

proposed Rule G-40(a)(i) defines an advertisement, in part, as any “material . . . published or used in any electronic or other public media . . .” As such, proposed Rule G-40 would apply to any material posted on a municipal advisor’s website or more generally, on any website, if that material comes within the definition of an advertisement as set forth in proposed Rule G-40(a)(i).

In addition, NAMA and PFM requested guidance on the use of social media.<sup>124</sup> The MSRB appreciates commenters’ requests, and currently is studying whether to provide such guidance. As part of that consideration, the MSRB is reviewing the guidance concerning the use of social media provided by other financial regulators.<sup>125</sup>

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period of up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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.

<sup>124</sup> NAMA letter at 3; PFM letter at 5; *but see* Fidelity letter at 4 (“MSRB Rule G-21 applies to advertisements, regardless of whether electronic or other public media, including social media, is used with those advertisements”) and SIFMA letter at 6 (“[t]he amendments to Rule G-21 and draft Rule G-40(c) apply to advertisements, regardless of whether electronic or other public media is used with those advertisements. As such, we feel no additional guidance by the MSRB is needed regarding the use of social media by a dealer or municipal advisor at this time”).

<sup>125</sup> *See* Fidelity letter at 5 (“[o]n the topic of social media, FINRA has provided guidance on the application of its rules governing communications with the public to social media sites . . . . For example, we understand that FINRA is currently working on a new social media Q&A . . . .”); SIFMA letter at 6 (“[w]e believe that FINRA is currently working on guidance regarding social media. In line with our earlier comments, we feel the MSRB should ascribe to this guidance or clearly articulate why it is not appropriate in this market”). The MSRB believes that SIFMA’s comments relate to FINRA Regulatory Notice 17-18, Guidance on Social Networking websites and Business Communications (Apr. 2017).

Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission’s internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MSRB-2018-01 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR-MSRB-2018-01. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the MSRB. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MSRB-2018-01 and should be submitted on or before February 28, 2018.

For the Commission, pursuant to delegated authority.<sup>126</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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<sup>126</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82620; File No. SR-NYSE-2018-05]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Provide Users With Access to Two Additional Third Party Systems and Connectivity to One Additional Third Party Data Feed

February 1, 2018.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on January 19, 2018, New York Stock Exchange LLC (“NYSE” or “Exchange”) 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 self-regulatory organization. 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 provide Users with access to two additional third party systems and connectivity to one additional third party data feed. In addition, the Exchange proposes to change its Price List related to these co-location services, and to update its Price List to eliminate obsolete text. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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

1. Purpose

The Exchange proposes to amend the co-location<sup>4</sup> services offered by the Exchange to provide Users<sup>5</sup> with access to two additional third party systems and connectivity to one additional third party data feed. In addition the Exchange proposes to make the corresponding changes to the Exchange's Price List related to these co-location services, and to update its Price List to eliminate obsolete text.

As set forth in the Price List, the Exchange charges fees for connectivity to the execution systems of third party markets and other content service providers ("Third Party Systems"), and data feeds from third party markets and other content service providers ("Third Party Data Feeds").<sup>6</sup> The lists of Third Party Systems and Third Party Data Feeds are set forth in the Price List.

The Exchange now proposes to make the following changes:

- Add two content service providers to the list of Third Party Systems: Miami International Securities Exchange and MIAX PEARL (together, the "Additional Third Party Systems"); and
- add one feed to the list of Third Party Data Feeds: Miami International Securities Exchange/MIAX PEARL (the "Additional Third Party Data Feed").

The Exchange would provide access to the Additional Third Party Systems ("Access") and connectivity to the Additional Third Party Data Feed ("Connectivity") as conveniences to Users. Use of Access or Connectivity would be completely voluntary. The

<sup>4</sup> The Exchange initially filed rule changes relating to its co-location services with the Commission in 2010. See Securities Exchange Act Release No. 62960 (September 21, 2010), 75 FR 59310 (September 27, 2010) (SR-NYSE-2010-56) (the "Original Co-location Filing"). The Exchange operates a data center in Mahwah, New Jersey (the "data center") from which it provides co-location services to Users.

<sup>5</sup> For purposes of the Exchange's co-location services, a "User" means any market participant that requests to receive co-location services directly from the Exchange. See Securities Exchange Act Release No. 76008 (September 29, 2015), 80 FR 60190 (October 5, 2015) (SR-NYSE-2015-40). As specified in the Price List, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange's affiliates NYSE American LLC ("NYSE American") and NYSE Arca, Inc. ("NYSE Arca" and, together with NYSE American, the "Affiliate SROs"). See Securities Exchange Act Release No. 70206 (August 15, 2013), 78 FR 51765 (August 21, 2013) (SR-NYSE-2013-59).

