

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-81807; File No. SR-BatsBZX-2017-62)

October 3, 2017

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.9, Orders and Modifiers, to Add New Optional Functionality to Minimum Quantity Orders

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 26, 2017, Bats BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it effective upon filing with the Commission. 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 filed a proposal to add new optional functionality to Minimum Quantity Orders by amending paragraph (c)(5) of Exchange Rule 11.9, Orders and Modifiers. The Exchange also proposes to amend paragraph (e)(3) of Exchange Rule 11.9 to make certain clarifying, non-substantive changes. The proposed amendments are identical changes its affiliate, Bats EDGX Exchange, Inc. (“EDGX”), recently filed with and were published by the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

Commission for immediate effectiveness.⁵ The Exchange also proposes to add language to the description of Minimum Quantity Orders to further describe their current operation on BZX and to harmonize the rule with that of EDGX.⁶

The text of the proposed rule change is available at the Exchange's website at www.bats.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts 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 add new optional functionality to Minimum Quantity Orders by amending paragraph (c)(5) of Exchange Rule 11.9, Orders and Modifiers. The Exchange also proposes to amend paragraph (e)(3) of Exchange Rule 11.9 to make certain clarifying, non-substantive changes. The proposed amendments are identical to changes recently filed by Exchange's affiliate EDGX and were published by the Commission for immediate

⁵ See EDGX Rules 11.6(h), 11.8(b)(3), and 11.10(e)(3). See also Securities Exchange Act Release No. 81457 (August 22, 2017), 82 FR 40812 (August 28, 2017) (SR-BatsEDGX-2017-34).

⁶ See EDGX Rule 11.9(h) (describing the operation of the Minimum Execution Quantity order instructions, which is functionally identical to the BZX Minimum Quantity Order).

effectiveness.⁷ The Exchange also proposes to add language to the description of Minimum Quantity Orders to further describe their current operation on BZX and to harmonize the rule with that of EDGX.⁸ The Exchange does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGX. The Exchange notes that the proposed rule text is based on BZX rules and is different only to the extent necessary to conform to the Exchange’s current rules. Each of these changes are described in detail below.

Exchange Rule 11.9(c)(5), Proposed Individual Minimum Size and Harmonization with EDGX Rule 11.6(h)

A Minimum Quantity Order enables a User⁹ to specify a minimum share amount at which the order will execute. A Minimum Quantity Order will not execute unless the volume of contra-side liquidity available to execute against the order meets or exceeds the designated minimum. Specifically, a Minimum Quantity Order is a limit order to buy or sell that will only execute if a specified minimum quantity of shares can be obtained. Orders with a specified minimum quantity will only execute against multiple, aggregated orders if such executions would occur simultaneously.¹⁰ The Exchange will only honor a specified minimum quantity on

⁷ See supra note 5.

⁸ See EDGX Rule 11.9(h) [sic] (describing the operation of the Minimum Execution Quantity order instructions, which is functionally identical to the BZX Minimum Quantity Order).

⁹ The term “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.” See Exchange Rule 1.5(cc).

¹⁰ Today, the System will aggregate multiple resting orders to satisfy the incoming order’s minimum quantity and a User cannot elect for the incoming order to execute against a single resting contra-side order.

BZX Only Orders¹¹ that are non-displayed or Immediate-or-Cancel (“IOC”) Orders¹² and will disregard a minimum quantity on any other order.

First, the Exchange proposes to add new optional functionality that would enhance the utility of Minimum Quantity Orders by amending paragraph (c)(5) of Exchange Rule 11.9. In sum, the proposal would permit an incoming Minimum Quantity Order to forego executions where multiple resting orders could otherwise be aggregated to satisfy the order’s minimum quantity.

