

The Exchange also does not believe that the proposed rule change will result in any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. As discussed in the Statutory Basis section above, options market participants are not forced to connect to (or purchase market data from) all options exchanges, as shown by the number of TPHs at Cboe and shown by the fact that there are varying number of members across each of Cboe's Affiliated Exchanges. The Exchange operates in a highly competitive environment, and its ability to price access and connectivity is constrained by competition among exchanges and third parties. As discussed, there are other options markets of which market participants may connect to trade options. There is also a possible range of alternative strategies, including routing to the exchange through another participant or market center or taking the exchange's data indirectly. For example, there are 15 other U.S. options exchanges, which the Exchange must consider in its pricing discipline in order to compete for market participants. In this competitive environment, market participants are free to choose which competing exchange or reseller to use to satisfy their business needs. As a result, the Exchange believes this proposed rule change permits fair competition among national securities exchanges. Accordingly, the Exchange does not believe its proposed fee change imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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 Act⁷⁷ and paragraph (f) of Rule 19b-4⁷⁸ thereunder. 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. If the Commission takes such action, the Commission will 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 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-CBOE-2019-082 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-CBOE-2019-082. 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-CBOE-2019-082 and

should be submitted on or before November 12, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷⁹

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87298; File No. SR-IEX-2019-11]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend IEX Rule 11.280 To Extend the Pilot Period for the Market-Wide Circuit Breaker to the Close of Business on October 18, 2020 and To Clarify That the Remaining Parts of Rule 11.280 Are Not Subject to Any Pilot Period

October 15, 2019.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on October 11, 2019, the Investors Exchange LLC ("IEX" or the "Exchange") filed with the Securities and Exchange Commission (the "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

Pursuant to the provisions of Section 19(b)(1) under the Act,⁴ and Rule 19b-4 thereunder,⁵ IEX is filing with the Commission a proposed rule change to amend IEX Rule 11.280 to extend the pilot period for the market-wide circuit breaker to the close of business on October 18, 2020 and to clarify that the remaining parts of Rule 11.280 are not subject to any pilot period. IEX has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act⁶ and provided the

⁷⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷⁷ 15 U.S.C. 78s(b)(3)(A).

⁷⁸ 17 CFR 240.19b-4(f).

Commission with the notice required by Rule 19b-4(f)(6) thereunder.⁷

The text of the proposed rule change is available at the Exchange's website at www.iextrading.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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

Paragraphs (a) through (d) and (f) of Rule 11.280 describe the methodology for determining when to halt trading in all stocks due to extraordinary market volatility (*i.e.*, market-wide circuit breakers). The market-wide circuit breaker ("MWCBC") mechanism under Rule 11.280 was approved by the Commission to operate on a pilot basis, the term of which was to coincide with the pilot period for the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS (the "LULD Plan"),⁸ including any extensions to the pilot period for the LULD Plan. The Commission recently approved an amendment to the LULD Plan for it to operate on a permanent, rather than pilot, basis.⁹ In light of the proposal to make the LULD Plan permanent, the Exchange amended Rule 11.280 to untie the pilot's effectiveness from that of the LULD Plan and to

extend the pilot's effectiveness to the close of business on October 18, 2019.¹⁰

The purpose of this proposed rule change is to amend Rule 11.280(a) to extend the pilot period for the MWCBC, set forth in paragraphs (a) through (d) and (f),¹¹ to the close of business on October 18, 2020. In addition, this proposed rule change will clarify that the remaining paragraphs of Rule 11.280 are not subject to any pilot period. This filing does not propose any substantive or additional changes to Rule 11.280. The Exchange will use the MWCBC pilot extension period to develop with the other self-regulatory organizations ("SROs") rules and procedures that would allow for the periodic testing of the performance of the MWCBC mechanism, with industry member participation in such testing. The extension will also permit the SROs to consider enhancements to the MWCBC processes such as modifications to the Level 3 process.

MWCBCs under Rule 11.280 provide an important, automatic mechanism that is invoked to promote stability and investor confidence during periods of significant stress when securities markets experience extreme broad-based declines. All SROs have rules relating to MWCBCs, which are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets when severe price declines reach levels that may exhaust market liquidity.¹² MWCBCs provide for trading halts in all equities and options markets during a severe market decline as measured by a single-day decline in the S&P 500 Index.

Pursuant to Rule 11.280(a) through (d) and (f), a market-wide trading halt will be triggered if the S&P 500 Index declines in price by specified percentages from the prior day's closing price of that index. Currently, the triggers are set at three circuit breaker thresholds: A 7% market decline (Level 1), a 13% market decline (Level 2), and a 20% market decline (Level 3). A market decline that triggers a Level 1 or Level 2 circuit breaker after 9:30 a.m. ET and before 3:25 p.m. ET would halt

market-wide trading for 15 minutes, while a similar market decline at or after 3:25 p.m. ET would not halt market-wide trading. A market decline that triggers a Level 3 circuit breaker, at any time during the trading day, would halt market-wide trading for the remainder of the trading day.

