

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>36</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-IEX-2018-16 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-IEX-2018-16. 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-IEX-2018-16 and should be submitted on or before September 4, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83798; File No. SR-CboeBYX-2018-013]

### Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 1.5 Definitions and Exchange Rule 14.1 Unlisted Trading Privileges

August 8, 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 July 25, 2018, Cboe BYX Exchange, Inc. (the "Exchange" or "BYX") 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 1.5(c), which defines the After Hours Trading Session, to allow trading until 8:00 p.m. ET.

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 offers four distinct trading sessions where the Exchange accepts orders for potential execution: (1) The "Early Trading Session," which begins at 7:00 a.m. Eastern Time ("ET") and continues until 8:00 a.m. ET,<sup>5</sup> (2) the "Pre-Opening Session," which begins at 8:00 a.m. ET and continues until 9:30 a.m. ET,<sup>6</sup> (3) "Regular Trading Hours," which begin at 9:30 a.m. ET and continue until 4:00 p.m. ET,<sup>7</sup> and (4) the "After Hours Trading Session," which begins at 4:00 p.m. ET and continues until 5:00 p.m. ET.<sup>8</sup> Users<sup>9</sup> may designate when their orders are eligible for execution by selecting their desired Time-in-Force instruction.<sup>10</sup>

The purpose of the proposed rule change is to amend Rule 1.5(c), which defines the After Hours Trading Session, to allow trading until 8:00 p.m. ET, consistent with the hours currently available on the Exchange's affiliates Cboe EDGX Exchange, Inc. ("EDGX") and Cboe EDGA Exchange, Inc. ("EDGA").<sup>11</sup> The After Hours Trading

<sup>5</sup> "Early Trading Session" means the time between 7:00 a.m. and 8:00 a.m. ET. See Rule 1.5(ee).

<sup>6</sup> "Pre-Opening Session" means the time between 8:00 a.m. and 9:30 a.m. ET. See Rule 1.5(r).

<sup>7</sup> "Regular Trading Hours" means the time between 9:30 a.m. and 4:00 p.m. ET. See Rule 1.5(w).

<sup>8</sup> "After Hours Trading Session" means the time between 4:00 p.m. and 5:00 p.m. ET. See Rule 1.5(c).

<sup>9</sup> "User" means any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3. See Rule 1.5(cc).

<sup>10</sup> See Rule 11.9(b).

<sup>11</sup> See EDGX and EDGA Rule 1.5(r), which both define "Post-Closing Session" as the time between 4:00 p.m. and 8:00 p.m. ET.

<sup>37</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>36</sup> 15 U.S.C. 78s(b)(2)(B).

Session will continue to begin after Regular Trading Hours end at 4:00 p.m. ET but instead of ending at 5:00 p.m. ET, as is the case today, will now be available until 8:00 p.m. ET similar to the EGDx and EDGA markets. Rule 11.1(a), which was inadvertently modified in November 2014 to include an 8:00 p.m. ET cutoff for entering orders as part of a proposed rule change to accept orders beginning at 6:00 a.m. ET,<sup>12</sup> will not be amended by this proposed rule change as the Exchange will now accept orders until 8:00 p.m. ET as described in that rule.

The Exchange's affiliate Cboe BZX Exchange, Inc. ("BZX") is also filing to extend its trading hours to 8:00 p.m. ET.<sup>13</sup> The proposed rule change will therefore promote a consistent experience for market participants across all four equities markets operated by Cboe Global Markets, Inc. Orders entered for participation in the After Hours Trading Session will continue to be handled in the same manner as today, with the exception that the Exchange will now accept those orders until 8:00 p.m. ET, thereby providing additional time for market participants to source liquidity outside of Regular Trading Hours. The Exchange therefore believes that amending Rule 1.5(c) to extend the Exchange's trading hours will benefit investors that will now be able to trade on the Exchange later in the day.

In addition, Rule 14.1(c)(2), which provides that the Exchange must distribute an information circular for UTP Derivative Securities that, among other things, includes information about the risks of trading during the Exchange's various trading sessions also specifically references the time that the Exchange is open for trading (*i.e.*, until 5:00 p.m. ET today). The Exchange therefore proposes to update references to the Exchange's hours of operation in that rule in connection with the changes to extend the After Hours Trading Session to 8:00 p.m. ET.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>14</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>15</sup> 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. Specifically, the Exchange believes that the proposed rule change will benefit market participants by providing additional opportunities to transact on the Exchange later in the trading day.