The Exchange has observed that some market participants avoid sending large Minimum Quantity Orders to the Exchange out of concern that such orders may interact with small orders entered by professional traders, possibly adversely impacting the execution of their larger order. Institutional orders are often much larger in size than the average order in the marketplace. To facilitate the liquidation or acquisition of a large position, market participants tend to submit multiple orders into the market that may only represent a fraction of the overall institutional position to be executed. Various strategies used by institutional market participants to execute large orders are intended to limit price movement of the security at issue. Executing in small sizes, even if in the aggregate it meets the order’s minimum quantity, may impact the market for that security such that the additional orders the market participant has yet to enter into the market may be more costly to execute. If an institution is able to execute in larger sizes, the contra-party to the execution is less likely to be a participant that reacts to short term changes in the stock price, and as such, the price impact to the stock may be less acute when larger individual

¹¹ See Exchange Rule 11.9(c)(4).

¹² See Exchange Rule 11.9(b)(1).

executions are obtained.¹³ As a result, these orders are often executed away from the Exchange in dark pools or other exchanges that offer the same functionality as proposed herein,¹⁴ or via broker-dealer internalization.

To attract larger Minimum Quantity Orders, the Exchange proposes to add new optional functionality that would enhance the utility of Minimum Quantity Orders. In sum, the proposal would permit a User to elect that its incoming Minimum Quantity Order execute solely against one or more resting individual orders, each of which must satisfy the order's minimum quantity condition. In such case, the order would forego executions where multiple resting orders could otherwise be aggregated to satisfy the order's minimum quantity, but do not individually satisfy the minimum quantity condition.¹⁵ As discussed above, under the current rule a Minimum Quantity Order will execute upon entry against any number of smaller contra-side orders that, in aggregate, meet the minimum quantity set by the User. This default behavior will remain. For example, assume there are two orders to sell resting on the BZX Book¹⁶ – the first for 300 shares and a second for 400 shares, with the 300 share order having time priority ahead of the 400 share order. If a User entered a Minimum Quantity Order to buy 1,000 shares at \$10.00 with a minimum quantity of 500 shares, and the order was marketable against the two resting sell orders

¹³ The Commission has long recognized this concern: “[a]nother type of implicit transaction cost reflected in the price of a security is short-term price volatility caused by temporary imbalances in trading interest. For example, a significant implicit cost for large investors (who often represent the consolidated investments of many individuals) is the price impact that their large trades can have on the market. Indeed, disclosure of these large orders can reduce the likelihood of their being filled.” See Securities Exchange Act Release No. 42450 (February 23, 2000), 65 FR 10577, 10581 (February 28, 2000) (SR-NYSE-99-48).

¹⁴ See supra note 5.

¹⁵ If no election is made, the System will aggregate multiple resting orders to satisfy the incoming order's minimum quantity.

¹⁶ The term “BZX Book” is defined as “the System's electronic file of orders.” See Exchange Rule 1.5(e).

for 300 and 400 shares, the System¹⁷ would aggregate both sell orders for purposes of meeting the minimum quantity, thus resulting in executions of 300 shares and then 400 shares respectively with the remaining 300 shares of the Minimum Quantity Order being posted to the BZX Book with a minimum quantity restriction of 300 shares.

The proposed new optional functionality will not allow aggregation of smaller executions to satisfy the minimum quantity of an incoming Minimum Quantity Order. Using the same scenario as above, but with the proposed new functionality and a minimum quantity requirement of 400 shares selected by the User, the Minimum Quantity Order would not execute against the two sell orders because the 300 share order with time priority at the top of the BZX Book is less than the incoming order's 400 share Minimum Execution Quantity [sic]. The new functionality will cause the Minimum Quantity Order to be cancelled or posted to the BZX Book, non-displayed, in accordance with the characteristics of the underlying order type¹⁸ when encountering an order with time priority that is of insufficient size to satisfy the minimum execution requirement. If posted, the Minimum Quantity Order will operate as it does currently and will only execute against individual orders that satisfy its minimum quantity as proposed herein. The Exchange notes that the User entering the Minimum Quantity Order has expressed its intention not to execute against liquidity below a certain minimum size, and therefore, cedes execution priority when it would lock an order against which it would otherwise execute if it were not for the minimum execution size restriction. The Exchange proposes to add language to

¹⁷ The term "System" is defined as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away. See Exchange Rule 1.5(aa).

