incurs co-location fees for a particular co-location service pursuant to the Fee Schedules will not be subject to co-location fees for the same co-location services charged by any of the Exchange's affiliates, including NYSE Chicago.

In addition, the Exchange believes that the proposed non-substantive changes to General Note 4 would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because it would have no impact on pricing or existing services. Rather, the changes would clarify Exchange rules, making the Fee Schedules easier to understand and alleviating any possible market participant confusion caused by the current text of the note.

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 Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act [13] and Rule 19b–4(f)(6) thereunder.[14] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.[15]

A proposed rule change filed under Rule 19b–4(f)(6) [16] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[17] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because NYSE Chicago offers co-location services, and the waiver of the operative delay would alleviate the possibility of confusion among members, the public, and the Commission that could be caused by inconsistencies between the Exchange's Fee Schedules and the NYSE Chicago Fee Schedule. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission waives the 30-day operative delay and designates the proposed rule change operative upon filing.[18]

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) [19] 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.* Please include File Number SR–NYSEAMER–2020–08 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–NYSEAMER–2020–08. 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–NYSEAMER–2020–08 and should be submitted on or before March 16, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[20]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2020–03534 Filed 2–21–20; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–88233; File No. SR–NYSEAMER–2020–07]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change To Amend Its Price List

February 18, 2020.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the "Act") [2] and Rule 19b–4 thereunder,[3]

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[13] 15 U.S.C. 78s(b)(3)(A)(iii).

[14] 17 CFR 240.19b–4(f)(6).

[15] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

[16] 17 CFR 240.19b–4(f)(6).

[17] 17 CFR 240.19b–4(f)(6)(iii).

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

[19] 15 U.S.C. 78s(b)(2)(B).

[20] 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.

notice is hereby given that, on February 3, 2020, NYSE American LLC (''NYSE American'' or the ''Exchange'') 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 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

The Exchange proposes to amend its Price List to (1) offer new credits for displayed orders, and revise the credits for non-displayed orders, that add liquidity to the Exchange; (2) revise the fees for non-displayed orders that remove liquidity from the Exchange; and (3) offer a one-time credit for quoting in UTP Securities. The proposed change is available on the Exchange's website at *www.nyse.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 those 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 Price List to (1) offer new credits for displayed orders, and revise the credits for non-displayed orders, that add liquidity to the Exchange; (2) revise the fees for non-displayed orders that remove liquidity from the Exchange; and (3) offer a one-time credit for quoting in UTP Securities.[4]

The proposed change responds to the current competitive environment where order flow providers have a choice of where to direct orders by offering further incentives for Equity Trading Permit (''ETP'') Holders [5] to send additional displayed liquidity to the Exchange.

The Exchange proposes to implement the rule change on February 3, 2020.

Competitive Environment

The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [6]

As the Commission itself recognized, the market for trading services in NMS stocks has become ''more fragmented and competitive.'' [7] Indeed, equity trading is currently dispersed across 13 exchanges,[8] 31 alternative trading systems,[9] and numerous broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly-available information, no single exchange has more than 20% market share (whether including or excluding auction volume).[10] Therefore, no exchange possesses significant pricing power in the execution of equity order flow. More specifically, the Exchange's market share of trading in Tapes A, B and C securities combined is less than 1%.

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products, in response to fee changes. With respect to non-marketable order flow that would provide liquidity on an Exchange, ETP Holders can choose from any one of the 13 currently operating registered exchanges to route such order flow. Accordingly, competitive forces constrain exchange transaction fees that relate to orders that would provide liquidity on an exchange.

In response to this competitive environment, the Exchange proposes to introduce incentives for its ETP Holders who submit orders that provide liquidity on the Exchange in displayed and non-displayed securities and for ETP Holders that remove liquidity from the Exchange. In addition, the Exchange proposes a credit for each ETP Holder's Market Participant Identifier (''MPID'') that meets certain quoting requirements in UTP Securities, up to a maximum amount, designed to encourage ETP Holders to quote on the Exchange in UTP Securities. In short, the proposed fee change is designed to attract additional order flow to the Exchange and to encourage quoting and trading on the Exchange.

Proposed Rule Change

Liquidity Adding Displayed Order Fees

For transactions in securities priced at or above $1.00, other than transactions by Electronic Designated Market Makers (''eDMM'') in assigned securities, the Exchange currently does not charge a fee for executions on the Exchange of displayed orders that add liquidity to the Exchange.

The Exchange proposes to offer the following credits for displayed orders that add liquidity to the Exchange:

- For displayed orders and Mid-Point Liquidity Orders (''MPL Order'') [11] with an average daily volume (''ADV'') of at least 750,000 shares that add liquidity to the Exchange (''Adding ADV''),[12] the Exchange proposes a $0.0025 credit per displayed and MPL share.
- For displayed orders and MPL Orders that add liquidity to the Exchange that do not have an Adding ADV of at least 750,000 shares, the Exchange proposes a $0.0024 credit per displayed and MPL share.
- For orders that add displayed liquidity to the Exchange and that set a new best bid or offer (''BBO'') on NYSE American, [13] the Exchange proposes a $0.0026 per share credit.

The purpose of this proposed change is to incentivize ETP Holders to increase

[4] *See* Rule 1.1E(ii) (definition of UTP Security).

[5] *See id.* at (m) (definition of ETP) & (n) (definition of ETP Holder).

[6] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37495, 37499 (June 29, 2005) (S7–10–04) (Final Rule) (''Regulation NMS'').

