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–NYSEARCA–2020–108 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–NYSEARCA–2020–108. 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–NYSEARCA–2020–108, and should be submitted on or before January 13, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–28314 Filed 12–22–20; 8:45 am]

BILLING CODE 8011–01–P

[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90697; File No. SR–NASDAQ–2020–089]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To No Longer Implement the OTTO Protocol

December 17, 2020.

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 December 15, 2020, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III 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 remove the protocol ''Ouch to Trade Options'' or ''OTTO'' from The Nasdaq Options Market LLC (''NOM'') Rulebook. The Exchange previously delayed its implementation of the OTTO protocol; the Exchange will no longer implement the OTTO protocol.

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.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

1. Purpose

NOM's proposal seeks to remove the protocol ''Ouch to Trade Options'' or ''OTTO'' from The Nasdaq Options Market LLC (''NOM'') Rulebook. The Exchange previously delayed its implementation of the OTTO protocol; the Exchange will no longer implement the OTTO protocol.

Background

Nasdaq filed a rule change[3] which adopted a new protocol ''Ouch to Trade Options'' or ''OTTO''[4] and proposed to rename and modify the current OTTO protocol as ''Quote Using Orders'' or ''QUO.''[5] The Exchange subsequently filed a rule change to amend Options 3, Section 18, titled ''Detection of Loss of Communication'' which describes the impact to NOM protocols in the event of a loss of a communication. The Exchange accounted for both the new OTTO and renamed and modified QUO within this rule. Similarly, the Exchange amended Options 3, Section 8, ''Nasdaq Opening and Halt Cross'' to account for the new OTTO and renamed and modified QUO within this rule. Finally, the Exchange amended Options 3, Section 23, ''Data Feeds and Trade Information'' to amend ''OTTO DROP'' to ''QUO DROP'' and noted within Options 3, Section 15(a)(1) related to Order Price Protection rule or ''OPP''

[3] *See* Securities Exchange Act Release No. 83888 (August 20, 2018), 83 FR 42954 (August 24, 2018) (SR–NASDAQ–2018–069) (''Prior Rule Change''). In the Prior Rule Change the Exchange stated that it would issue an Options Trader Alert introducing the new OTTO protocol in Q4 of 2018. The rule numbers were amended in 2019 when the Rulebook was relocated. *See* Securities Exchange Act Release No. 87778 (December 17, 2019), 84 FR 70590 (December 23, 2019) (SR–NASDAQ–2019–098).

[4] As modified by the Prior Rule Change, OTTO is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders to and from the Exchange. Features include the following: (1) Options symbol directory messages (*e.g.,* underlying); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. *See* NOM Rules at Options 3, Section 7(d)(1)(C).

[5] QUO is an interface that allows NOM Market Makers to connect, send, and receive messages related to single-sided orders to and from the Exchange. Order Features include the following: (1) Options symbol directory messages (*e.g.,* underlying); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) order messages; and (6) risk protection triggers and cancel notifications. Orders submitted by NOM Market Makers over this interface are treated as quotes. *See* Options 3, Section 7(d)(1)(D).

that OPP shall not apply to orders entered through QUO.[6]

Both the Prior Rule Change and the Subsequent Rule Change indicated the aforementioned rule changes would be implemented for QUO and OTTO in Q4 of 2018 with the date announced via an Options Traders Alert. The Exchange filed a rule change implementing QUO and delaying the introduction of the OTTO functionality until Q3 2019 by announcing the date of implementation via an Options Traders Alert.[7] The Exchange further delayed the implementation of OTTO functionality until Q3 2019 and then Q2 2020, respectively.[8] The last rule change filed with the Commission delayed the implementation of OTTO functionality until Q2 2021 due to market events.[9]

