

Additional information or comments: Copies of the forms and supporting documents can be obtained from Brian Foster at (312) 751-4826 or Brian.Foster@RRB.GOV.

Comments regarding the information collection should be addressed to Brian Foster, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-1275 or Brian.Foster@rrb.gov and to the OMB Desk Officer for the RRB, Fax: 202-395-6974, Email address: OIRA_Submission@omb.eop.gov.

Brian Foster,
Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85181; File No. SR-CboeBZX-2018-066]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Deemed Approval of a Proposed Rule Change To Permit the Listing and Trading of P.M.-Settled Series on Certain Broad-Based Index Options on a Pilot Basis

February 22, 2019.

On October 11, 2018, Cboe BZX Exchange, Inc. filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change to permit the listing and trading of P.M.-settled series on certain broad-based index options on a pilot basis.

The proposed rule change was published for comment in the **Federal Register** on October 30, 2018.³ On December 13, 2018, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ The Commission received no comment letters on the proposed rule change.

As of January 28, 2019, pursuant to Section 19(b)(2)(D) of the Act,⁶ the

proposed rule change (SR-CboeBZX-2018-066) was deemed to have been approved by the Commission.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019-03469 Filed 2-27-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85180; File No. SR-CboeEDGX-2018-043]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Deemed Approval of a Proposed Rule Change, as Modified by Amendments No. 1 and 2, To Allow the Post Only Order Instruction on Complex Orders

February 22, 2019.

On October 1, 2018, Cboe EDGX Exchange, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change to allow the Post Only order instruction on complex orders that route to its electronic book.

The proposed rule change was published for comment in the **Federal Register** on October 16, 2018.³ On November 21, 2018, the Exchange filed Amendment No. 1 to the proposal.⁴ On November 27, 2018, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change, as modified by Amendment No. 1.⁶ On December 14, 2018, the Exchange filed Amendment No. 2 to the proposal.⁷ The Commission received no

¹ 17 CFR 200.30-3(a)(12).

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 84393 (October 10, 2018), 83 FR 52264.

⁵ The text of Amendment No. 1 is available at <https://www.sec.gov/comments/sr-cboedgx-2018-043/sr-cboedgx2018043-4678696-176565.pdf>.

⁶ 15 U.S.C. 78s(b)(2).

⁷ See Securities Exchange Act Release No. 84663, 83 FR 62390 (Dec. 3, 2018). The Commission designated January 14, 2019, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

The text of Amendment No. 2 is available at <https://www.sec.gov/comments/sr-cboedgx-2018-043/sr-cboedgx2018043-4778850-176845.pdf>.

comment letters on the proposed rule change.

As of January 14, 2019, pursuant to Section 19(b)(2)(D) of the Act,⁸ the proposed rule change (SR-CboeEDGX-2018-043), as modified by Amendments No. 1 and 2, was deemed to have been approved by the Commission.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Eduardo A. Aleman,
Deputy Secretary.

[FR Doc. 2019-03471 Filed 2-27-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Securities Exchange Act of 1934; Release No. 34-85184/February 25, 2019]

Order Affirming Order by Delegated Authority Temporarily Suspending and Instituting Proceedings on SR-BOX-2018-24 and Notice of Additional Comment Period for the Proceedings

In the Matter of the BOX Exchange LLC Regarding a Suspension of and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change to Amend the Fee Schedule on the BOX Market LLC Options Facility to Establish BOX Connectivity Fees for Participants and Non-Participants Who Connect to the BOX Network (File No. SR-BOX-2018-24)

I. Background

On July 19, 2018, BOX Exchange LLC (f/k/a BOX Options Exchange LLC) (“BOX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act (“Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change (SR-BOX-2018-24) to amend the fee schedule on the BOX Market LLC options facility to establish certain connectivity fees and reclassify its high speed vendor feed connection as a port fee. The proposed rule change was published in the **Federal Register** on August 2, 2018.³ The Commission received one comment letter on the proposal urging the Commission to suspend the proposal and institute proceedings.⁴ BOX submitted a

¹ 15 U.S.C. 78s(b)(2)(D).