¹⁸ See supra notes 11 and 12 for a description of the functionality associated with orders that may also be Minimum Quantity Orders.

paragraph (c)(5) of Rule 11.9 to make clear that the order would cede execution priority in such in [sic] scenario.

As amended, the description of a Minimum Quantity Order under paragraph (c)(5) of Exchange Rule 11.9 would set forth the default behavior of Minimum Quantity Orders that execute upon entry against a single order or multiple aggregated orders simultaneously.

Amended Rule 11.9(c)(5) would set forth the proposed optional functionality where a User may alternatively specify that the incoming order's minimum quantity condition be satisfied by each order resting on the BZX Book that would execute against the order with the minimum quantity condition. If there are such orders, but there are also orders that do not satisfy the minimum quantity condition, the incoming Minimum Quantity Order will execute against orders resting on the BZX Book in accordance with Rule 11.12, Priority of Orders, until it reaches an order that does not satisfy the minimum quantity condition at which point it would be posted to the BZX Book or cancelled in accordance with the terms of the order. If, upon entry, there are no orders that satisfy the minimum quantity condition resting on the BZX Book, the order will either be posted to the BZX Book or cancelled in accordance with the terms of the order.

The Exchange also proposes to re-price incoming Minimum Quantity Orders where that order may cross an order posted on the BZX Book. Specifically, where there is insufficient size to satisfy an incoming order's minimum quantity condition and that incoming order, if posted at its limit price, would cross an order(s) resting on the BZX Book, the order with the minimum quantity condition will be re-priced to and ranked at the locking price. For example, an order to buy at \$11.00 with a minimum quantity condition of 500 shares is entered and there is an order resting on the BZX Book to sell 200 shares at \$10.99. The resting order to sell does not contain sufficient size to satisfy the incoming order's minimum quantity condition of 500 shares. The

price of the incoming buy order, if posted to the BZX Book, would cross the price of the resting sell order. In such case, to avoid an internally crossed book, the System will re-price the incoming buy order to \$10.99, the locking price. This behavior is similar to how the Exchange currently reprices non-displayed orders that cross the Protected Quotation of an external market.¹⁹ In addition, both the Investors Exchange, Inc. (“IEX”) and the Nasdaq Stock Market LLC (“Nasdaq”) also re-price similar orders to avoid an internally crossed book.²⁰

Second, the Exchange proposes to add language to the description of Minimum Quantity Orders to further describe their current operation on BZX and to harmonize the rule with that of its affiliate, EDGX, as described in EDGX Rule 11.6(h).²¹ The Exchange does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGX. The Exchange notes that the proposed rule text is based on BZX rules and is different only to the extent necessary to conform to the Exchange’s current rules. The Exchange notes that, but for the proposed changes discussed above, the current operation of Minimum Quantity Orders on the Exchange and the Minimum Execution Quantity instruction on EDGX is identical.

The Exchange, therefore, proposes to amend the description of the Minimum Execution Quantity [sic] instruction to clarify its operation upon order entry and when the order is posted to the BZX Book. The Exchange proposes to clarify that upon entry, and by default, an order with a Minimum Execution Quantity [sic] will execute against a single order or multiple aggregated orders simultaneously. A User may also specify that the order only against [sic] orders that

¹⁹ See Exchange Rule 11.9(g)(4).

²⁰ See Nasdaq Rule 4703(e). See IEX Rule 11.190(h)(2).

²¹ See EDGX Rule 11.9(h) [sic] describing the operation of the Minimum Execution Quantity order instructions, which is functionally identical to the BZX Minimum Quantity Order.

individually satisfy the order's minimum quantity condition, as proposed herein. Once posted to the BZX Book,²² the order may only execute against individual incoming orders with a size that satisfies the minimum quantity condition. Any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the quantity provided in the instruction. Where the number of shares remaining after a partial execution are [sic] less than the quantity provided in the order, the Minimum Quantity Order shall be equal to the number of shares remaining. The Exchange also proposed to clarify that a Minimum Quantity Order is not eligible to be routed to another Trading Center in accordance with Exchange Rule 11.13, Order Execution and Routing. These proposed changes would provide additional specificity to the operation of Minimum Quantity Orders and would harmonize the rule with the description of the Minimum Execution Quantity instruction under EDX [sic] Rule 11.6(h).