<sup>6</sup> See Securities Exchange Act Release No. 80311 (March 24, 2017), 82 FR 15741 (March 30, 2017) (SR-NYSE-2016-45).

Exchange is not aware of any impediment to third parties offering Access or Connectivity.

The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users access to the Additional Third Party Systems and connectivity to the Additional Third Party Data Feed, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Access and Connectivity to Users, a User may utilize the Secure Financial Transaction Infrastructure ("SFTI") network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The proposed rule change would become operative when the Additional Third Party Systems and the Additional Third Party Data Feed becomes available, which is expected to be no later than March 31, 2018. The Exchange will announce the dates that each Product is available through customer notices disseminated to all Users simultaneously.

Connectivity to Additional Third Party Systems

The Exchange proposes to revise the Price List to provide that Users may obtain connectivity to the two Additional Third Party Systems for a fee. As with the current Third Party Systems, Users would connect to the Additional Third Party Systems over the internet protocol ("IP") network, a local area network available in the data center.<sup>7</sup>

As with the current Third Party Systems, in order to obtain access to an Additional Third Party System, the User would enter into an agreement with the relevant third party content service provider, pursuant to which the third party content service provider would charge the User for access to the Additional Third Party System. The Exchange would then establish a unicast connection between the User and the relevant third party content service provider over the IP network.<sup>8</sup> The

<sup>7</sup> See Securities Exchange Act Release No. 74222 (February 6, 2015), 80 FR 7888 (February 12, 2015) (SR-NYSE-2015-05) (notice of filing and immediate effectiveness of proposed rule change to include IP network connections).

<sup>8</sup> Information flows over existing network connections in two formats: "unicast" format, which is a format that allows one-to-one

Exchange would charge the User for the connectivity to the Additional Third Party System. A User would only receive, and only be charged for, access to Additional Third Party Systems for which it enters into agreements with the third party content service provider.

The Exchange has no ownership interest in the Additional Third Party Systems. Establishing a User's access to an Additional Third Party System would not give the Exchange any right to use the Additional Third Party Systems. Connectivity to an Additional Third Party System would not provide access or order entry to the Exchange's execution system, and a User's connection to an Additional Third Party System would not be through the Exchange's execution system.

As with the existing connections to Third Party Systems, the Exchange proposes to charge a monthly recurring fee for connectivity to an Additional Third Party System. Specifically, when a User requests access to an Additional Third Party System, it would identify the applicable content service provider and what bandwidth connection it required.

The Exchange proposes to modify its Price List to add the Additional Third Party Systems to its existing list of Third Party Systems. The additional items would be as follows:

THIRD PARTY SYSTEMS

Miami International Securities Exchange.  
MIAX PEARL.

The Exchange does not propose to change the monthly recurring fee the Exchange charges Users for unicast connectivity to each Third Party System, including the Additional Third Party Systems.

Connectivity to Additional Third Party Data Feed

The Exchange proposes to revise the Price List to provide that Users may obtain connectivity to the Additional Third Party Data Feed for a fee. The Exchange would receive the Additional Third Party Data Feed from the content service provider, at its data center. It would then provide connectivity to that data to Users for a fee. Users would connect to the Additional Third Party Data Feed over the IP network.<sup>9</sup>

communication, similar to a phone line, in which information is sent to and from the Exchange; and "multicast" format, which is a format in which information is sent one-way from the Exchange to multiple recipients at once, like a radio broadcast.

<sup>9</sup> See *supra* note 7, at 7889 ("The IP network also provides Users with access to away market data products").

In order to connect to the Additional Third Party Data Feed, a User would enter into a contract with the content service provider, pursuant to which the content service provider would charge the User for the Third Party Data Feed. The Exchange would receive the Third Party Data Feed over its fiber optic network and, after the content service provider and User entered into the contract and the Exchange received authorization from the content service provider, the Exchange would re-transmit the data to the User over the User's port. The Exchange would charge the User for the connectivity to the Additional Third Party Data Feed. A User would only receive, and would only be charged for, connectivity to the Additional Third Party Data Feed for which it entered into contracts.

The Exchange has no affiliation with the seller of the Additional Third Party Data Feed. It would have no right to use the Additional Third Party Data Feed other than as a redistributor of the data. The Additional Third Party Data Feed would not provide access or order entry to the Exchange's execution system. The Additional Third Party Data Feed would not provide access or order entry to the execution systems of the third parties generating the feed. The Exchange would receive the Additional Third Party Data Feed via arms-length agreements and it would have no inherent advantage over any other distributor of such data.