As explained in the purpose section of this proposed rule change, the Exchange currently accepts orders in its After Hours Trading Session until 5:00 p.m. ET, while two of its affiliated exchanges (*i.e.*, EDGX and EDGA) currently have a Post-Closing Session that ends at 8:00 p.m. ET.<sup>16</sup> The Exchange believes that market participants would benefit from a longer After Hours Trading Session on the Exchange too, and is therefore proposing to extend its After Hours Trading Session to the same time as its affiliated markets. The Exchange believes that this change will provide additional opportunities for firms to source liquidity for their orders on the Exchange. Furthermore, the proposed rule change will ensure that Members have a similar experience when trading on all four Cboe equities markets. For the reasons set forth above, the Exchange believes the proposal removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest.

In addition, the Exchange believes that the proposed change to Rule 14.1 is consistent with the Act because that change updates the rule to reference the proposed 8:00 p.m. ET time that the Exchange would accept orders in the After Hours Trading Session. No further substantive changes to that rule is proposed. The Exchange believes that it is appropriate to update all rules that specifically reference the Exchange's hours of operation so that the rules properly reflect the changes to the After Hours Trading Session being implemented in this proposed rule change.

### (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. The Exchange does not believe that the proposed rule change would have any significant impact on inter-market

competition as the Exchange's affiliated exchanges already allow after hours trading until 8:00 p.m. ET, and other markets are free to provide similar trading hours. Furthermore, the Exchange does not believe that the proposed rule change would have any significant impact on intra-market competition as all Members would be able to enter orders later in the day due to the extended After Hours Trading Session.

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

The Exchange has neither solicited nor received written comments 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: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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 Act<sup>17</sup> and Rule 19b-4(f)(6) thereunder.<sup>18</sup>

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 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 proposal is consistent with the Act. Comments may be submitted by any of the following methods:

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

<sup>18</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>12</sup> See Securities Exchange Act Release No. 73744 (December 4, 2014), 79 FR 73369 (December 10, 2014) (SR-BYX-2014-036).

<sup>13</sup> See SR-CboeBZX-2018-052 (pending publication).

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

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

<sup>16</sup> See supra note 11.

*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-CboeBYX-2018-013 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-CboeBYX-2018-013. 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 such filing will also 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-CboeBYX-2018-013 and should be submitted on or before September 4, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-83797; File No. SR-MIAX-2018-22]

**Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule**

August 8, 2018.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 1, 2018, Miami International Securities Exchange LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 the Substance of the Proposed Rule Change**

The Exchange is filing a proposal to amend the MIAX Options Fee Schedule (the "Fee Schedule").

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings>, at MIAX's principal office, 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 Fee Schedule to (i) increase certain fees

in certain Tiers for options transactions by MIAX Options Market Makers<sup>3</sup> in standard option classes in the Penny Pilot Program<sup>4</sup> ("Penny classes") and in standard option classes which are not in the Penny Pilot Program ("non-Penny classes") executed in the complex order<sup>5</sup> book; (ii) increase the per contract surcharge assessed for transactions by all market participants, except for Priority Customers,<sup>6</sup> which remove liquidity against a resting Priority Customer complex order on the strategy book for options in Penny classes and for options in non-Penny classes ("Complex Taker Surcharge") and to broaden the application of the Complex Taker Surcharge to other types of transactions (described below) and consequently to rename it as the "Complex Surcharge;" (iii) increase the per contract credit assessable to Agency Orders (defined below) in a cPRIME Auction ("cPRIME Agency Order Credit") by Members<sup>7</sup> in Tier 4 of the Priority Customer Rebate Program ("PCRP")<sup>8</sup> and establish a limit as to

<sup>3</sup> The term "Market Makers" refers to Lead Market Makers ("LMMs"), Primary Lead Market Makers ("PLMMs"), and Registered Market Makers ("RMMs") collectively. See Exchange Rule 100. A Directed Order Lead Market Maker ("DLMM") and Directed Primary Lead Market Maker ("DPLMM") is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule note 2.

<sup>4</sup> See Securities Exchange Act Release No. 83515 (June 25, 2018), 83 FR 30786 (June 29, 2018) (SR-MIAX-2018-12).

<sup>5</sup> A "complex order" is any order involving the concurrent purchase and/or sale of two or more different options in the same underlying security (the "legs" or "components" of the complex order), for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purposes of executing a particular investment strategy. A complex order can also be a "stock-option" order, which is an order to buy or sell a stated number of units of an underlying security coupled with the purchase or sale of options contract(s) on the opposite side of the market, subject to certain contingencies set forth in the proposed rules governing complex orders. For a complete definition of a "complex order," see Exchange Rule 518(a)(5). See also Securities Exchange Act Release No. 78620 (August 18, 2016), 81 FR 58770 (August 25, 2016) (SR-MIAX-2016-26).

<sup>6</sup> "Priority Customer" means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial accounts(s). A "Priority Customer Order" means an order for the account of a Priority Customer. See Exchange Rule 100.

<sup>7</sup> The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>8</sup> Under the PCRP, MIAX Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes

Continued

<sup>19</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.