQ, and IWM (i.e., \$0.15, \$0.18, and \$0.22 per contract). Furthermore, the proposal lowers the minimum qualification in Tier 1 for percentage of time spent quoting at the NBBO to 70% less than 85% for AMZN, FB, and NVDA (as opposed to 80% to less than 85% for Select Symbols other than SPY, QQQ, and IWM). The proposed rule change will therefore allow Market Makers that would not qualify for Market Maker Plus in AMZN, FB, or NVDA today to qualify for the \$0.15 per contract maker rebate based on a time at

In addition, the proposal links the benefits associated with the Market Maker's performance in AMZN, FB, and NVDA so that the Market Maker would be able to receive a maker rebate in any of those symbols by meeting the requirements of Market Maker Plus Tiers 1–3 in the other two, as further described above. Accordingly, the Exchange believes that Market Makers would be incentivized by the ability to earn this linked rebate, in addition to the applicable tiered rebates provided in the other two symbols, to maintain quality markets in those three symbols on ISE.

The Market Maker Plus program is designed to attract liquidity from Market Makers and provide incentives for those Market Makers to maintain tight markets, measured by time spent quoting at the NBBO. For the reasons discussed above, the Exchange believes that the proposed rule change has the potential to further benefit market quality by encouraging Market Makers to maintain tight markets in AMZN, FB, and NVDA, which are highly active symbols within the industry, thereby creating a more active and liquid market for options traded on the Exchange. Furthermore, the Exchange believes that these three symbols have significant interest amongst retail options investors, as the underlying stocks themselves are high-priced with each currently priced above \$150 per share. The proposed pricing incentive for Market Makers is therefore meant to encourage more trading activity on the Exchange amongst all market participant types by encouraging Market Makers to maintain tight markets in these symbols.

The Exchange also believes that the proposed changes are not unfairly discriminatory as all Market Makers can qualify for the same rebates based on achieving the appropriate tier of Market Maker Plus in AMZN, FB, and NVDA. Furthermore, the Exchange continues to believe that it is not unfairly discriminatory to offer these rebates only to Market Makers because Market Makers, and in particular, those Market Makers that achieve Market Maker Plus status, are subject to additional requirements and obligations (such as quoting requirements) that other market participants are not.

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 not necessary or appropriate in furtherance of the purposes of the Act. The

proposed changes to Market Maker Plus to introduce a separate rebate program for AMZN, FB, and NVDA are designed to increase competition by encouraging Market Makers to provide liquidity and maintain tight markets in these high volume symbols on ISE. The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act, 12 and Rule 19b-4(f)(2) 13 thereunder. 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 should be approved or 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. Please include File Number SR–ISE–2019–07 on the subject line.

the NBBO of at least 70% of the time pursuant to proposed Tier 1.

^{12 15} U.S.C. 78s(b)(3)(A)(ii).

^{13 17} CFR 240.19b-4(f)(2).

¹⁰ 15 U.S.C. 78f(b).

^{11 15} U.S.C. 78f(b)(4) and (5).

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-ISE-2019-07. 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-ISE-2019-07 and should be submitted on or before April 18, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 14

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2019-05922 Filed 3-27-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85397; File No. SR-PEARL-2019-04]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 507, Must Give Up Clearing Member, and Rule 513, Submission of Orders and Clearance of Transactions

March 22, 2019.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") ¹ and Rule 19b–4 thereunder, ² notice is hereby given that on March 11, 2019, MIAX PEARL, LLC ("MIAX PEARL" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 is filing a proposal to amend Rule 507, Must Give Up Clearing Member, and Rule 513, Submission of Orders and Clearance of Transactions, in order to codify the requirement that for each transaction in which a Member ³ participates, the Member may indicate the name of any Clearing Member 4 through which the transaction will be cleared ("Give Up"), and to establish a new "Opt In" process by which a Clearing Member can restrict one or more of its OCC numbers and thereafter designate certain Members as authorized to Give Up a restricted clearing number.

The text of the proposed rule change is available on the Exchange's website at http://www.miaxoptions.com/rule-filings/pearl at MIAX PEARL's principal office, 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 its requirements in MIAX PEARL Rule 507 and Rule 513, related to the give up of a Clearing Member by a Member on Exchange transactions. By way of background, to enter transactions on the Exchange, a Member must either be a Clearing Member or must have a Clearing Member agree to accept financial responsibility for all of its transactions. Additionally, Rule 507 currently provides that when a Member executes a transaction on the Exchange, it must give up the name of a Clearing Member (the "Give Up") through which the transaction will be cleared (i.e., "give up"). The Exchange believes that this proposal would result in the fair and reasonable use of resources by both the Exchange and the Member. In addition, the proposed change would align the Exchange with competing options exchanges that have proposed rules consistent with this proposal.⁵

Recently, certain Clearing Members, in conjunction with the Securities Industry and Financial Markets Association ("SIFMA"), expressed concerns related to the process by which executing brokers on U.S. options

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

⁴ The term "Clearing Member" means a Member that has been admitted to membership in the Clearing Corporation pursuant to the provisions of the rules of the Clearing Corporation. See Exchange

⁵ See Securities Exchange Act Release No. 84624 (November 19, 2018), 83 FR 60547 (November 26, 2018) (SR-Phlx-2018-72) (Notice of Filing of Proposed Rule Change to Establish Rules Governing the Give Up of a Clearing Member by a Member Organization on Exchange Transactions). See also Securities Exchange Act Release No. 84981 (January 9, 2019), 84 FR 837 (January 31, 2019) (SR-Phlx-2018-72) (Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Establish Rules Governing the Give Up of a Clearing Member by a Member Organization on Exchange Transactions). See also Securities Exchange Act Release No. 85136 (February 14, 2019) (SR-Phlx-2018-72)(Order Approving a Proposed Rule Change to Establish Rules Governing the Give Up of a Clearing Member by a Member Organization on Exchange Transactions).

^{14 17} CFR 200.30-3(a)(12).