

## Schedule TO

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget the request for extension of the previously approved collection of information discussed below.

Schedule TO (17 CFR 240.14d-100) must be filed by a reporting company that makes a tender offer for its own securities. Also, persons other than the reporting company making a tender offer for equity securities registered under Section 12 of the Exchange Act (15 U.S.C. 78l) (which offer, if consummated, would cause that person to own over 5% of that class of the securities) must file a Schedule TO. The purpose of Schedule TO is to improve communications between public companies and investors before companies file registration statements involving tender offer statements. This information is made available to the public. The information provided on Schedule TO is mandatory. Schedule TO takes approximately 43.5 hours per response and is filed by approximately 1,378 issuers annually. We estimate that 50% of the 43.5 hours per response (21.75 hours) is prepared by the issuer for an annual reporting burden of 29,972 hours (21.75 hours per response × 1,378 responses).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 3, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2020-12399 Filed 6-8-20; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[SEC File No. 270-323, OMB Control No. 3235-0362]

**Submission for OMB Review; Comment Request**

*Upon Written Request Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Extension:  
Form 5

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget this request for extension of the previously approved collection of information discussed below.

Under Section 16(a) of the Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. 78a *et seq.*) every person who is directly or indirectly the beneficial owner of more than 10 percent of any class of any equity security (other than an exempted security) which registered pursuant to Section 12 of the Exchange Act, or who is a director or an officer of the issuer of such security (collectively “reporting persons”), must file statements setting forth their security holdings in the issuer with the Commission. Form 5 (17 CFR 249.105) is an annual statement of beneficial ownership of securities. The information disclosure provided on Form 5 is mandatory. All information is provided to the public for review. We estimate that approximately 5,939 reporting persons file Form 5 annually and we estimate that it takes approximately one hour to prepare the form for a total of 5,939 annual burden hours.

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The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting “Currently under 30-day Review—Open for Public Comments” or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain) and (ii) David Bottom, Director/Chief Information Officer,

Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 3, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[SEC File No. 270-619, OMB Control No. 3235-0681]

**Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736.

Extension:

Rules 15Ba1-1 through 15Ba1-8

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information provided for in Rules 15Ba1-1 to 15Ba1-8 (17 CFR 240.15Ba1-1 to 17 CFR 240.15Ba1-8)—Registration of Municipal Advisors, under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (the “Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

On September 20, 2013 (*see* 78 FR 67468, November 12, 2013), the Commission adopted Rules 15Ba1-1 through 15Ba1-8 and Rule 15Bc4-1 under the Act to establish the rules by which a municipal advisor must obtain, maintain, and terminate its registration with the Commission. In addition, the rules interpret the definition of the term “municipal advisor,” interpret the statutory exclusions from that definition, and provide certain additional regulatory exemptions. The rules became effective on January 13, 2014; however, on January 13, 2014, the Commission temporarily stayed such rules until July 1, 2014 (*see* 79 FR 2777, January 16, 2014). Amendments to Form MA and Form MA-I designed to eliminate aspects of the forms that request filers to provide certain forms of personally identifiable information (“PII”), including Social Security

numbers, dates of birth, or Foreign ID numbers became effective on May 14, 2018 (see 83 FR 22190, May 14, 2018). Section 15B(a)(1) of the Act makes it unlawful for a municipal advisor to provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, or to undertake certain solicitations of a municipal entity or obligated person, unless the municipal advisor is registered with the Commission. The rules, among other things (i) require municipal advisors to file certain forms (*i.e.*, Form MA, Form MA-A, Form MA/A, Form MA-I, Form MA-I/A, Form MA-NR, and Form MA-W) with the Commission to obtain, maintain, or terminate their registration with the Commission and maintain certain books and records in accordance with the Act, and (ii) set forth how certain entities may meet the requirements of the statutory exclusions or regulatory exemptions from the definition of “municipal advisor.”