As it does with the existing Third Party Data Feeds, the Exchange proposes to charge a monthly recurring fee for connectivity to the Additional Third Party Data Feed. Depending on its needs and bandwidth, a User may opt to receive all or some of the feeds or services included in the Additional Third Party Data Feed.

The Exchange proposes to add the connectivity fees for the Additional Third Party Data to its existing list in the Price List. The additional item would be as follows:

Third Party Data Feed	Monthly recurring connectivity fee per Third Party Data Feed
Miami International Securities Exchange/MIAX PEARL .....	\$2,000

**Elimination of Obsolete Rule Language**

The Exchange proposes to delete obsolete text from both the lists of Third Party Data Feeds and Third Party Systems in the Price List. More

specifically, the Exchange proposes to make the following changes:<sup>10</sup>

- From both lists, remove the asterisk and note stating that the asterisked service is expected to be available no later than September 30, 2017, as the relevant services are currently available; and
- from the list of Third Party Data Feeds, remove the asterisks and note stating that the Euronext Optiq Compressed Derivatives is expected to be offered in place of Euronext no later than September 30, 2017, as such change has occurred, and remove Euronext as a Third Party Data Feed.

This proposed change would have no impact on pricing.

**General**

As is the case with all Exchange co-location arrangements, (i) neither a User nor any of the User's customers would be permitted to submit orders directly to the Exchange unless such User or customer is a member organization, a Sponsored Participant or an agent thereof (e.g., a service bureau providing order entry services); (ii) use of the co-location services proposed herein would be completely voluntary and available to all Users on a non-discriminatory basis;<sup>11</sup> and (iii) a User would only incur one charge for the particular co-location service described herein, regardless of whether the User connects only to the Exchange or to the Exchange and one or both the Affiliate SROs.<sup>12</sup>

The proposed change is not otherwise intended to address any other issues relating to co-location services and/or related fees, and the Exchange is not aware of any problems that Users would have in complying with the proposed change.

**2. Statutory Basis**

The Exchange believes that the proposed fee change is consistent with Section 6(b) of the Act,<sup>13</sup> in general, and

<sup>10</sup> See Securities Exchange Act Release No. 81014 (June 23, 2017), 82 FR 29615 (June 29, 2017) (SR-NYSE-2017-25).

<sup>11</sup> As is currently the case, Users that receive co-location services from the Exchange will not receive any means of access to the Exchange's trading and execution systems that is separate from, or superior to, that of other Users. In this regard, all orders sent to the Exchange enter the Exchange's trading and execution systems through the same order gateway, regardless of whether the sender is co-located in the data center or not. In addition, co-located Users do not receive any market data or data service product that is not available to all Users, although Users that receive co-location services normally would expect reduced latencies in sending orders to, and receiving market data from, the Exchange.

<sup>12</sup> See SR-NYSE-2013-59, *supra* note 5 at 51766. The Affiliate SROs have also submitted substantially the same proposed rule change to propose the changes described herein. See SR-NYSEAMER-2018-02 and SR-NYSEArca-2018-06.

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

further the objectives of Sections 6(b)(5) of the Act,<sup>14</sup> in particular, because 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 mechanisms of, a free and open market and a national market system and, in general, to protect investors and the public interest and because it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that the proposed changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because, by offering additional services, the Exchange would give each User additional options for addressing its access and connectivity needs, responding to User demand for access and connectivity options. Providing additional services would help each User tailor its data center operations to the requirements of its business operations by allowing it to select the form and latency of access and connectivity that best suits its needs.

The Exchange would provide Access and Connectivity as conveniences to Users. Use of Access or Connectivity would be completely voluntary. The Exchange is not aware of any impediment to third parties offering Access or Connectivity. The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users access to the Additional Third Party Systems and connectivity to the Additional Third Party Data Feed. However, if one or more third parties presently offer, or in the future opt to offer, such Access and Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third party vendor.

The Exchange believes that the proposed changes would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in

<sup>14</sup> 15 U.S.C. 78f(b)(5).

general, protect investors and the public interest because, by offering access to the Additional Third Party Systems and connectivity to the Additional Third Party Data Feed to Users when available, the Exchange would give Users additional options for connectivity and access to new services as soon as they are available, responding to User demand for access and connectivity options.

The Exchange also believes that the proposed fee change is consistent with Section 6(b)(4) of the Act,<sup>15</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed fee changes are consistent with Section 6(b)(4) of the Act for multiple reasons. The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location. Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange.

