

which benefits all market participants. The proposed changes will encourage the submission of additional liquidity to a national securities exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders from the substantial amounts of liquidity that are present on the Exchange. Moreover, the proposed changes are equitable and not unfairly discriminatory because they would apply equally to all qualifying ETP Holders that add liquidity to the Exchange and quote at the NBBO.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

For the foregoing 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>8</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, the Exchange believes that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders. The Exchange believes that this could promote competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee

changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of ETP Holders or competing order execution venues to maintain their competitive standing in the financial markets.

#### *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 foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>9</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>10</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

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>11</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-NYSENAT-2019-01 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090.

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(2).

<sup>11</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to File Number SR-NYSENAT-2019-01. 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 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-NYSENAT-2019-01 and should be submitted on or before March 13, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-02737 Filed 2-19-19; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

### **Sunshine Act Meetings**

**TIME AND DATE:** 2:00 p.m. on Thursday, February 21, 2019.

**PLACE:** The meeting will be held at the Commission's headquarters, 100 F Street, NE, Washington, DC 20549.

**STATUS:** This meeting will be closed to the public.

#### **MATTERS TO BE CONSIDERED:**

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries

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

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

will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Jackson, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matters of the closed meeting will be:

Institution and settlement of injunctive actions;  
Institution and settlement of administrative proceedings;  
Resolution of litigation claims; and  
Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

**CONTACT PERSON FOR MORE INFORMATION:**

For further information and to ascertain what, if any, matters have been added, deleted or postponed; please contact Brent J. Fields from the Office of the Secretary at (202) 551-5400.

Dated: February 14, 2019.

**Jill M. Peterson,**  
Assistant Secretary.

[FR Doc. 2019-02905 Filed 2-15-19; 11:15 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85122; File No. SR-CboeBYX-2019-002]

**Self-Regulatory Organizations; Cboe BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the BYX Fee Schedule as It Relates to Pricing for the Use of Certain Routing Strategies**

February 13, 2019.

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 February 1, 2019, Cboe BYX Exchange, Inc. (the “Exchange” or “BYX”) filed with the Securities and Exchange Commission (the “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**

Cboe BYX Exchange, Inc. (“BYX” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend the BYX fee schedule as it relates to pricing for the use of certain routing strategies. The text of the proposed rule change is attached [sic] as Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/byx/](http://markets.cboe.com/us/equities/regulation/rule_filings/byx/)), at the Exchange’s Office of the Secretary, 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 purpose of the proposed rule change is to amend the BYX fee schedule to change the pricing applicable to orders routed using the SLIM routing strategy in connection with planned changes to the System routing table.<sup>3</sup> SLIM is a routing strategy offered by the Exchange that is used to target certain low cost protected market centers by routing to those venues after accessing available liquidity on the BYX Book, and prior to routing to other trading centers included in the System routing table. The Exchange periodically

changes the low cost venues targeted by the SLIM routing strategy to ensure that the venues prioritized for routing can be accessed at a low cost. Currently, three exchanges are included in the System routing table as low cost protected market centers: Cboe EDGA Exchange, Inc. (“EDGA”), Nasdaq BX, Inc. (“BX”), and New York Stock Exchange LLC (“NYSE”). Pursuant to Rule 11.13(b)(3), the Exchange has determined to modify the System routing table such that NYSE would no longer be listed as a low cost protected market center where orders are first routed after seeking available liquidity on the BYX Book. In addition, the Exchange has decided to add NYSE American LLC (“NYSE American”) and NYSE National, Inc. (“NYSE National”) as low cost protected market centers. These changes to the System routing table are scheduled to be introduced on February 1, 2019.

Currently, orders routed using the SLIM routing strategy are charged a fee of \$0.00270 per share, except when routed to BZX or NYSE.<sup>4</sup> Orders routed to BZX using the SLIM routing strategy are charged a fee of \$0.0030 per share,<sup>5</sup> and orders routed to NYSE using this routing strategy are charged a fee of \$0.00280 per share.<sup>6</sup> The Exchange proposes a number of changes to these fees in connection with the changes to the routing table for SLIM.

First, in recognition of the fact that EDGA and BX can be accessed at a low cost today, the Exchange proposes to provide a rebate to orders routed to these exchanges using the SLIM routing strategy. As proposed, the rebate would be \$0.00240 per share for orders routed to EDGA, and \$0.00100 for orders routed to BX. The rebates are consistent with rebates currently offered for orders routed to EDGA and BX using the Destination Specific, TRIM, or TRIM2 routing strategies, which yield fee codes “BJ” and “C,” respectively. To effect the proposed change, the Exchange would therefore add SLIM to the list of routing strategies that yield fee code BJ and C when routed to EDGA or BX. In addition, the fee schedule currently provides that the rebates offered pursuant to fee codes BJ and C are applicable to eligible orders in all securities. EDGA and BX, however, do not provide rebates to orders that remove liquidity in securities priced below \$1.00.<sup>7</sup> As such, the Exchange

<sup>3</sup> The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. See Rule 11.13(b)(3). The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. *Id.*

<sup>4</sup> See Cboe BZX U.S. Equities Exchange Fee Schedule, fee code “SX.”

<sup>5</sup> See Cboe BZX U.S. Equities Exchange Fee Schedule, fee code “SZ.”

<sup>6</sup> See Cboe BZX U.S. Equities Exchange Fee Schedule, fee code “D.”

<sup>7</sup> Orders that remove liquidity on EDGA for Tapes A, B, and C are neither charged a fee nor provided

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

<sup>2</sup> 17 CFR 240.19b-4.