Exchange Rule 11.9(e)(3), Replace Messages

The Exchange also proposes to amend paragraph (e)(3) of Rule 11.9 to make certain clarifying, non-substantive changes. The proposed change would harmonize the description of Replace messages under Exchange Rule 11.9(e)(3) with EDGX Rule 11.10(e)(3). Exchange Rule 11.9(e)(3) currently states that other than changing a limit order to a market order, only the price, stop price, the sell long or sell short indicator, Max Floor²³ of a Reserve Order [sic], and quantity terms of the order may be changed with a Replace message. If a User desires to change any other terms of an existing order, the existing order must be cancelled and a new order must be entered. As amended, paragraph (e)(3) of Rule 11.9 would specify that the Max Floor is associated with a Reserve Order and to replace the phrase "and quantity terms" with the word

²² Orders will only post to the BZX Book if they are designated with a TIF instruction that allows for posting. For example, an order with a TIF of IOC or FOK will never post to the BZX Book.

²³ See Exchange Rule 11.9(c)(1).

“size”. The Exchange believes these changes will provide additional specificity to the rule and ensure the rule uses terminology consistent with the description of Replace messages and their impact on an order’s priority under Exchange Rule 11.12(a)(4).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act²⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act²⁵ in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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.

Exchange Rule 11.6(h), Proposed Individual Minimum Size

The proposed rule change would remove impediments to and promote just and equitable principles of trade because it would provide Users with optional functionality that enhances the use of the Minimum Execution Quantity [sic] instruction. These proposed amendments are identical to changes recently proposed by EDGX that were published by the Commission for immediate effectiveness.²⁶ The proposed change to the functioning of Minimum Quantity Orders will provide market participants, including institutional firms who ultimately represent individual retail investors in many cases, with better control over their orders, thereby providing them with greater potential to improve the quality of their order executions. Currently, the rule allows Users to designate a minimum acceptable quantity on an order that may aggregate multiple executions to meet the minimum quantity requirement. Once posted to the book,

²⁴ 15 U.S.C. 78f(b).

²⁵ 15 U.S.C. 78f(b)(5).

²⁶ See supra note 5.

however, the minimum quantity requirement is equivalent to a minimum execution size requirement. The Exchange is now proposing to provide Users with control over the execution of their Minimum Quantity Orders by allowing them an option to designate the minimum individual execution size upon entry. The control offered by the proposed change is consistent with the various types of control currently provided by exchange order types. For example, the Exchange and other exchanges offer limit orders, which allow a market participant control over the price it will pay or receive for a stock.²⁷ Similarly, exchanges offer order types that allow market participants to structure their trading activity in a manner that is more likely to avoid certain transaction cost related economic outcomes.²⁸

As discussed above, the functionality proposed herein would enable Users to avoid transacting with smaller orders that they believe ultimately increases the cost of the transaction. Because the Exchange does not have this functionality, market participants, such as large institutions that transact a large number of orders on behalf of retail investors, have avoided sending large orders to the Exchange to avoid potentially more expensive transactions.²⁹ In this regard, the Exchange notes that the proposed new optional functionality may improve the Exchange's market by attracting more order flow. Such new order flow will further enhance the depth and liquidity on the Exchange, which supports just and equitable principals of trade. Furthermore, the proposed modification to Minimum Quantity Orders is consistent with providing market participants with greater control over the nature of their executions so that they may achieve their trading goals and improve the quality of their executions. Moreover, the

²⁷ See Exchange Rule 11.9(a)(1).

²⁸ For example, the BZX Post Only Order. See Exchange Rule 11.9(c)(6).