² 17 CFR 200.30-3(a)(12).

³ 15 U.S.C. 78s(b)(1).

⁴ 17 CFR 240.19b-4.

⁵ See Securities Exchange Act Release No. 83728 (July 27, 2018), 83 FR 37853.

⁶ See letter to Brent J. Fields, Secretary, Commission, from Tyler Gellasch, Executive Director, The Healthy Markets Association, dated August 23, 2018.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 84480 (Oct. 24, 2018), 83 FR 54635.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 84816, 83 FR 65194 (Dec. 19, 2018). The Commission designated January 28, 2019, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 15 U.S.C. 78s(b)(2)(D).

response to comments on September 12, 2018.⁵

On September 17, 2018, the Division of Trading and Markets (“Division”), pursuant to delegated authority,⁶ issued an order temporarily suspending the proposed rule change pursuant to Section 19(b)(3)(C) of the Act⁷ and simultaneously instituting proceedings under Section 19(b)(2)(B) of the Act⁸ to determine whether to approve or disapprove the proposed rule change (“Order Instituting Proceedings”).⁹ On October 17, 2018, the Commission received an additional comment letter in response to the Order Instituting Proceedings, supporting the decision to suspend and institute proceedings on the proposed fee changes.¹⁰

On September 19, 2018, pursuant to Rule 430 of the Commission’s Rules of Practice,¹¹ the Exchange filed a notice of intention to petition for review of the Order Instituting Proceedings. Pursuant to Rule 431(e) of the Commission’s Rules of Practice,¹² a notice of intention to petition for review results in an automatic stay of the action by delegated authority. On September 26, 2018, the Exchange filed a petition for review of the Order Instituting Proceedings.¹³

On November 16, 2018, the Commission granted BOX’s Petition. Further, the Commission discontinued the automatic stay of the delegated action. In addition, the Commission ordered that any party or other person could file a statement in support or in opposition to the action made by delegated authority provided such statement was filed on or before December 10, 2018.¹⁴

On December 7, 2018, the Commission received a statement from BOX opposing the action made by delegated authority and urging the

Commission to lift the suspension and approve the proposed rule change.¹⁵ In its letter, BOX reiterates the arguments from its Petition that its proposed fees are lower than comparable fees charged by other exchanges and are designed to offset costs of maintaining and improving its trading systems.¹⁶ BOX’s letter also includes additional statements describing in general terms the types of costs its proposed fees are intended to support. Specifically, BOX states that these may include costs related to connectivity, software and hardware enhancements, software development, quality assurance, technology support, network performance and stability improvements, and third-party data center rental and utilities.¹⁷ On December 10, 2018, the Commission received a second statement from BOX making identical arguments.¹⁸

On January 2, 2019, the Commission received two additional comment letters further commenting on BOX’s proposed connectivity fees and arguing that the Exchange has not provided sufficient information to allow the Commission to assess whether the proposed fees are consistent with the Act.¹⁹

On January 25, 2019, pursuant to Section 19(b)(2) of the Act,²⁰ the Commission designated a longer period within which to approve the proposed or disapprove the proposed rule change.²¹

On February 19, 2019, the Commission received another letter from BOX.²² In its letter, BOX argues that its provision of connectivity services is related to its trading function. BOX asserts that competition for order flow with other exchanges constrains its ability to price its

services, including connectivity.²³ Therefore, BOX claims such competition ensures that its proposed fees are reasonable, equitable, and not unfairly discriminatory and do not impose an unnecessary or inappropriate burden on competition.²⁴ As a result, BOX claims it is unnecessary to provide detailed cost information in order to justify its proposed fees.²⁵

II. Discussion

The Commission’s Rules of Practice set forth procedures for the review of actions made pursuant to delegated authority. Rule 431(a) provides that the Commission may affirm, reverse, modify, set aside, or remand for further proceedings, in whole or in part, any action made pursuant to authority delegated in 17 CFR 200.30–1 through 200.30–18.²⁶ For the reasons discussed below, the Commission affirms the temporary suspension of the proposed rule change and the institution of proceedings.