#### Form MA

The Commission estimates that approximately 35 respondents will submit new Form MA applications annually in each of the next three years.<sup>1</sup> The Commission further estimates that each submission will take approximately 3.5 hours. Thus, the total annual burden borne by respondents for submitting an initial Form MA application will be approximately 123 hours.<sup>2</sup> The Commission estimates that respondents submitting new Form MA applications would, on average, consult with outside counsel for one hour, at a rate of \$400/hour. Thus, the Commission estimates that the average total annual cost that may be incurred by all respondents filing new Form MA applications will be \$14,000.<sup>3</sup> In addition to filing initial Form MA applications, the rules require municipal advisors to amend Form MA once annually (Form MA-A) and after the occurrence of any enumerated material event (Form MA/A). The requirement to amend Form MA applies to all registered municipal advisors. There are currently approximately 535 municipal advisors registered with the Commission and, as noted above, the Commission anticipates receiving 105 new Form MA submissions over the

next three years. Therefore, the Commission expects that the rules' requirement to amend Form MA will apply to approximately 570 municipal advisors in year one, approximately 605 municipal advisors in year two, and approximately 640 municipal advisors in year three. The Commission estimates that completing an annual amendment would take a municipal advisor approximately 1.5 hours and completing a material event amendment would take 0.5 hours. The Commission further estimates that each municipal advisor will submit two amendments per year (one Form MA-A and one Form MA/A). Thus, the Commission estimates that the average annual burden borne by respondents for amending Form MA during the three-year period will be approximately 1,210 hours.<sup>4</sup>

#### Form MA-I

The Commission estimates that it will receive approximately 570 new Form MA-I submissions annually.<sup>5</sup> The Commission further estimates that each Form MA-I submission will take approximately three hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-I will be approximately 1,710 hours.<sup>6</sup> The Commission also estimates that a Form MA-I respondent will submit 2.95 updating amendments per year (Form MA-I/A), and that each such amendment will take approximately 0.5 hours to complete.<sup>7</sup> There are currently approximately 3,385 Form MA-Is on file with the Commission for natural persons currently associated with a municipal advisor and, as noted above, the Commission expects to receive 1,710 Form MA-I submissions over the next three years.<sup>8</sup> Therefore, the Commission expects the rules' requirement to amend

<sup>4</sup>  $((570 \text{ respondents} \times 2 \text{ hours}) + (605 \text{ respondents} \times 2 \text{ hours}) + (640 \text{ respondents} \times 2 \text{ hours}))/3 = 1,210 \text{ hours}$ .

<sup>5</sup> The estimate is derived by averaging the number of Form MA-I submissions over the last three years. There were 619 Form MA-I submissions in 2017, 466 Form MA-I submissions in 2018, and 624 Form MA-I submissions in 2019.

<sup>6</sup>  $570 \text{ submissions} \times 3 \text{ hours} = 1,710 \text{ hours}$ .

<sup>7</sup> The estimate is derived by averaging the number of updating amendments submitted by respondents over the last three years. In 2017, the average number is 2,078 Form MA-I/A/574 municipal advisors = 3.62. In 2018 the average number is 1,398 Form MA-I/A/555 municipal advisors = 2.52. In 2019, the average number is 1,442 Form MA-I/A/535 municipal advisors = 2.70. Averaging the average number of updating amendments for the last three years:  $3.62 (2017) + 2.52 (2018) + 2.70 (2019)/3 = 2.95 \text{ updating amendments per year}$ .

<sup>8</sup> The estimated number of active Form MA-I filings is derived by taking the total number of Form MA-I submissions with the Commission as of December 31, 2019 and subtracting the number of Form MA-I/A withdrawals as of the same date.  $7,564 \text{ (Form MA-I submissions)} - 4,179 \text{ (Form MA-I/A withdrawals)} = 3,385 \text{ Form MA-Is on file}$ .

Form MA-I to apply to approximately 3,955 Form MA-Is in year one, approximately 4,525 Form MA-Is in year two, and approximately 5,095 Form MA-Is in year three. Thus, the Commission estimates that the average annual burden borne by respondents submitting Form MA-I amendments during the three-year period will be approximately 6,674 hours.<sup>9</sup>

#### Form MA-W

The Commission estimates that it will receive 46 new Form MA-W submissions annually.<sup>10</sup> The Commission further estimates that each Form MA-W submission will take approximately 0.5 hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-W will be approximately 23 hours.<sup>11</sup>