The Exchange also proposes to amend Rule 11.280(a) to clarify that the pilot period set forth in Rule 11.280(a) only applies to paragraphs (a) through (d) and (f) of Rule 11.280 (*i.e.*, the MWCBC mechanism). Paragraph (e) of Rule 11.280, which relates to IEX's LULD Mechanism¹³ was subject to the pilot period specified in paragraph (a) of Rule 11.280, as described above.¹⁴ With the Commission's LULD Plan Amendment 18 Approval Order providing that the LULD Plan now operates on a permanent basis,¹⁵ the Exchange is proposing to update Rule 11.280(a) to reflect that IEX's LULD Mechanism no longer operates on a pilot basis, thus ensuring continued compliance with the LULD Plan.

Similarly, the Exchange proposes to amend Rule 11.280(a) to clarify that paragraphs (g) and (h) of Rule 11.280 are not subject to any pilot period. Rule 11.280(g) provides the authority under which the Exchange can initiate a trading halt "in circumstances in which IEX deems it necessary to protect investors and the public interest," and Rule 11.280(h) provides the procedures by which IEX can both initiate and terminate a trading halt. Neither of these paragraphs are related to either the MWCBC or LULD Plans, but Rule 11.280(a) may inadvertently connote that these two paragraphs were subject to a pilot period. The proposed changes to paragraph (a) will clarify that the trading halt procedures contained in

¹³ The Exchange is required by the LULD Plan to establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the LULD and trading pause requirements specified in the LULD Plan. Rule 11.280(e) sets forth the Exchange's LULD mechanism, including provisions stating that the Exchange is a Participant in the LULD Plan and that IEX Members are required to comply with the provisions of the LULD Plan. Furthermore, Rule 11.280(e) describes order handling performed by the Exchange to maintain compliance with the LULD Plan. Specifically, Rule 11.280(e): (1) Provides that the System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan; (2) describes how the System re-prices and/or cancels buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band; (3) confirms that the Exchange may declare a Trading Pause during a Straddle State; and (4) addresses how the Exchange would re-open a security following a Trading Pause.

¹⁴ See *supra* note 10.

¹⁵ See *supra* note 9.

⁷ 17 CFR 240.19b-4.

⁸ See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012). An amendment to the LULD Plan adding IEX as a Participant was filed with the Commission on August 11, 2016, and became effective upon filing pursuant to Rule 608(b)(3)(iii) of the Act. See Securities Exchange Act Release No. 78703 (August 26, 2016), 81 FR 60397 (September 1, 2016) (File No. 4-631).

⁹ See Securities Exchange Act Release No. 85623 (April 11, 2019), 84 FR 16086 (April 17, 2019) ("LULD Plan Amendment 18 Approval Order").

¹⁰ See Securities Exchange Act Release No. 85576 (April 9, 2019), 84 FR 15237 (April 15, 2019) (SR-IEX-2019-04).

¹¹ Rule 11.280(f) also relates to the MWCBC because it specifies the time zone for all times referenced in Rule 11.280(a) and (b).

¹² See Securities Exchange Act Release No. 67090 (May 31, 2012), 77 FR 33531 (June 6, 2012) (SR-BATS-2011-038; SR-BYX-2011-025; SR-BX-2011-068; SR-CBOE-2011-087; SR-C2-2011-024; SR-CHX-2011-30; SR-EDGA-2011-31; SR-EDGX-2011-30; SR-FINRA-2011-054; SR-ISE-2011-61; SR-NASDAQ-2011-131; SR-NSX-2011-11; SR-NYSE-2011-48; SR-NYSEAmex-2011-73; SR-NYSEArca-2011-68; SR-Phlx-2011-129).

paragraphs (g) and (h) of Rule 11.280 are not subject to a pilot period.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of Sections 6(b)¹⁶ and 6(b)(5) of the Act,¹⁷ 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 MWC B mechanism under Rule 11.280 is an important, automatic mechanism that is invoked to promote stability and investor confidence during periods of significant stress when securities markets experience extreme broad-based declines. Extending the MWC B pilot for an additional year would ensure the continued, uninterrupted operation of a consistent mechanism to halt trading across the U.S. equity markets while the Exchange, with the other SROs, considers and develops rules and procedures that would allow for the periodic testing of the performance of the MWC B mechanism, which would include industry member participation in such testing. The extension will also permit the SROs to consider enhancements to the MWC B processes such as modifications to the Level 3 process.

The Exchange also believes that the proposed rule change promotes just and equitable principles of trade in that it promotes transparency and uniformity across markets concerning when and how to halt trading in all stocks as a result of extraordinary market volatility. Based on the foregoing, the Exchange believes the benefits to market participants from the MWC B under Rule 11.280(a) through (d) and (f) should continue on a pilot basis because the MWC B will promote fair and orderly markets, and protect investors and the public interest.