Instituting proceedings and keeping in place the temporary suspension provides a process for the Commission to further consider whether the proposed rule change is consistent with the statutory requirements applicable to a national securities exchange under the Act. In particular, this approach will allow the Commission to consider whether the proposed rule change satisfies the standards under the Act and the rules thereunder requiring, among other things, that (i) an exchange’s rules provide for the equitable allocation of reasonable fees among members, issuers, and other persons using its facilities; (ii) do not permit unfair discrimination between customers, issuers, brokers, or dealers; and (iii) do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.²⁷ Accordingly, the Order Instituting Proceedings properly concluded that it was appropriate in the public interest, for the protection of investors, and otherwise in furtherance of the purposes of the Act to temporarily suspend the proposed rule change and to institute proceedings to determine whether the proposed rule change should be approved or disapproved in view of the significant legal and policy issues raised by the proposal.²⁸

The Commission recognizes the issues and views raised by the commenters

⁵ See letter to Brent J. Fields, Secretary, Commission, from Lisa J. Fall, President, BOX, dated September 12, 2018.

⁶ 17 CFR 200.30–3(a)(57) and (58).

⁷ 15 U.S.C. 78s(b)(3)(C).

⁸ 15 U.S.C. 78s(b)(2)(B).

⁹ See Securities Exchange Act Release No. 84168 (September 17, 2018), 83 FR 47947 (September 21, 2018).

¹⁰ See letter to Brent J. Fields, Secretary, Commission, from Theodore R. Lazo, Managing Director and Associate General Counsel, and Ellen Greene, Managing Director, Financial Services Operations, Securities Industry and Financial Markets Association, dated October 15, 2018.

¹¹ 17 CFR 201.430.

¹² 17 CFR 201.431(e).

¹³ Petition for Review of Order Temporarily Suspending BOX Exchange LLC’s Proposal to Amend the Fee Schedule on BOX Market LLC, dated September 26, 2018 (“Petition”).

¹⁴ See Securities Exchange Act Release No. 84614 (November 16, 2018), 83 FR 59432 (November 23, 2018).

¹⁵ See letter to Brent J. Fields, Secretary, Commission, from Lisa J. Fall, President, BOX, dated December 7, 2018.

¹⁶ See *id.* at 2–3.

¹⁷ See *id.* at 2.

¹⁸ See letter to Brent J. Fields, Secretary, Commission, from Amir C. Tayrani, Gibson, Dunn & Crutcher LLP, dated December 10, 2018.

¹⁹ See letters to Brent J. Fields, Secretary, Commission, from Tyler Gellasch, Executive Director, The Healthy Markets Association, dated January 2, 2019 and Chester Spatt, Pamela R. and Kenneth B. Dunn Professor of Finance, Tepper School of Business, Carnegie Mellon University, to Brent J. Fields, Secretary, Commission, dated January 2, 2019.

²⁰ 15 U.S.C. 78s(b)(2).

²¹ See Securities Exchange Act Release No. 84989 (January 25, 2019), 84 FR 858 (January 31, 2019). The Commission noted that March 30, 2019, is a Saturday and, therefore, the Commission designated March 29, 2019, as the date by which the Commission shall either approve or disapprove the proposed rule change.

²² See letter to Brent J. Fields, Secretary, Commission, from Lisa J. Fall, President, BOX, dated February 19, 2019.

²³ See *id.* at 2.

²⁴ See *id.*

²⁵ See *id.* at 3–4.

²⁶ See 17 CFR 201.431(a).

²⁷ See Order Instituting Proceedings, *supra* note 9, at 47948.