#### Form MA-NR

The Commission estimates that three municipal advisors will have a non-resident general partner, non-resident managing agent, or non-resident associated person and such advisors will submit a total of approximately five Form MA-NRs annually.<sup>12</sup> The Commission further estimates that each Form MA-NR submission will take approximately 1.5 hours to complete. Thus, the total annual burden borne by respondents submitting Form MA-NR will be approximately 7.5 hours.<sup>13</sup> In addition, each respondent that submits a Form MA-NR must also provide an opinion of counsel. The Commission estimates that such an opinion of counsel would take three hours to complete, at a rate of \$400/hour. Thus, the Commission estimates that the total annual burden borne by respondents providing an opinion of counsel will be approximately nine hours.<sup>14</sup> The

<sup>9</sup>  $((3,955 \text{ Form MA-I/As} \times (2.95 \text{ amendments} \times 0.5 \text{ hours})) + ((4,525 \text{ Form MA-I/As} \times (2.95 \text{ amendments} \times 0.5 \text{ hours})) + ((5,095 \text{ Form MA-I/As} \times (2.95 \text{ amendments} \times 0.5 \text{ hours}))/3 = 6,674.375 \text{ hours}$ .

<sup>10</sup> The estimate of 46 Form MA-W submissions is derived by averaging the number of Form MA-W submissions over the last two years. There were 46 Form MA-W submissions in 2018 and 2019 respectively. The filing number from 2017 was omitted because an abnormally large number of Form MA-W submissions were submitted (116 submissions in 2017), likely due to the advent of the Municipal Securities Rulemaking Board's Series 50 exam requirement which became effective on September 12, 2017.

<sup>11</sup>  $46 \text{ respondents} \times 0.5 \text{ hours} = 23 \text{ hours}$ .

<sup>12</sup> The estimate is derived by averaging the number of Form MA-NR submissions over the last three years. There were seven Form MA-NR submissions in 2017, four Form MA-NR submissions in 2018, and five Form MA-NR submissions in 2019.

<sup>13</sup>  $3 \text{ respondents} \times (1.67 \text{ Form MA-NR submissions} \times 1.5 \text{ hours}) = 7.5 \text{ hours}$ .

<sup>14</sup>  $3 \text{ respondents} \times 3 \text{ hours} = 9 \text{ hours}$ .

<sup>1</sup> The estimate is derived by averaging the number of Form MA filings over the last three years and rounding up. There were 39 Form MA submissions in 2017, 34 Form MA submissions in 2018, and 30 Form MA submissions in 2019.

<sup>2</sup>  $35 \text{ respondents} \times 3.5 \text{ hours} = 122.5 \text{ hours}$ .

<sup>3</sup>  $35 \text{ respondents} \times (\$400/\text{hour} \times 1 \text{ hour}) = \$14,000$ .

estimated average total cost that may be incurred by all respondents providing an opinion of counsel will be \$3,600.<sup>15</sup>

#### Consent to Service of Process

The Commission estimates that 35 new municipal advisors will have to develop a template document to use in obtaining written consents to service of process from their associated persons annually. The Commission further estimates that each template document will take approximately one hour to draft. Thus, the Commission estimates that the total annual burden borne by respondents developing a template document will be approximately 35 hours.<sup>16</sup> In addition, the Commission estimates that municipal advisors will need to obtain 570 new consents to service of process from associated persons annually. The Commission further estimates that, after the written consents are drafted, it will take municipal advisors approximately 0.10 hours to obtain each consent. Thus, the Commission estimates that the total annual burden borne by respondents obtaining consents to service of process will be 92 hours.<sup>17</sup>

#### Books and Records To Be Maintained by Municipal Advisors

The Commission estimates 570, 605, and 640 municipal advisors will be subject to the books and records rules during each of the next three years, respectively. The Commission further estimates that the average annual burden for a municipal advisor to comply with the books and records requirement is approximately 182 hours. Thus, the Commission estimates that the average annual burden borne by respondents to comply with the books and records requirements during the three-year period will be approximately 110,110 hours.<sup>18</sup>

#### Independent Registered Municipal Advisor Exemption

The Commission estimates that approximately 231 persons will seek to rely on the independent registered municipal advisor exemption annually.<sup>19</sup> The Commission further estimates that the one-time burden of developing a written template

disclosure document will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template disclosure document will be approximately 231 hours.<sup>20</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission estimates that respondents may seek the exemption on approximately 8,211 transactions annually.<sup>21</sup> The Commission further estimates that the burden of obtaining the written representations needed from the municipal entity or obligated person client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents seeking to rely on the independent registered municipal advisor exemption will be approximately 2,053 hours.<sup>22</sup>