Proposal

At this time, NOM has determined not to implement the OTTO protocol and proposes to remove references to the OTTO protocol within its Rulebook. As noted above, the Exchange delayed the introduction of the OTTO functionality initially until Q3 2019.[10] The Exchange then further delayed the implementation of OTTO functionality until Q3 2019 and then Q2 2020, respectively.[11] There were not a material amount of non-Market Makers interested in the risk enhancements or the OTTO protocol after the first two delays. The last rule change filed with the Commission delayed the implementation of OTTO functionality until Q2 2021 due to market events.[12] Nasdaq was considering enhancing OTTO features to provide Participants with other capabilities that are currently not offered with OTTO, in the area of risk enhancements.[13] Nasdaq has discussed certain enhancements with Participants. The Exchange notes that it did not have a large number of Participants interested in the enhancements it was considering.

There are differences as between the current order entry FIX offering and the delayed OTTO offering. The OTTO offering included options symbol directory messages (*e.g.,* underlying); system event messages (*e.g.,* start of trading hours messages and start of opening); and trading action messages (*e.g.,* halts and resumes). The options symbol directory messages,[14] system event messages and trading action messages may also be obtained through market data feeds offered by the Exchange.[15] Also, OTTO would not offer the ability to route, unlike FIX which does offer the ability to route orders.

The Exchange notes that other Nasdaq markets offer only one order entry protocol.[16] Both Phlx and BX offer only one quoting protocol, SQF, on those markets.

At this time, in light of conversations with Participants, Nasdaq proposes to remove the OTTO protocol from its Rulebook and not implement this protocol. NOM will continue to offer QUO, in addition to its FIX[17] and SQF[18] protocols. The Exchange proposes to make conforming changes to the Rulebook to eliminate references to OTTO.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,[19] in general, and furthers the objectives of Section 6(b)(5) of the Act,[20] in particular, in that it is designed to promote just and equitable principles of trade, 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. While the Exchange will no longer implement the OTTO functionality, it will continue to offer the FIX, QUO, and SQF protocols on NOM.

As noted above, the Exchange delayed the introduction of the OTTO functionality initially until Q3 2019.[21] The Exchange then further delayed the implementation of OTTO functionality until Q3 2019 and then Q2 2020, respectively.[22] There were not a material amount of non-Market Makers interested in the risk enhancements or the OTTO protocol after the first two delays. The last rule change filed with the Commission delayed the implementation of OTTO functionality until Q2 2021 due to market events.[23] Nasdaq was considering enhancing OTTO features to provide Participants with other capabilities that are currently not offered with OTTO, in the area of

[6] *See* Securities Exchange Act Release No. 84559 (November 9, 2018), 83 FR 57774 (November 16, 2018) (SR–NASDAQ–2018–085) (''Subsequent Rule Change'').

[7] *See* Securities Exchange Act Release No. 84723 (December 4, 2018), 83 FR 63692 (December 11, 2018) (SR–NASDAQ–2018–097). The Exchange proposed to immediately implement QUO as of the effectiveness of SR–NASDAQ–2018–097 and delay the implementation of OTTO by issuing an Options Trader Alert announcing the implementation date in Q1 2019. The QUO implementation became effective upon filing on November 26, 2018.

[8] *See* Securities Exchange Act Release Nos. 85386 (March 21, 2019), 84 FR 11597 (March 27, 2019) (SR–NASDAQ–2019–016); and 87160 (September 30, 2019), 84 FR 53186 (October 4, 2019) (SR–NASDAQ–2019–078).

[9] *See* Securities Exchange Act Release Nos. 89077 (June 16, 2020), 85 FR 37486 (June 22, 2020) (SR–NASDAQ–2020–031).

[10] *See* Securities Exchange Act Release No. 84723 (December 4, 2018), 83 FR 63692 (December 11, 2018) (SR–NASDAQ–2018–097). The Exchange proposed to immediately implement QUO as of the effectiveness of SR–NASDAQ–2018–097 and delay the implementation of OTTO by issuing an Options Trader Alert announcing the implementation date in Q1 2019. The QUO implementation became effective upon filing on November 26, 2018.

