

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 23	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2020 - * 052	Amendment No. (req. for Amendments *)
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Filing by Cboe EDGX Exchange, Inc.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

The Exchange proposes to make certain changes to Rule 14.10, Requirements for Securities Issued by the Exchange or its Affiliates.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Kyle Last Name \* Murray

Title \* VP, Associate General Counsel

E-mail \* kmurray@cboe.com

Telephone \* (913) 815-7121 Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 10/28/2020

By Kyle Murray

VP, Associate General Counsel

kmurray@cboe.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Cboe EDGX Exchange, Inc. (the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) this proposal to make certain changes to Rule 14.10, Requirements for Securities Issued by the Exchange or its Affiliates. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>3</sup>

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

(a) The Exchange’s President (or designee) pursuant to delegated authority approved the proposed rule change on October 21, 2020.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel and Corporate Secretary, (312) 786-7467, or Kyle Murray, Vice President, Associate General Counsel, (913) 815-7121.

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

(a) Purpose

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

The Exchange proposes to amend Rule 14.10 (Requirements for Securities Issued by the Exchange or its Affiliates) regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates. The Exchange notes that the changes proposed herein are substantively identical to changes adopted on Cboe BZX Exchange, Inc. (“BZX”).<sup>4</sup>

Rule 14.10 sets forth certain monitoring requirements that must be met throughout the continued listing and trading of securities issued by the Exchange or its affiliates. More specifically, Rule 14.10(b) and (c) provide that:

- throughout the continued listing and trading of an Affiliate Security<sup>5</sup> on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee (“ROC”) of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the Affiliate Security’s compliance with the Exchange’s listing standards (the “Quarterly Listing Report”);
- once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements (“Annual Report”), and a copy of the Annual Report shall be forwarded promptly to the ROC; and

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<sup>4</sup> See Securities Exchange Act Release No. 86623 (August 9, 2019) 84 FR 41771 (August 15, 2019) (SR-CboeBZX-2019-073) (the “BZX Filing”).

<sup>5</sup> As defined in Rule 14.10(a)(2), the term “Affiliate Security” means any security issued by a EDGX Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 14.8(d) and Investment Company Units as defined in Rule 14.2.

- throughout the trading of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange's Board of Directors that describes the Exchange's monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security's compliance with the Exchange's listing and trading rules (the "Quarterly Trading Report" and, collectively with the Quarterly Listing Report, the "Quarterly Reports").

Rule 14.10(d) requires that a copy of all Quarterly Reports and Annual Reports will be forwarded promptly to the Commission.

The Exchange proposes to amend Rule 14.10(d) to remove the requirement that copies of the Quarterly Reports and Annual Reports be forwarded to the Commission and instead providing that the Exchange will forward a copy of the Quarterly Reports and/or Annual Reports to the Commission upon request.

Finally, the Exchange is proposing to make clear that the requirements under

Rule 14.10(b)(1),<sup>6</sup> (2),<sup>7</sup> (3),<sup>8</sup> and (4)<sup>9</sup> do not apply to Affiliate Securities that are Exchange-listed options. The Exchange is proposing this change because there is no issuer for options as the term is used in Rule 14.10(b) and each of the requirements under Rule 14.10(b) is implicitly related to equity securities and not to options on such equity securities. The Exchange is not proposing to make any changes to the requirement for all Affiliate Securities (including options) under Rule 14.10(c) that

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<sup>6</sup> Rule 14.10(b)(1) requires that prior to the initial listing of an Affiliate Security on the Exchange, Exchange personnel shall determine that such security satisfies the Exchange's rules for listing, and such finding must be approved by the Regulatory Oversight Committee of the Exchange's Board of Directors.

<sup>7</sup> Rule 14.10(b)(2) requires that throughout the continued listing of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange's Board of Directors that describes the Exchange's monitoring of the Affiliate Security's compliance with the Exchange's listing standards, including: the Affiliate Security's compliance with the Exchange's minimum share price requirement; and the Affiliate Security's compliance with each of the quantitative continued listing requirements.