The Exchange believes that the additional services and fees proposed herein would be equitably allocated and not unfairly discriminatory because, in addition to the services being completely voluntary, they would be available to all Users on an equal basis (*i.e.*, the same products and services would be available to all Users). All Users that voluntarily selected to receive Access or Connectivity would be

charged the same amount for the same services. Users that opted to use Access or Connectivity would not receive access or connectivity that is not available to all Users, as all market participants that contracted with the relevant market or content provider would receive access or connectivity.

The Exchange believes that the proposed charges would be reasonable, equitably allocated and not unfairly discriminatory because the Exchange would offer the Access and Connectivity as conveniences to Users, but in order to do so must provide, maintain and operate the data center facility hardware and technology infrastructure. The Exchange must handle the installation, administration, monitoring, support and maintenance of such services, including by responding to any production issues. Since the inception of co-location, the Exchange has made numerous improvements to the network hardware and technology infrastructure and has established additional administrative controls. The Exchange has expanded the network infrastructure to keep pace with the increased number of services available to Users, including resilient and redundant feeds. In addition, in order to provide Access and Connectivity, the Exchange would maintain multiple connections to each Additional Third Party Data Feed and Additional Third Party System, allowing the Exchange to provide resilient and redundant connections; adapt to any changes made by the relevant third party; and cover any applicable fees charged by the relevant third party, such as port fees. In addition, Users would not be required to use any of their bandwidth for Access and Connectivity unless they wish to do so.

The Exchange believes the proposed fees for Access and Connectivity would be reasonable because they would allow the Exchange to defray or cover the costs associated with offering Users access to Additional Third Party Systems and connectivity to Additional Third Party Data Feed while providing Users the convenience of receiving such Access and Connectivity within co-location, helping them tailor their data center operations to the requirements of their business operations.

The Exchange also believes that the proposal to delete obsolete text from the list of Third Party Data Feeds and the list of Third Party Systems would remove impediments to, and perfect the mechanisms of, a free and open market and a national market system and, in general, protect investors and the public interest because the proposed fee changes would remove obsolete text

from the Price List, reducing the complexity and any potential ambiguity and providing clarification concerning the availability and the costs of products and services available to Users. Further, the Exchange believes that that the proposed modifications and updates to its Price List would be consistent with the public interest and the protection of investors because the public and investors would not be harmed and, in fact, would benefit from this updating and clarification.

For the reasons above, the proposed changes would not unfairly discriminate between or among market participants that are otherwise capable of satisfying any applicable co-location fees, requirements, terms and conditions established from time to time by the Exchange.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>16</sup> the Exchange believes that the proposed rule change will not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because all of the proposed services are completely voluntary.

The Exchange believes that providing Users with additional options for connectivity and access to new services would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because such proposed Access and Connectivity would satisfy User demand for access and connectivity options. The Exchange would provide Access and Connectivity as conveniences equally to all Users. The Exchange does not have visibility into whether third parties currently offer, or intend to offer, Users access to the Additional Third Party Systems and connectivity to the Additional Third Party Data Feed, as such third parties are not required to make that information public. However, if one or more third parties presently offer, or in the future opt to offer, such Access and Connectivity to Users, a User may utilize the SFTI network, a third party telecommunication network, third party wireless network, a cross connect, or a combination thereof to access such services and products through a connection to an access center outside the data center (which could be a SFTI access center, a third-party access center, or both), another User, or a third

<sup>15</sup> 15 U.S.C. 78f(b)(4).

<sup>16</sup> 15 U.S.C. 78f(b)(8).

party vendor. Users that opt to use the proposed Access or Connectivity would not receive access or connectivity that is not available to all Users, as all market participants that contract with the content provider may receive access or connectivity. In this way, the proposed changes would enhance competition by helping Users tailor their Access and Connectivity to the needs of their business operations by allowing them to select the form and latency of access and connectivity that best suits their needs.

The proposed deletion of obsolete text from the list of Third Party Data Feeds and the list of Third Party Systems would update the information and increase the clarity of the Price List concerning the availability and cost of products and services available to Users. Accordingly, the proposed change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the public and investors would benefit from this updating and clarification.