Additionally, the Exchange believes that it is consistent with the public interest and the protection of investors to modify the language in Rule 11.280(a) to indicate that the LULD Plan Amendment 18 Approval Order made permanent the Exchange's LULD Mechanism contained in paragraph (e) of Rule 11.280. Furthermore, the Exchange believes it is consistent with the public interest and the protection of investors to clarify that paragraphs (g) and (h) of Rule 11.280, which set forth the Exchange's authority and process for

initiating and terminating trading halts, are not subject to any pilot period. These clarifying changes are designed to ensure continued compliance by the Exchange and its Members with the requirements of the LULD Plan and remove any ambiguity on the ongoing applicability of the trading halt provisions.

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

IEX does not believe that the proposed rule change implicates any competitive issues because the proposal would ensure the continued, uninterrupted operation of a consistent mechanism to halt trading across the U.S. markets while the Exchange, in conjunction with the other SROs, considers and develops rules and procedures that would allow for the periodic testing of the performance of the MWC B mechanism. Furthermore, as noted above, the extension will permit the SROs to consider enhancements to the MWC B processes such as modifications to the Level 3 process.

Further, IEX understands that the other SROs will file proposals to extend their rules regarding the MWC B pilot. Thus, the proposed rule change will help to ensure consistency across market centers without implicating any competitive issues.

Additionally, clarifying that paragraph (e) of Rule 11.280 was made permanent by the LULD Plan Amendment 18 Approval Order is designed to ensure continued compliance with the requirements of the LULD Plan. And the Exchange believes that clarifying that the trading halt provisions of paragraphs (g) and (h) of Rule 11.280 are not subject to any pilot period, removes any ambiguity on the ongoing applicability of the trading halt provisions, which the Exchange believes would not have an impact on competition.

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

Written comments were neither solicited nor received.

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)(iii) of the Act¹⁸ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁹

A proposed rule change filed under Rule 19b-4(f)(6)²⁰ normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),²¹ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing. Extending the pilot for an additional year will allow the uninterrupted operation of the existing pilot to halt trading across the U.S. markets. Therefore, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission hereby designates the proposed rule change to be operative upon filing.²²

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. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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

¹⁸ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁹ 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.

²⁰ *Id.*

²¹ 17 CFR 240.19b-4(f)(6)(iii).

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

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

• Send an email to rule-comments@sec.gov. Please include File Number SR-IEX-2019-11 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-2019-11. This file number should be included in 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 Section, 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 will also be available for inspection and copying at the IEX's principal office and on its internet website at www.iextrading.com. 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-2019-11 and should be submitted on or before November 12, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87306; File No. SR-CboeBZX-2019-087]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule To Institute a Derived Data API Service

October 15, 2019.

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 October 1, 2019, Cboe BZX Exchange, Inc. ("Exchange" or "BZX") 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 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. ("BZX" or the "Exchange") is filing with the Securities and Exchange Commission (the "Commission") a proposed rule change to amend the fee schedule to institute a Derived Data API Service. The text of the proposed rule change is attached as Exhibit 5 [sic].

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.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 implement a pricing structure that would reduce fees charged to Distributors that distribute Derived Data through an Application Programming Interface ("API")—i.e., the Derived Data API Service (the "Program"). The Exchange initially filed to introduce the Program on August 1, 2019 ("Initial Proposal") based on customer demand, and in order to be able to decrease the cost of Derived Data to Distributors that wish to distribute Derived Data through an API Service.³ The Initial Proposal was published in the **Federal Register** on August 20, 2019,⁴ and the Commission received no commenter letters on the proposal. The Program remained in effect until the fee change was temporarily suspended pursuant to a suspension order (the "Suspension Order").⁵ The Suspension Order also instituted proceedings to determine whether to approve or disapprove the Initial Proposal.⁶

The Exchange continues to believe that it is in the best interest of its customers and investors to permit the distribution of Derived Data through an API Service at a lower cost, and is therefore filing again to reduce the fees charged to Distributors that offer an API Service. By reducing its pricing, the Exchange hopes to be able to better compete with top of book market data products offered by other national securities exchanges and the securities information processors ("SIPs"). For the reasons expressed both in this filing and the Initial Proposal, the Exchange believes that the Program is pro-competitive, and otherwise consistent with the Exchange Act. In sum, the Exchange remains committed to competing for business by offering both high quality and cost effective data. Continued operation of the Program

³ An "API Service" is a type of data feed distribution in which a Distributor delivers an API or similar distribution mechanism to a third-party entity for use within one or more platforms. The service allows Distributors to provide Derived Data to a third-party entity for use within one or more downstream platforms that are operated and maintained by the third-party entity. The Distributor maintains control of the entitlements, but does not maintain technical control of the usage or the display.

⁴ See Securities Exchange Act Release No. 86671 (August 14, 2019), 84 FR 43237 (August 20, 2019) (SR-CboeBZX-2019-070).

⁵ See Securities Exchange Act Release No. 87125 (September 26, 2019) (SR-CboeBZX-2019-070) (**Federal Register** publication pending).

⁶ *Id.*

²³ 17 CFR 200.30-3(a)(12).