<sup>8</sup> Rule 14.10(b)(3) requires that once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements and a copy of the report shall be forwarded promptly to the Regulatory Oversight Committee of the Exchange's Board of Directors.

<sup>9</sup> Rule 14.10(b)(4) requires that in the event that the Exchange determines that the EDGX Affiliate is not in compliance with any of the Exchange's listing standards, the Exchange shall notify the issuer of such non-compliance promptly and request a plan of compliance. The Exchange shall file a report with the Commission within five business days of providing such notice to the issuer of its non-compliance. The report shall identify the date of the non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the notice of non-compliance. Within five business days of receipt of a plan of compliance from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of compliance was accepted by the Exchange or what other action was taken with respect to the plan and the time period provided to regain compliance with the Exchange's listing standards, if any.

“[t]hroughout the trading of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security’s compliance with the Exchange’s listing and trading rules.” As such, the Exchange will continue to prepare reports on all Affiliate Securities (including those that are Exchange-listed options) as required under Rule 14.10(c).

b. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act<sup>10</sup> in general and Section 6(b)(5) of the Act<sup>11</sup> in particular in that it is 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 Exchange believes that the proposed rule change is designed to prevent

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<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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, because the proposed changes would reduce the paperwork received by the Commission and ease the burden of submitting the Quarterly Reports and Annual Reports, without changing the information available to the Commission. In discussions with the Commission Staff regarding Rule 14.10, it was determined that the Exchange no longer needed to provide copies of the Quarterly Reports and Annual Reports to the Commission. The Quarterly Reports and Annual Reports would continue to be available to the Commission, as they are subject to Section 17 of the Act<sup>12</sup> and Rule 17a-1 thereunder,<sup>13</sup> pursuant to which the Exchange is required to keep and preserve copies of the Quarterly Reports and Annual Reports, and to promptly furnish to the Commission copies of such Reports upon request of any representative of the Commission.

Finally, the Exchange believes that the clarifying change to exclude options on Affiliate Securities from the requirements of Rule 14.10(b) would promote just and equitable principles of trade and remove impediments to a free and open market by making clear that certain obligations that implicitly did not apply to options on Affiliate Securities do not, in fact, apply. As noted above, the Exchange will continue to prepare

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<sup>12</sup> 15 U.S.C. 78q.

<sup>13</sup> 17 CFR 240.17a-1.



reports on all Affiliate Securities that include summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security's compliance with the Exchange's listing and trading rules (including those that are Exchange-listed options) as required under Rule 14.10(c).

4. 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 believes that the proposed changes to eliminate the requirement that the Exchange submit copies of the Quarterly Reports and Annual Reports to the Commission and excluding options on Affiliate Securities from the requirements of Rule 14.10(b) will have no impact on competition.

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

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

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange believes that the foregoing proposed rule change may take effect

upon filing with the Commission pursuant to Section 19(b)(3)(A)<sup>14</sup> of the Act and Rule 19b-4(f)(6) thereunder<sup>15</sup> 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) by its terms, become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate.

Furthermore, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change under that subsection at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Exchange has provided such notice.

The Exchange believes that its rule change proposal is appropriate for filing on an immediately effective basis under paragraph (f)(6) of Rule 19b-4. The Exchange believes the proposed rule change will not significantly affect the protection of investors or the public interest because the proposal is only intended to eliminate the requirement that the Exchange regularly provide the Quarterly Reports and Annual Report to the Commission, but continuing to require that the Exchange be required to provide those reports at the request of the Commission. The Exchange will continue to be required to prepare such reports for the ROC. Finally, the Exchange believes that the proposed changes to explicitly exclude options on Affiliate Securities from the requirements of Rule 14.10(b) is a clarifying change and raises no substantive issues because these requirements are

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

inapplicable to options. As such, the Exchange believes that the proposal raises no substantive issues for the Commission. For the foregoing reasons, the Exchange believes this rule change filing qualifies for immediate effectiveness as a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4.<sup>16</sup>

At any time within 60 days of the filing of this 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.