[11] *See* Securities Exchange Act Release Nos. 85386 (March 21, 2019), 84 FR 11597 (March 27, 2019) (SR–NASDAQ–2019–016); and 87160 (September 30, 2019), 84 FR 53186 (October 4, 2019) (SR–NASDAQ–2019–078).

[12] *See* Securities Exchange Act Release Nos. 89077 (June 16, 2020), 85 FR 37486 (June 22, 2020) (SR–NASDAQ–2020–031).

[13] Of those firms interested in the OTTO protocol in 2018, a very low number of firms were non-market making firms. As noted in the Prior Rule Change, the former OTTO protocol was predominately utilized by NOM Market Makers.

[14] Further, FIX permits Participants to define their orders utilizing industry-wide canonical information (*e.g.* underlying, put/call and strike information) as compared to OTTO which would require a Participant to read symbol directory messages and send orders with Exchange specific instrument IDs.

[15] *See* Options 3, Section 23 for descriptions of the Nasdaq ITCH to Trade Options (''ITTO'') and Best of Nasdaq Options (''BONO'') data feeds. System event messages (*e.g.,* start of trading hours messages and start of opening); and trading action messages (*e.g.,* halts and resumes) are available on both of these data feeds.

[16] Nasdaq Phlx LLC (''Phlx'') and Nasdaq BX, Inc. (''BX'') only offer the FIX protocol for order entry.

[17] ''Financial Information eXchange'' or ''FIX'' is an interface that allows Participants and their Sponsored Customers to connect, send, and receive messages related to orders to and from the Exchange. Features include the following: (1) Execution messages; (2) order messages; and (3) risk protection triggers and cancel notifications. *See* Options 3, Section 7(d)(1)(A).

[18] ''Specialized Quote Feed'' or ''SQF'' is an interface that allows Market Makers to connect, send, and receive messages related to quotes and Immediate-or- Cancel Orders into and from the Exchange. Features include the following: (1) Options symbol directory messages (e.g underlying instruments); (2) system event messages (*e.g.,* start of trading hours messages and start of opening); (3) trading action messages (*e.g.,* halts and resumes); (4) execution messages; (5) quote messages; (6) Immediate-or-Cancel Order messages; (7) risk protection triggers and purge notifications; and (8) opening imbalance messages. The SQF Purge Interface only receives and notifies of purge request from the Market Maker. Market Makers may only enter interest into SQF in their assigned options series. *See* Options 3, Section 7(d)(1)(B).

[19] 15 U.S.C. 78f(b).

[20] 15 U.S.C. 78f(b)(5).

[21] *See* Securities Exchange Act Release No. 84723 (December 4, 2018), 83 FR 63692 (December 11, 2018) (SR–NASDAQ–2018–097). The Exchange proposed to immediately implement QUO as of the effectiveness of SR–NASDAQ–2018–097 and delay the implementation of OTTO by issuing an Options Trader Alert announcing the implementation date in Q1 2019. The QUO implementation became effective upon filing on November 26, 2018.

[22] *See* Securities Exchange Act Release Nos. 85386 (March 21, 2019), 84 FR 11597 (March 27, 2019) (SR–NASDAQ–2019–016); and 87160 (September 30, 2019), 84 FR 53186 (October 4, 2019) (SR–NASDAQ–2019–078).

[23] *See* Securities Exchange Act Release Nos. 89077 (June 16, 2020), 85 FR 37486 (June 22, 2020) (SR–NASDAQ–2020–031).

risk enhancements.[24] Nasdaq has discussed certain enhancements with Participants.[25] The Exchange notes that it did not have a large number of Participants interested in the enhancements it was considering. At this time, in light of conversations with Participants, Nasdaq proposes to remove the OTTO protocol from its Rulebook and not implement this protocol.