²⁸ See *id.*

and BOX as to the impact of and justification for the proposed fee changes. Instituting proceedings provides an opportunity for additional comment on, and Commission consideration of, these matters, as well as an opportunity for the Commission to more fully assess whether the filing is consistent with the Act.

Further, suspending the filing and instituting proceedings constitutes an interim step in the Commission's consideration of the substantive issues raised by the filing, and does not constitute a final disposition of the proposed rule change. As reflected in the Order Instituting Proceedings, the Commission has not reached any conclusions with respect to the issues involved.²⁹ To the contrary, the Commission sought additional comment with respect to the concerns raised by the filing,³⁰ and noted that the institution of proceedings provides the Commission the opportunity to more fully assess the issues raised. In addition, as discussed below, the Commission is providing an additional comment and rebuttal period in this order. This will help the Commission further assess the proposed rule change and inform its ultimate decision as to whether the proposed rule change is consistent with the Act.

As noted above, during the proceedings the Commission will consider whether the proposal satisfies the standards under the Act and the rules thereunder requiring, among other things, that an exchange's rules provide for the equitable allocation of reasonable fees among members, issuers, and other persons using its facilities; not permit unfair discrimination between customers, issuers, brokers or dealers; and do not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Commission also believes it is appropriate to provide that (1) interested persons may submit comments related to SR-BOX-2018-24 until 8 days from publication of this order in the **Federal Register** and (2) rebuttal comments may be submitted until 15 days from publication of this order in the **Federal Register**.

For the reasons stated above, it is hereby:

Ordered that the Division's Order Instituting Proceedings by delegated authority is hereby affirmed; and

It is further *Ordered* that interested persons may submit comments related to SR-BOX-2018-24 until 8 days from

publication in the **Federal Register**; rebuttal comments may be submitted until 15 days from publication in the **Federal Register**.

By the Commission.

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2019-03543 Filed 2-27-19; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85183; File No. SR-CboeBZX-2019-009]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend the Fee Schedule Applicable to Members and Non-Members of the Exchange Pursuant to BZX Rules 15.1(a) and (c)

February 22, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 11, 2019, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 BZX Exchange, Inc. (the "Exchange" or "BZX") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule applicable to Members and non-Members³ of the Exchange pursuant to BZX Rules 15.1(a) and (c). The text of the proposed rule change is attached 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/bzx/), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

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 the fee schedule applicable to its equities trading platform ("BZX Equities") to add a third Step-Up Tier under footnote 2.⁴ The Exchange currently offers two Step-Up Tiers that provide Members with additional ways to qualify for an enhanced rebate where they increase their relative liquidity each month over a predetermined baseline. Under the current Step-Up Tiers, a Member receives a rebate of \$0.0030 or \$0.0031 per share for qualifying orders which yield fee codes B,⁵ V,⁶ or Y⁷ if the corresponding required criteria is met.

The Exchange now proposes to amend footnote 2 to add a third Step-Up Tier. Under the proposed Step-Up Tier 3, a Member would receive a rebate of \$0.0031 per share for their qualifying orders which yield fee codes B, V, or Y where the Member has a Step-Up Add TCv from December 2018 greater or equal to 0.20%. As currently defined in the BZX Equities fee schedule, Step-Up Add TCv means ADAV⁸ as a percentage of TCv⁹ in the relevant baseline month

⁴ The Exchange initially filed the proposed fee change on January 29, 2019 (SR-CboeBZX-2019-003). On business date February 11, 2019, the Exchange withdrew that filing and submitted this filing.

⁵ Fee code B is appended to displayed orders which add liquidity to Tape B and is provided a rebate of \$0.0025 per share.

⁶ Fee code V is appended to displayed orders which add liquidity to Tape A and is provided a rebate of \$0.0020 per share.

⁷ Fee code Y is appended to displayed orders which add liquidity to Tape C and is provided a rebate of \$0.0020 per share.

⁸ "ADAV" means average daily volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

⁹ "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.

²⁹ See *id.*

³⁰ See *id.*