

9000 Series are not trading rules. Moreover, the Nasdaq Affiliated Exchanges state that in each instance, the Nasdaq Affiliated Exchanges propose to incorporate by reference categories of rules (rather than individual rules within a category) that are regulatory in nature. The Nasdaq Affiliated Exchanges will, as a condition of this exemption, provide written notice to their respective members (or member organizations) whenever Nasdaq proposes a change to its Rule 8000 and 9000 Series.<sup>8</sup> Such notice will alert the members (or member organizations) of each of the Nasdaq Affiliated Exchanges to the proposed rule change and give them an opportunity to comment on the proposal. The Nasdaq Affiliated Exchanges state that they will also inform their respective members (or member organizations) in writing when the Commission approves any such proposed rule changes.<sup>9</sup>

The Nasdaq Affiliated Exchanges believe this exemption is necessary and appropriate because it will result in the Nasdaq Affiliated Exchanges' rules being consistent with the relevant cross-referenced Nasdaq rules at all times, thus ensuring that the Nasdaq Affiliated Exchanges and Nasdaq maintain a harmonious system of investigating, disciplining, and adjudicating the rights of their respective members, member organizations, associated persons, and other persons subject to their jurisdiction. Without such an exemption, the Nasdaq Affiliated Exchanges and Nasdaq could subject their respective members, member organizations, associated persons, and other persons subject to their jurisdiction to different standards for investigations and disciplinary actions.<sup>10</sup>

The Commission has issued exemptions similar to the Nasdaq Affiliated Exchanges' request.<sup>11</sup> In

<sup>8</sup> The Nasdaq Affiliated Exchanges state that they will provide such notice on their websites in the same section they use to post their own proposed rule change filings pursuant to Rule 19b-4(l) within the timeframe required by such Rule. In addition, the Nasdaq Affiliated Exchanges state that their websites will also include a link to the Nasdaq website where the proposed rule change filings are located. *Id.* at 3 n.8.

<sup>9</sup> *Id.* at 3.

<sup>10</sup> *Id.* at 2.

<sup>11</sup> See, e.g., Securities Exchange Act Release Nos. 83887 (August 20, 2018), 83 FR 42722 (August 23, 2018) (order granting exemptive request from Nasdaq ISE, LLC, Nasdaq GEMX, LLC, and Nasdaq MRX, LLC relating to rules of Nasdaq BX, Inc. incorporated by reference); 80338 (March 29, 2017), 82 FR 16464 (April 4, 2017) (order granting exemptive request from MIAX PEARL, LLC relating to rules of Miami International Securities Exchange, LLC incorporated by reference); 72650 (July 22,

granting one such exemption in 2010, the Commission repeated a prior, 2004 Commission statement that it would consider similar future exemption requests from other self-regulatory organizations ("SROs"), provided that:

- An SRO wishing to incorporate rules of another SRO by reference has submitted a written request for an order exempting it from the requirement in Section 19(b) of the Exchange Act to file proposed rule changes relating to the rules incorporated by reference, has identified the applicable originating SRO(s), together with the rules it wants to incorporate by reference, and otherwise has complied with the procedural requirements set forth in the Commission's release governing procedures for requesting exemptive orders pursuant to Rule 0-12 under the Exchange Act;<sup>12</sup>

- The incorporating SRO has requested incorporation of categories of rules (rather than individual rules within a category) that are not trading rules (e.g., the SRO has requested incorporation of rules such as margin, suitability, or arbitration); and

- The incorporating SRO has reasonable procedures in place to provide written notice to its members each time a change is proposed to the incorporated rules of another SRO.<sup>13</sup>

The Commission believes that the Nasdaq Affiliated Exchanges have satisfied each of these conditions. The Commission also believes that granting the Nasdaq Affiliated Exchanges an exemption from the rule filing requirements under Section 19(b) of the Exchange Act will promote efficient use of the Commission's and Nasdaq