#### Municipal Escrow Investments

The Commission estimates that approximately 694 respondents will seek to rely on the municipal escrow investments exemption.<sup>23</sup> The Commission further estimates that the one-time burden of creating a template document to use in obtaining the written representations necessary to rely on the exemption will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template document will be approximately 694 hours.<sup>24</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission estimates that the respondents will seek to rely on the exemption with approximately 2,321 municipal entity clients.<sup>25</sup> The Commission further estimates that the burden of obtaining the required written representations from the respondent's client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents

seeking to rely on the municipal escrow investments exemption will be approximately 580 hours.<sup>26</sup>

#### Proceeds of Municipal Securities

The Commission estimates that approximately 720 respondents will seek to rely on the proceeds of municipal securities exemption.<sup>27</sup> The Commission further estimates that the one-time burden of creating a template document to use in obtaining the written representations necessary to rely on the exemption will be approximately one hour. Thus, the Commission estimates that the total one-time burden borne by respondents developing a template document will be approximately 720 hours.<sup>28</sup> The Commission also recognizes that respondents will be subject to a recurring burden each time they seek to rely on the exemption. The Commission estimates that respondents will seek to rely on the exemption in connection with services provided to approximately 4,056 clients.<sup>29</sup> The Commission further estimates that the burden of obtaining the required written consents from the respondent's client will be approximately 0.25 hours. Thus, the Commission estimates that the total annual burden borne by respondents seeking to rely on proceeds of municipal securities exemption will be approximately 1,014 hours.<sup>30</sup>

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed

<sup>26</sup> 2,321 clients × 0.25 hours = 580.25 hours.

<sup>27</sup> The Commission estimates in this section are based on information reported directly by state-registered investment advisers in Item 5.D.(f)(1) within Form ADV. The number of state-registered investment advisers which have pooled investment vehicle clients (other than investment company and business development company clients) within Form ADV, Item 5.D.(f)(1) = 637. The percentage of state-registered investment advisers which have municipal government entity clients (other than investment company and business development company clients) within Form ADV, Item 5.D.(f)(1) = 4%. (637 × .04) = 26. The number of state-registered investment advisers relying on the exception to the definition of "municipal escrow investment" = 694. (26 + 694) = 720 respondents.

<sup>28</sup> 720 respondents × 1 hour = 720 hours.

<sup>29</sup> The number of municipal entity clients of state-registered investment advisers relying on the exception to the definition of "municipal escrow investment" in Item 5.D.(i)(1) within Form ADV = 2,321 clients. The number of pooled investment vehicle clients (other than investment company and business development company clients) of state-registered investment advisers in Item 5.D.(f)(1) within Form ADV = 1,735 clients. (2,321 + 1,735) = 4,056 clients.

<sup>30</sup> 4,056 clients × 0.25 hours = 1,014 hours.

<sup>15</sup> 3 respondents × (3.0 hours × \$400/hour) = \$3,600.

<sup>16</sup> 35 respondents × 1 hour = 35 hours.

<sup>17</sup> 35 hours + (570 × 0.1 hours) = 92 hours.

<sup>18</sup> ((570 respondents × 182 hours) + (605 respondents × 182 hours) + (640 respondents × 182 hours))/3 = 110,110 hours.

<sup>19</sup> Estimate based on information obtained from Mergent Municipal Bond Securities Database. The estimate represents the average number of underwriters that participated in negotiated transactions from 2017 to 2019.

<sup>20</sup> 231 respondents × 1 hour = 231 hours.

<sup>21</sup> Estimate based on information obtained from Mergent Municipal Bond Securities Database. The estimate represents the average number of negotiated deals using an underwriter each year.

<sup>22</sup> 8,211 transactions × 0.25 hours = 2,052.75 hours.

<sup>23</sup> The Commission estimates in this section are based on information reported directly by state-registered investment advisers in Item 5.D.(i)(1) within Form ADV.

<sup>24</sup> 694 respondents × 1 hour = 694 hours.

<sup>25</sup> The Commission estimates in this section are based on information reported directly by state-registered investment advisers in Item 5.D.(i)(1) within Form ADV.

collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 30 days of this publication.