As noted in the Prior Rule Change, the former OTTO protocol was predominately utilized by NOM Market Makers. NOM Market Makers may elect to utilize either the SQF or QUO[26] quoting protocols to quote on NOM. NOM Market Makers may enter orders to the extent they do not exceed 25 percent of the total number of all contracts executed by the Market Maker in any calendar quarter in options in which the NOM Market Maker is not registered as a Market Maker.[27] As Market Makers primarily make markets on NOM, utilizing the quoting protocols, the FIX offering is primarily utilized for non-market making activities by NOM Market Makers. Further, all NOM Participants have utilized FIX since the inception of NOM to enter orders. The differences as between the current order entry FIX offering and the delayed OTTO offering are not impactful in that the options symbol directory messages (*e.g.,* underlying);[28] system event messages (*e.g.,* start of trading hours messages and start of opening); and trading action messages (*e.g.,* halts and resumes) may also be obtained through market data feeds offered by the Exchange.[29] Today, NOM Participants subscribe to the market data feeds to obtain order book information. Finally, unlike FIX, OTTO would not offer the ability to route to away markets. The Exchange notes that other Nasdaq markets offer only one order entry protocol.[30] Both Phlx and BX offer only one quoting protocol, SQF, on those markets.

Nasdaq will continue its conversations with Participants to understand Participant needs so that it may continue to consider changes to protocols offered on NOM in the future.

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. With this proposal, the Exchange will not implement the OTTO protocol to any NOM Participant. Any Participant may utilize the FIX protocol for order entry on NOM. The Exchange does not believe the proposal imposes an undue burden on intra-market competition. There were not a material amount of non-Market Makers interested in the risk enhancements or the OTTO protocol after the first two delays.

As noted in the Prior Rule Change, the former OTTO protocol was predominately utilized by NOM Market Makers. Non-Market Makers could have elected to utilize OTTO, however it would not offer routing capabilities. While NOM Market Makers may elect to utilize either the SQF or the QUO[31] quoting protocol, non-Market Makers must utilize the FIX protocol. NOM Market Makers, unlike other market participants, are required to provide liquidity to the market and are subject to certain obligations,[32] including a requirement to provide continuous two-sided quotes on a daily basis.[33] Providing multiple protocols for NOM Market Makers to provide liquidity on NOM benefits all market participants through the quality of order interaction.

The Exchange does not believe the proposal imposes an undue burden on inter-market competition because the protocols described herein permit market participants to enter quotes and orders on NOM. Other options exchanges may similarly develop protocols specific to order and quote entry on their markets which are similar to the offerings on NOM. The Exchange notes that other Nasdaq markets offer only one order entry protocol.[34] Both Phlx and BX offer only one quoting protocol, SQF, on those markets. Further, today, all options markets utilize the FIX protocol for order entry.

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

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 19(b)(3)(A)(iii) of the Act[35] and subparagraph (f)(6) of Rule 19b–4 thereunder.[36]

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 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–NASDAQ–2020–089 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–NASDAQ–2020–089.* This

[24] Of those firms interested in the OTTO protocol in 2018, a very low number of firms were non-market making firms. As noted in the Prior Rule Change, the former OTTO protocol was predominately utilized by NOM Market Makers.

[25] The Exchange notes that it did not have a large number of Participants interested in the enhancements it was considering.

[26] Orders that NOM Market Makers send through QUO count toward market maker quoting obligations.

[27] *See* Options 2, Section 6(b).

[28] Further, FIX permits Participants to define their orders utilizing industry-wide canonical information (*e.g.* underlying, put/call and strike information) as compared to OTTO which would require a Participant to read symbol directory messages and send orders with Exchange specific instrument IDs.

[29] *See* Options 3, Section 23 for descriptions of the ITTO and BONO data feeds.

[30] *See* note 16 above.

[31] Orders that NOM Market Makers send through QUO count toward market maker quoting obligations.