2014), 79 FR 44075 (July 29, 2014) (order granting exemptive requests from NASDAQ OMX BX, Inc. and the NASDAQ Stock Market LLC relating to rules of NASDAQ OMX PHLX LLC incorporated by reference); 67256 (June 26, 2012), 77 FR 39277, 39286 (July 2, 2012) (order approving SR-BX-2012-030 and granting exemptive request relating to rules incorporated by reference by the BX Options rules); 61534 (February 18, 2010), 75 FR 8760 (February 25, 2010) (order granting BATS Exchange, Inc.'s exemptive request relating to rules incorporated by reference by the BATS Exchange Options Market rules) ("BATS Options Market Order"); and 57478 (March 12, 2008), 73 FR 14521, 14539-40 (March 18, 2008) (order approving SR-NASDAQ-2007-004 and SR-NASDAQ-2007-080, and granting exemptive request relating to rules incorporated by reference by The NASDAQ Options Market).

<sup>12</sup> See 17 CFR 240.0-12 and Securities Exchange Act Release No. 39624 (February 5, 1998), 63 FR 8101 (February 18, 1998) ("Commission Procedures for Filing Applications for Orders for Exemptive Relief Pursuant to Section 36 of the Exchange Act; Final Rule").

<sup>13</sup> See BATS Options Market Order, *supra* note 11 (citing Securities Exchange Act Release No. 49260 (February 17, 2004), 69 FR 8500 (February 24, 2004) (order granting exemptive request relating to rules incorporated by reference by several SROs) ("2004 Order").

Affiliated Exchanges' resources by avoiding duplicative rule filings based on simultaneous changes to identical rule text sought by more than one SRO.<sup>14</sup> The Commission therefore finds it appropriate in the public interest and consistent with the protection of investors to exempt the Nasdaq Affiliated Exchanges from the rule filing requirements under Section 19(b) of the Exchange Act with respect to the above-described rules they have incorporated by reference. This exemption is conditioned upon the Nasdaq Affiliated Exchanges promptly providing written notice to their members (or member organizations) whenever Nasdaq changes a rule that the Nasdaq Affiliated Exchanges have incorporated by reference.

Accordingly, *it is ordered*, pursuant to Section 36 of the Exchange Act,<sup>15</sup> that the Nasdaq Affiliated Exchanges are exempt from the rule filing requirements of Section 19(b) of the Exchange Act solely with respect to changes to the rules identified in their request that incorporate by reference certain Nasdaq rules that are the result of changes to such Nasdaq rules, provided that the Nasdaq Affiliated Exchanges promptly provide written notice to their members (or member organizations) whenever Nasdaq proposes to change a rule that the Nasdaq Affiliated Exchanges have incorporated by reference.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-420, OMB Control No. 3235-0479]

### Proposed Collection; 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:*

Rule 15c2-7

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995

<sup>14</sup> See BATS Options Market Order, *supra* note 11, 75 FR at 8761; see also 2004 Order, *supra* note 13, 69 FR at 8502.

<sup>15</sup> 15 U.S.C. 78mm.

<sup>16</sup> 17 CFR 200.30-3(a)(76).

(“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 15c2-7 (17 CFR 240.15c2-7) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 15c2-7 places disclosure requirements on broker-dealers who have correspondent relationships, or agreements identified in the rule, with other broker-dealers. Whenever any such broker-dealer enters a quotation for a security through an inter-dealer quotation system, Rule 15c2-7 requires the broker-dealer to disclose these relationships and agreements in the manner required by the rule. The inter-dealer quotation system must also be able to make these disclosures public in association with the quotation the broker-dealer is making.

When rule 15c2-7 was adopted in 1964, the information it requires was necessary for execution of the Commission’s mandate under the Securities Exchange Act of 1934 to prevent fraudulent, manipulative and deceptive acts by broker-dealers. In the absence of the information collection required under Rule 15c2-7, investors and broker-dealers would have been unable to accurately determine the market depth of, and demand for, securities in an inter-dealer quotation system.