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The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to (i) [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain) and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: June 3, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-88997; File No. SR-CBOE-2020-014]

### Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing of Amendment No. 1 and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt a Delta-Adjusted at Close Order Instruction

June 3, 2020.

#### I. Introduction

On February 18, 2020, Cboe Exchange, Inc. ("Exchange" or "Cboe Options") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-4

thereunder,<sup>2</sup> a proposed rule change to introduce a Delta-Adjusted at Close ("DAC") Order Instruction on Cboe Options. The proposed rule change was published for comment in the **Federal Register** on March 9, 2020.<sup>3</sup> On April 13, 2020, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.<sup>4</sup> On May 12, 2020, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>5</sup> The Commission has received no comments on the proposed rule change.

The Commission is publishing this notice and order to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons and to institute proceedings pursuant to Section 19(b)(2)(B) of the Exchange Act<sup>6</sup> to determine whether to approve or disapprove the proposed rule change, as modified by Amendment No. 1.

#### II. -Exchange's Description of the Proposal, as Modified by Amendment No. 1

As amended, the Exchange proposes to adopt a Delta-Adjusted at Close or DAC order instruction that a User<sup>7</sup> may apply to an order for an option on an ETP or index when entering it into the System for execution in a FLEX electronic or open outcry auction. In particular, if a DAC order executes during the trading day, upon receipt of the official closing price or value for the underlying from the primary listing exchange or index provider, respectively, the System will adjust the original execution price of a DAC order based on a delta value applied to the change in the underlying reference price between the time of execution and the market close. As proposed, DAC orders will allow Users the opportunity to incorporate into the pricing of their FLEX Options the closing price or value of the underlying on the transaction date based on how much the price or value changed during the trading day.

Near the market close, the Exchange has observed that significant numbers of market participants interact in the

equity markets, which may substantially impact the price or value, as applicable, of the underlying at the market close. For example, shares of exchange-traded funds ("ETFs") that track indexes, which are increasingly popular, often trade at or near the market close in order to better align with the indexes they track and attempt to align the market price of shares of the ETF as close to the net asset value ("NAV")<sup>8</sup> per share as possible. Further, the Exchange understands that market makers and other liquidity providers seek to balance their books before the market close and contribute to increased price discovery surrounding the market close. The Exchange also believes it is common for other market participants to seek to offset intraday positions and mitigate exposure risks based on their predictions of the closing underlying prices or underlying indexes (which represent the settlement prices of options on those underlyings). The Exchange understands this substantial activity near the market close may create wider spreads and increased price volatility, which may attract further trading activity from those participants seeking arbitrage opportunities and further drive prices. In light of the significant liquidity and price/value movements in equity shares that can occur near the market close, option closing and settlement prices may deviate significantly from option execution prices earlier that trading day.

The proposed DAC order instruction is designed to allow investors to incorporate any upside market moves that may occur following execution of the order up to the market close while limiting downside risk. Additionally, the Exchange has noted that there have been a number of managed funds that recognize the benefits to their investors in employing certain strategies that allow for their investors to mitigate risk at the market close while also participating in beneficial market moves at the close. The proposed DAC order would provide such funds with an additional method to attempt to meet their objectives through FLEX options strategies, thereby benefitting their investors. The Exchange understands that, for example, defined-outcome ETF issuers<sup>9</sup> often times use multi-leg strategy orders when seeding their

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

<sup>3</sup> See Securities Exchange Act Release No. 88312 (March 3, 2020), 85 FR 13686 ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 88622, 85 FR 21490 (April 17, 2020).

<sup>5</sup> See <https://www.sec.gov/comments/sr-cboe-2020-014/srcboe2020014-7180918-216787.pdf>

<sup>6</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>7</sup> The term "User" means any TPH or Sponsored User who is authorized to obtain access to the System pursuant to Rule 5.5. See Rule 1.1.

<sup>8</sup> The NAV is an ETF's total assets minus its total liabilities. ETFs generally must calculate their NAV at least once every business day, and typically do so after market close. See 17 CFR 270.2a-4.

<sup>9</sup> The Exchange notes that defined outcome ETF issuers do not buy stocks directly, but instead, use options contracts to deliver the price gain or loss of an index (such as the S&P 500) over the course of a year, up to a preset cap.

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