[32] *See* Options 2, Section 4.

[33] *See* Options 2, Section 5.

[34] *See* note 16 above.

[35] 15 U.S.C. 78s(b)(3)(A)(iii).

[36] 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.

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–NASDAQ–2020–089 and should be submitted on or before January 13, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[37]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–28304 Filed 12–22–20; 8:45 am]

BILLING CODE 0811–01–P

[37] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–90706; File No. SR–NYSE–2020–100]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rule 6800 Series

December 17, 2020.

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 December 4, 2020, New York Stock Exchange LLC (''NYSE'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III 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.

[1] 15 U.S.C. 78a.

[2] 17 CFR 240.19b–4.

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

The Exchange proposes to amend the Rule 6800 Series, the Exchange's compliance rule (''Compliance Rule'') regarding the National Market System Plan Governing the Consolidated Audit Trail (the ''CAT NMS Plan'' or ''Plan'')[3] to be consistent with a conditional exemption granted by the Commission from certain allocation reporting requirements set forth in Sections 6.4(d)(ii)(A)(1) and (2) of the CAT NMS Plan (''Allocation Exemption'').[4] The proposed rule change is available on the Exchange's website at *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 IV 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 purpose of this proposed rule change is to amend the Rule 6800 Series to be consistent with the Allocation Exemption. The Commission granted the relief conditioned upon the Participants' adoption of Compliance Rules that implement the alternative approach to reporting allocations to the Central Repository described in the Allocation Exemption (referred to as the ''Allocation Alternative'').

[3] Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the Compliance Rule.

[4] *See* Securities Exchange Act Rel. No. 90223 (October 19, 2020), 85 FR 67576 (October 23, 2020) (''Allocation Exemptive Order'').

(1) Request for Exemptive Relief

Pursuant to Section 6.4(d)(ii)(A) of the CAT NMS Plan, each Participant must, through its Compliance Rule, require its Industry Members to record and report to the Central Repository, if the order is executed, in whole or in part: (1) An Allocation Report;[5] (2) the SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable; and the (3) CAT-Order-ID of any contra-side order(s). Accordingly, the Exchange and the other Participants implemented Compliance Rules that require their Industry Members that are executing brokers to submit to the Central Repository, among other things, Allocation Reports and the SRO-Assigned Market Participant Identifier of the clearing broker or prime broker, if applicable.

On August 27, 2020, the Participants submitted to the Commission a request for an exemption from certain allocation reporting requirements set forth in Sections 6.4(d)(ii)(A)(1) and (2) of the CAT NMS Plan (''Exemption Request'').[6] In the Exemption Request, the Participants requested that they be permitted to implement the Allocation Alternative, which, as noted above, is an alternative approach to reporting allocations to the Central Repository. Under the Allocation Alternative, any Industry Member that performs an allocation to a client account would be required under the Compliance Rule to submit an Allocation Report to the Central Repository when shares/contracts are allocated to a client account regardless of whether the Industry Member was involved in executing the underlying order(s). Under the Allocation Alternative, a ''client account'' would be any account that is not owned or controlled by the Industry Member.

In addition, under the Allocation Alternative, an ''Allocation'' would be defined as: (1) The placement of shares/contracts into the same account for

[5] Section 1.1 of the CAT NMS Plan defines an ''Allocation Report'' as ''a report made to the Central Repository by an Industry Member that identifies the Firm Designated ID for any account(s), including subaccount(s), to which executed shares are allocated and provides the security that has been allocated, the identifier of the firm reporting the allocation, the price per share of shares allocated, the side of shares allocated, the number of shares allocated to each account, and the time of the allocation; provided for the avoidance of doubt, any such Allocation Report shall not be required to be linked to particular orders or executions.''

[6] *See* letter from the Participants to Vanessa Countryman, Secretary, Commission, dated August 27, 2020 (the ''Exemption Request'').