There are approximately 3,647 broker-dealers registered with the Commission. Any of these broker-dealers could be potential respondents for Rule 15c2-7, so the Commission is using that figure to represent the number of respondents. Rule 15c2-7 applies only to quotations entered into an inter-dealer quotation system, such as the OTC Bulletin Board (“OTCBB”), or OTC Link, operated by OTC Markets Group Inc. (“OTC Link”) or the electronic trading platform operated by Global OTC. According to representatives of OTC Link, Global OTC and the OTCBB, none of those entities has recently received, or anticipates receiving any Rule 15c2-7 notices. However, because such notices could be made, the Commission estimates that one filing is made annually pursuant to Rule 15c2-7.

Based on prior industry reports, the Commission estimates that the average time required to enter a disclosure pursuant to the rule is .75 minutes, or 45 seconds. The Commission sees no reason to change this estimate. We estimate that impacted respondents spend a total of .0125 hours per year to

comply with the requirements of Rule 15c2-7 (1 notice (x) 45 seconds/notice).

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 collection of information; (c) ways to enhance the quality, utility, and clarity of the information 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 60 days of this publication.

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

Please direct your written comments to: David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o Cynthia Roscoe, 100 F Street NE, Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: September 17, 2020.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89915; File No. SR-NASDAQ-2020-044]

### Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Order Granting Approval of Proposed Rule Change To Adopt Listing Rule IM-5900-8 To Offer a Complimentary Global Targeting Tool to Acquisition Companies Listed Pursuant to Nasdaq IM-5101-2 That Have Publicly Announced Entering Into a Binding Agreement for a Business Combination

September 17, 2020.

#### I. Introduction

On July 15, 2020, The Nasdaq Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule

19b-4 thereunder,<sup>2</sup> a proposed rule change to offer a complimentary global targeting tool to an acquisition company that has publicly announced entering into a binding agreement for a business combination. The proposed rule change was published in the **Federal Register** on August 3, 2020.<sup>2</sup> The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

#### II. Description of the Proposal

Generally, Nasdaq does not permit the initial or continued listing of a company that has no specific business plan or that has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies. However, in the case of a company whose business plan is to complete an initial public offering (“IPO”) and engage in a merger or acquisition with one or more unidentified companies within a specific period of time, Nasdaq will permit the listing if the company meets all applicable initial listing requirements, as well as certain additional conditions described in Nasdaq Rule IM-5101-2 (Listing of Companies Whose Business Plan is to Complete One or More Acquisitions). Rule IM-5101-2 requires, among other things, that at least 90% of the gross proceeds from the IPO and any concurrent sale by the company of equity securities must be deposited in a “deposit account,” as that term is defined in the rule, and that the company complete within 36 months, or a shorter period identified by the company, one or more business combinations having an aggregate fair market value of at least 80% of the value of the deposit account (excluding any deferred underwriters fees and taxes payable on the income earned on the deposit account) at the time of the agreement to enter into the initial combination.<sup>3</sup>

The Exchange proposes to adopt Nasdaq IM 5900-8, to allow Nasdaq, through its affiliate Nasdaq Corporate Solutions, LLC, to offer a company listed under IM-5101-2 (“Acquisition Company”) a complimentary global

<sup>2</sup> See Securities Exchange Act Release No. 89413 (July 28, 2020), 85 FR 46759 (“Notice”).

<sup>3</sup> See Rule IM-5101-2(a) and (b). Nasdaq IM-5101-2 also requires that following each business combination, the combined company must meet the requirements for initial listing. See *infra* note 12. If the company does not meet the requirements for initial listing following a business combination or does not comply with one of the requirements set forth in the IM-5101-2, Nasdaq will issue a Staff Delisting Determination under Nasdaq Rule 5810 to delist the company’s securities. See Rule IM-5101-2(d).

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