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. Waiver of the operative delay would allow the Exchange to make the proposed changes consistent to those already in place on BZX, its affiliate, without unnecessary delay.

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is based on and is substantively identical to BZX Rule 14.3(e).<sup>17</sup>

9. Security Based- Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

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<sup>16</sup> Id.

<sup>17</sup> As noted above, substantively identical changes were adopted in the BZX Filing.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of the Proposed Rule Change.

EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34- ; File No. SR-CboeEDGX-2020-052]

[Insert date]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 14.10, Requirements for Securities Issued by the Exchange or its Affiliates

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on [insert date], Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 Rule 14.10 (Requirements for Securities Issued by the Exchange or its Affiliates) regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates. The Exchange notes that the changes proposed herein are substantively identical to changes adopted on

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

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

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6).

Cboe BZX Exchange, Inc. (“BZX”).<sup>5</sup>

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/)), 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 14.10 (Requirements for Securities Issued by the Exchange or its Affiliates) regarding the requirements for the listing of securities that are issued by the Exchange or any of its affiliates. The Exchange notes that the changes proposed herein are substantively identical to changes adopted on Cboe BZX Exchange, Inc. (“BZX”).<sup>6</sup>

Rule 14.10 sets forth certain monitoring requirements that must be met throughout the continued listing and trading of securities issued by the Exchange or its

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<sup>5</sup> See Securities Exchange Act Release No. 86623 (August 9, 2019) 84 FR 41771 (August 15, 2019) (SR-CboeBZX-2019-073) (the “BZX Filing”).

<sup>6</sup> See Securities Exchange Act Release No. 86623 (August 9, 2019) 84 FR 41771 (August 15, 2019) (SR-CboeBZX-2019-073) (the “BZX Filing”).

affiliates. More specifically, Rule 14.10(b) and (c) provide that:

- throughout the continued listing and trading of an Affiliate Security<sup>7</sup> on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee (“ROC”) of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the Affiliate Security’s compliance with the Exchange’s listing standards (the “Quarterly Listing Report”);
- once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements (“Annual Report”), and a copy of the Annual Report shall be forwarded promptly to the ROC; and
- throughout the trading of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security’s compliance with the Exchange’s listing and

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<sup>7</sup>

As defined in Rule 14.10(a)(2), the term “Affiliate Security” means any security issued by a EDGX Affiliate or any Exchange-listed option on any such security, with the exception of Portfolio Depository Receipts as defined in Rule 14.8(d) and Investment Company Units as defined in Rule 14.2.

trading rules (the “Quarterly Trading Report” and, collectively with the Quarterly Listing Report, the “Quarterly Reports”).

Rule 14.10(d) requires that a copy of all Quarterly Reports and Annual Reports will be forwarded promptly to the Commission.

The Exchange proposes to amend Rule 14.10(d) to remove the requirement that copies of the Quarterly Reports and Annual Reports be forwarded to the Commission and instead providing that the Exchange will forward a copy of the Quarterly Reports and/or Annual Reports to the Commission upon request.

Finally, the Exchange is proposing to make clear that the requirements under Rule 14.10(b)(1),<sup>8</sup> (2),<sup>9</sup> (3),<sup>10</sup> and (4)<sup>11</sup> do not apply to Affiliate Securities that are Exchange-

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<sup>8</sup> Rule 14.10(b)(1) requires that prior to the initial listing of an Affiliate Security on the Exchange, Exchange personnel shall determine that such security satisfies the Exchange’s rules for listing, and such finding must be approved by the Regulatory Oversight Committee of the Exchange’s Board of Directors.

<sup>9</sup> Rule 14.10(b)(2) requires that throughout the continued listing of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the Affiliate Security’s compliance with the Exchange’s listing standards, including: the Affiliate Security’s compliance with the Exchange’s minimum share price requirement; and the Affiliate Security’s compliance with each of the quantitative continued listing requirements.

<sup>10</sup> Rule 14.10(b)(3) requires that once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements and a copy of the report shall be forwarded promptly to the Regulatory Oversight Committee of the Exchange’s Board of Directors.