The Exchange operates in a highly competitive market in which exchanges offer co-location services as a means to facilitate the trading and other market activities of those market participants who believe that co-location enhances the efficiency of their operations. Accordingly, fees charged for co-location services are constrained by the active competition for the order flow of, and other business from, such market participants. If a particular exchange charges excessive fees for co-location services, affected market participants will opt to terminate their co-location arrangements with that exchange, and adopt a possible range of alternative strategies, including placing their servers in a physically proximate location outside the exchange's data center (which could be a competing exchange), or pursuing strategies less dependent upon the lower exchange-to-participant latency associated with co-location. Accordingly, the exchange charging excessive fees would stand to lose not only co-location revenues but also the liquidity of the formerly co-located trading firms, which could have additional follow-on effects on the market share and revenue of the affected exchange. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>17</sup> and Rule 19b-4(f)(6) thereunder.<sup>18</sup> Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>19</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>20</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>21</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange represents that the proposed rule changes present no new or novel issues. According to the Exchange, waiver of the operative delay would allow Users to access the Additional Third Party Systems and the Additional Third Party Data Feeds without delay, which would assist Users in tailoring their data center operations to the requirements of their business operations. The Exchange also represents that the proposed changes to the Price List would provide Users with more complete information regarding their Access and Connectivity options. The Commission believes that waiving

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>18</sup> 17 CFR 240.19b-4(f)(6).

<sup>19</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

<sup>21</sup> 17 CFR 240.19b-4(f)(6)(iii).

the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>22</sup>

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>23</sup> of the Act 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
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2018-05 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-NYSE-2018-05. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the

<sup>22</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>23</sup> 15 U.S.C. 78s(b)(2)(B).

public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-2018-05 and should be submitted on or before February 28, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82615; File No. SR-CboeEDGX-2018-003]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 21.1, Definitions, To Modify a Time in Force Applicable to the Exchange's Equity Options Platform

February 1, 2018.

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 January 25, 2018, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> 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 amend Rule 21.1 to modify a Time in Force applicable to the Exchange's equity options platform ("EDGX Options").

The text of the proposed rule change is available at the Exchange's website at [www.markets.cboe.com](http://www.markets.cboe.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 amend Exchange Rule 21.1, Definitions, to modify the Good Til Day (or "GTD") Time in Force. Currently, GTD orders are limited to the specific trading day on which they are entered, as the Exchange does not currently offer any orders that continue to remain on the Exchange for more than a single trading day (*i.e.*, does not carry any orders overnight). The Exchange notes that it received approval to offer the GTC Time in Force as part of its proposal to adopt rules to allow trading of complex orders on EDGX Options.<sup>5</sup> The GTC Time in Force is not limited to the trading day on which an order is entered.

The Exchange plans to make available the GTC Time in Force effective January 26, 2018. In connection with such release, the Exchange proposes to modify the GTD Time in Force to also allow orders with such Time in Force to remain in effect past the day on which they were entered, and therefore proposes to remove language that refers

to the time of expiration as needing to be "during such trading day". In addition, to avoid confusion, the Exchange proposes to modify the name of the GTD Time in Force to "Good Til Date", which is more reflective of a Time in Force that can last for more than one trading day.

The Exchange does not believe that offering GTD functionality that allows orders to remain with the Exchange for more than one trading day raises any issues that are not already present with GTC orders. In turn, GTC is a common time in force and is typically implemented to allow orders to remain for more than one trading day.<sup>6</sup> The Exchange simply has not offered such functionality previously and therefore has had specific language reflecting that an expiration time must be during the trading day. The Exchange also notes that a GTD modifier providing a Time in Force that could last more than one day has been previously offered by at least one equities exchange not affiliated with the Exchange.<sup>7</sup>

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. The Exchange believes the proposed amendment will provide additional flexibility to Users that wish to enter an order that will last past the trading day on which it is entered by allowing such Users to set a specific expiration time. The Exchange also believes the proposed amendment will increase the understanding of the Exchange's operations for all Users of the Exchange. In particular, the Exchange intends to release the GTC Time in Force in the near future, which will persist over multiple trading days unless cancelled, and believes that the Time in Force of GTD should similarly be able to persist over multiple trading days. The Exchange believes it could be confusing and inconsistent to offer a GTC Time in Force that can persist for longer than a

<sup>6</sup> See, e.g., C2 Rule 6.10(d)(2).

<sup>7</sup> See Securities Exchange Act Release No. 75497 (July 21, 2015), 80 FR 45022 (July 28, 2015) (SR-NYSEArca-2015-56) (notice of filing by NYSE Arca describing proposed changes in connection with migration of technology to new platform, including retirement of GTD modifier).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>24</sup> 17 CFR 200.30-3(a)(12).

<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).

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

<sup>5</sup> See Securities Exchange Act Release No. 81891 (October 17, 2017), 82 FR 49058 (October 23, 2017) (SR-Bats-EDGX-2017-29).