²⁹ As noted, the proposal is designed to attract liquidity to the Exchange by allowing market participants to designate a minimum size of a contra-side order to interact with, thus providing them with functionality available to them on dark markets.

proposed optional functionality for Minimum Quantity Orders is also substantially similar to that offered by Nasdaq and IEX, both of which have been recently approved by the Commission.³⁰

The Exchange also believes that re-pricing incoming Minimum Quantity Orders where they may cross an order posted on the BZX Book promotes just and equitable principles of trade because it enables the Exchange to avoid an internally crossed book. The proposed re-pricing is identical to how EDGX reprices orders with a Minimum Quantity instruction³¹ and is similar to how BZX reprices non-displayed orders that cross an external market.³² In addition, both IEX and Nasdaq also re-price minimum quantity orders to avoid an internally crossed book. In certain circumstances, Nasdaq re-prices buy (sell) orders to one minimum price increment below (above) the lowest (highest) price of such orders.³³ IEX re-prices non-displayed orders, such as minimum quantity orders, that include a limit price more aggressive than the midpoint of the NBBO to the midpoint of the NBBO.³⁴

In addition, the additional proposed changes to the description of Minimum Quantity Orders would better align Exchange rules and system functionality with identical functionality and rules on its affiliate, EDGX. Consistent descriptions of identical functionality between the

³⁰ See Nasdaq Rule 4703(e) (defining Minimum Quantity). See also Securities Exchange Act Release No. 73959 (December 30, 2014), 80 FR 582 (January 6, 2015) (order approving new optional functionality for Minimum Quantity Orders). See IEX Rule 11.190(b)(11) and Supplementary Material .03 (defining Minimum Quantity Orders and MinExec with Cancel Remaining and MinExec with AON Remaining). See also Securities Exchange Act Release No. 78101 (June 17, 2016), 81 FR 41141 (June 23, 2016) (order approving the IEX exchange application, which included IEX's Minimum Quantity Orders). See also IEX Rule 11.190(d)(3) (allowing the minimum quantity size of an order to be changed via a replace message).

³¹ See supra note 5.

³² See BZX Rule 11.9(g)(4).

³³ See Nasdaq Rule 4703(e).

³⁴ See IEX Rule 11.190(h)(2).

Exchange and EDGX will reduce complexity and avoid potential investor confusion. The proposed rule changes do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on EDGX. The Exchange notes that the proposed rule text is based on applicable BZX rules; the proposed language of the Exchange's Rules differs only to extent necessary to conform to existing Exchange rule text or to account for details or descriptions included in the Exchange's Rules.

Clarification to Exchange Rule 11.9(e)(3)

The Exchange believes the proposed amendments to paragraph (e)(3) of Rule 11.9 are also consistent with the Act in that they will provide additional specificity to the rules. In particular, the amendments to paragraph (e)(3) of Rule 11.10 [sic] will ensure the rule uses terminology consistent with the description of Replace messages and their impact on an order's priority under Exchange Rule 11.12(a)(4). Also, the Exchange notes that the proposed change would harmonize the description of Replace messages under Exchange Rule 11.9(e)(3) with EDGX Rule 11.10(e)(3).

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. On the contrary, the Exchange believes the proposed rule change promotes competition because it will enable the Exchange to offer functionality substantially similar to that offered by Nasdaq and IEX.³⁵ In addition, the proposed amendments to paragraph (e)(3) of Rule 11.10 [sic] would not have any impact on competition as they simply provide additional details to the rule and do not alter current System functionality. Therefore, the Exchange does

³⁵ See supra note 30.

not believe the proposed rule change will result in any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No comments were solicited or received 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) 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act³⁶ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁷ As required by Rule 19b-4(f)(6)(iii), the Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

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: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) 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.

³⁶ 15 U.S.C. 78s(b)(3)(A).

³⁷ 17 CFR 240.19b-4.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-BatsBZX-2017-62 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-BatsBZX-2017-62. 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, 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; 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-BatsBZX-2017-62, 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.³⁸

Robert W. Errett
Deputy Secretary

³⁸ 17 CFR 200.30-3(a)(12).