<sup>11</sup> Rule 14.10(b)(4) requires that in the event that the Exchange determines that the EDGX Affiliate is not in compliance with any of the Exchange’s listing standards, the Exchange shall notify the issuer of such non-compliance promptly and request a plan of compliance. The Exchange shall file a report with the Commission within five business days of providing such notice to the issuer of its non-compliance. The report shall identify the date of the non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the



listed options. The Exchange is proposing this change because there is no issuer for options as the term is used in Rule 14.10(b) and each of the requirements under Rule 14.10(b) is implicitly related to equity securities and not to options on such equity securities. The Exchange is not proposing to make any changes to the requirement for all Affiliate Securities (including options) under Rule 14.10(c) that “[t]hroughout the trading of an Affiliate Security on the Exchange, the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes the Exchange’s monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security’s compliance with the Exchange’s listing and trading rules.” As such, the Exchange will continue to prepare reports on all Affiliate Securities (including those that are Exchange-listed options) as required under Rule 14.10(c).

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act<sup>12</sup> in general and Section 6(b)(5) of the Act<sup>13</sup> in particular in that it is designed to

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notice of non-compliance. Within five business days of receipt of a plan of compliance from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of compliance was accepted by the Exchange or what other action was taken with respect to the plan and the time period provided to regain compliance with the Exchange’s listing standards, if any.

<sup>12</sup> 15 U.S.C. 78f(b).

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

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 Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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, because the proposed changes would reduce the paperwork received by the Commission and ease the burden of submitting the Quarterly Reports and Annual Reports, without changing the information available to the Commission. In discussions with the Commission Staff regarding Rule 14.10, it was determined that the Exchange no longer needed to provide copies of the Quarterly Reports and Annual Reports to the Commission. The Quarterly Reports and Annual Reports would continue to be available to the Commission, as they are subject to Section 17 of the Act<sup>14</sup> and Rule 17a-1 thereunder,<sup>15</sup> pursuant to which the Exchange is required to keep and preserve copies of the Quarterly Reports and Annual Reports, and to promptly furnish to the Commission copies of such Reports upon request of any

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<sup>14</sup> 15 U.S.C. 78q.

<sup>15</sup> 17 CFR 240.17a-1.

representative of the Commission.

Finally, the Exchange believes that the clarifying change to exclude options on Affiliate Securities from the requirements of Rule 14.10(b) would promote just and equitable principles of trade and remove impediments to a free and open market by making clear that certain obligations that implicitly did not apply to options on Affiliate Securities do not, in fact, apply. As noted above, the Exchange will continue to prepare reports on all Affiliate Securities that include summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Exchange Rules, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security's compliance with the Exchange's listing and trading rules (including those that are Exchange-listed options) as required under Rule 14.10(c).

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 believes that the proposed changes to eliminate the requirement that the Exchange submit copies of the Quarterly Reports and Annual Reports to the Commission and excluding options on Affiliate Securities from the requirements of Rule 14.10(b) will have no impact on competition.

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

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

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

Because the foregoing proposed rule change does not:

- A. significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. 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) of the Act<sup>16</sup> and Rule 19b-4(f)(6)<sup>17</sup> 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change 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

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CboeEDGX-2020-052 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-CboeEDGX-2020-052. This file number should be included on the subject line if e-mail 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, D.C. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeEDGX-2020-052 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to  
delegated authority.<sup>18</sup>

Secretary

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<sup>18</sup> 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed new language is underlined. Proposed deletions are in [brackets].

Rules of Cboe EDGX Exchange, Inc.

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CHAPTER XIV. SECURITIES TRADED

\* \* \* \* \*

Rule 14.10. Requirements for Securities Issued by the Exchange or its Affiliates

(a) (No changes.)

(b) Affiliate Securities Listed on the Exchange, excluding Affiliate Securities that are Exchange-listed options:

(1)-(4) (No changes.)

(c) (No changes.)

(d) Upon request, a[A] copy of the reports required by sub-paragraphs (b) and (c) will be forwarded promptly to the Commission.

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