

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–83337; File No. SR–CboeEDGA–2018–009]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on Cboe EDGA Exchange, Inc.

May 29, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on May 21, 2018, Cboe EDGA Exchange, Inc. (“Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b–4(f)(2) thereunder,⁴ which renders the proposed rule change 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 the fee schedule applicable to Members⁵ and non-Members of the Exchange pursuant to EDGA Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange’s website at 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 its fee schedule to (i) add an Add Volume Tier and (ii) increase the fee for orders that yield fee code D.⁶

Currently, the Exchange charges a standard rate of \$0.0003 per share for orders that add liquidity for securities at or above \$1.00 that are appended with fee codes B, V Y, 3 or 4. The Exchange propose to adopt an Add Volume Tier, Tier 1 (new footnote 7) which would provide a reduced fee of \$0.0002 per share for Members that add an ADV⁷ of greater than or equal to 0.22% of the TCV.⁸ The Exchange believes the proposed change will encourage Members to increase their liquidity on the Exchange. The Exchange also notes that other exchanges have similar volume tiers.⁹

The Exchange next proposes to increase the fee for orders yielding fee code D, which results from an order routed to the New York Stock Exchange (“NYSE”) or routed using the RDOT routing strategy. Particularly, NYSE recently implemented certain pricing changes related to Tapes B and C securities, including adopting a per tape fee of \$0.00280 per share to remove liquidity from the Exchange for member organizations with an Adding ADV of at least 50,000 shares for that respective Tape.¹⁰ Based on the changes in pricing at NYSE, the Exchange is proposing to increase its fee for orders executed at

NYSE that yield fee code D from \$0.00275 to \$0.00280.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(4),¹² in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

In particular, the Exchange believes the addition of an Add Volume Tier under footnote 7 is reasonable because it provides Members an opportunity to receive a reduced rate for orders that add liquidity and is a reasonable means to encourage Members to increase their liquidity on the Exchange. The Exchange further believes that the proposed tier represents an equitable allocation of reasonable dues, fees, and other charges because the thresholds necessary to achieve the tier encourages Members to add additional liquidity to the Exchange. The Exchange also notes that other exchanges utilize similar volume tiers with similar criteria.¹³ The Exchange further believes the proposed fee change is equitable and non-discriminatory because it applies uniformly to all Members.

The Exchange believes the proposed increase to orders yielding fee code D is reasonable because it reflects a pass-through of the pricing increase by NYSE noted above. The Exchange further believes the proposed fee change is equitable and non-discriminatory because it applies uniformly to all Members.

(B) Self-Regulatory Organization’s Statement on Burden on Competition

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed changes represent a significant departure from previous pricing offered by the Exchange or from pricing offered by the Exchange’s competitors.

Additionally, Members may opt to disfavor the Exchange’s pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. The Exchange

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b–4(f)(2).

⁵ The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

⁶ The Exchange initially filed the proposed fee changes on May 1, 2018 (SR–CboeEDGA–2018–006). On May 10, 2018, the Exchange withdrew that filing and submitted SR–CboeEDGA–2018–007. On May 21, 2018 the Exchange withdrew that filing and submitted this filing.

⁷ ADV means average daily volume calculated as the number of shares added to, removed from, or routed by, the Exchange, or any combination or subset thereof, per day. ADV is calculated on a monthly basis. See Exchange’s fee schedule.

⁸ TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. See Exchange’s fee schedule.

⁹ See e.g., Cboe EDGX U.S. Equities Exchange Fee Schedule, Tape B Volume Tiers.

¹⁰ See NYSE Trader Update, NYSE—Fees for Trading Tapes B and C securities, dated April 2, 2018, available at https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Fee_Change_BandC_April2018.pdf.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(4).

¹³ See e.g., Cboe EDGX U.S. Equities Exchange Fee Schedule, Tape B Volume Tiers.

believes that its proposal would not burden intramarket competition because the proposed rates would apply uniformly to all Members.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁴ and paragraph (f) of Rule 19b-4 thereunder.¹⁵ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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. Please include File Number SR-CboeEDGA-2018-009 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-CboeEDGA-2018-009. 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 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-CboeEDGA-2018-009 and should be submitted on or before June 25, 2018.

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

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83339; File No. SR-Phlx-2018-40]

Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing of Proposed Rule Change To Extend the Applicability of the Floor Broker Management System and the Snapshot Functionality to Registered Options Traders and Specialists

May 29, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4 thereunder,² notice is hereby given that on May 24, 2018, Nasdaq PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. 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 change the name of the Floor Broker Management System and to require all members that operate on the Exchange Floor, including Floor Brokers, Registered Options Traders, and Specialists, to enter and submit Floor-based trades using that system.

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqphlx.cchwallstreet.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 aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its Rules to change the name of its electronic order entry system, the Floor Broker Management System, to the Floor Based Management System ("FBMS"). The Exchange also proposes to extend to the other members that operate on the Exchange Floor—Registered Options Traders ("ROT's")³ and Specialists⁴—the same general obligation it imposes upon Floor Brokers regarding orders on the Floor of the Exchange, which is to enter such orders using FBMS, rather than by writing paper tickets that memorialize the orders and then submitting the

³ Rule 1014(b) defines a ROT as a "a regular member or a foreign currency options participant of the Exchange located on the trading floor who has received permission from the Exchange to trade in options for his own account." A ROT includes a Streaming Quote Trader and a Remote Streaming Quote Trader.

⁴ Rule 1020 describes the functions of a (Options) Specialist.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f).

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.