[7] *See* Securities Exchange Act Release No. 51808, 84 FR 5202, 5253 (February 20, 2019) (File No. S7–05–18) (Transaction Fee Pilot for NMS Stocks Final Rule) (''Transaction Fee Pilot'').

[8] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, available at *http://markets.cboe.com/us/equities/market_share/. See generally https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html.*

[9] *See* FINRA ATS Transparency Data, *available at https://otctransparency.finra.org/otctransparency/AtsIssueData.* A list of alternative trading systems registered with the Commission is *available at https://www.sec.gov/foia/docs/atslist.htm.*

[10] *See* Cboe Global Markets U.S. Equities Market Volume Summary, available at *http://markets.cboe.com/us/equities/market_share/.*

[11] *See* Rule 7.31E(d)(3) (description of MPL Order).

[12] The Exchange proposes to add a fourth bullet under the first heading in the Price List titled ''Pillar Trading Platform'' that would provide that capitalized terms have the same meaning as in Rules 1.1E and 7E and that ''Adding ADV'' means an ETP Holder's average daily volume of shares executed on the Exchange that provided liquidity.

[13] *See* Rule 1.1E(h) (definition of BBO).

the liquidity-providing orders they send to the Exchange, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders. As noted above, the Exchange operates in a competitive environment, particularly as it relates to attracting non-marketable orders, which add liquidity to the Exchange. The Exchange believes that the proposed credits for orders the meeting the Adding ADV requirement, for orders that don't meet the Adding ADV requirements and for orders that set a new Exchange BBO would provide incentives for ETP Holders to send additional liquidity and improve quoting on the Exchange in order to qualify for a credit.

The Exchange does not know how much order flow ETP Holders choose to route to other exchanges or to off-exchange venues. The Exchange did not previously offer credits for displayed orders that add liquidity to the Exchange, but 5 ETP Holders currently qualify for the tiered credits, and all ETP Holders could qualify for the proposed $0.0026 credit for setting a new BBO if they so choose. However, without having a view of ETP Holder's activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would result in any ETP Holder directing orders to the Exchange in order to qualify for the new credits.

Liquidity Adding Non-Displayed Order Fees

For securities priced at or above $1.00, other than transactions by eDMMs in assigned securities, the Exchange currently charges $0.0002 per share for executions on the Exchange of non-displayed orders that add liquidity to the Exchange. The Exchange proposes a credit for executions on the Exchange of non-displayed orders that add liquidity to the Exchange of $0.0020 per share.

For securities priced at or above $1.00 on transactions by eDMMs in assigned securities, the Exchange currently does not offer a credit for executions of non-displayed orders that add liquidity to the Exchange. The Exchange proposes to offer a $0.0020 per share credit to eDMMs for executions of non-displayed orders that add liquidity to the Exchange.[14]

The purpose of this proposed change is to incentivize ETP Holders to increase the liquidity-providing orders they send to the Exchange, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders. As noted above, the Exchange operates in a competitive environment, particularly as it relates to attracting non-marketable orders, which add liquidity to the Exchange. The Exchange believes that the proposed credits would provide incentives for ETP Holders to send additional liquidity to the Exchange.

The Exchange does not know how much order flow ETP Holders choose to route to other exchanges or to off-exchange venues. The Exchange believes all ETP Holders and eDMMs could qualify for the credits if they so choose. However, without having a view of ETP Holder's and eDMM's activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would result in any ETP Holder or eDMM directing orders to the Exchange in order to qualify for the new credits.

Liquidity Removing Order Fees

For securities priced at or above $1.00, other than transactions by eDMMs in assigned securities, the Exchange currently charges $0.0002 per share for all executions that remove liquidity from the Exchange.

The Exchange proposes to revise the current fee for removing liquidity to $0.0026 per share where an ETP Holder has an Adding ADV of at least 10,000 shares. Where an ETP Holder does not have an Adding ADV of at least 10,000 shares, the Exchange proposes to charge $0.0030 per share for all executions that remove liquidity from the Exchange.

For priced at or above $1.00 in transactions applicable to eDMMs in assigned securities that remove liquidity from the Exchange, the Exchange currently charges $0.0002 per share for all executions that remove liquidity from the Exchange. The Exchange proposes to revise this fee for removing liquidity in transactions applicable to eDMMs in assigned securities to $0.0026 per share.

The Exchange does not know how much order flow ETP Holders choose to route to other exchanges or to off-exchange venues. There are currently 25 ETP Holders that qualify for the current fees for removing liquidity based on their current trading profile on the Exchange. However, without having a view of ETP Holder's activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would result in any ETP Holder directing orders to the Exchange in order to qualify for the lower fees.

Monthly Quoting Credit

The Exchange proposes to offer a credit in addition to the transaction fees and credits specified in Section I.B of the Price List to encourage quoting on the Exchange in UTP Securities. Specifically, the Exchange proposes that each ETP Holder's MPID quoting at the national best bid or offer (''NBBO'')[15] an average of at least 10% of the time in 750 securities or more UTP Securities in the billing month would be eligible for a credit of $10,000 per qualifying MPID in the first month that an MPID qualifies for the credit for the first time, up to a maximum of $50,000 per ETP Holder for all of the ETP Holder's MPIDs.

For example, assume that ETP Holder A has 6 MPIDs and that ETP Holder A's first MPID quotes at least 10% at the NBBO in 800 UTP Securities in the first month while the remaining 5 MPIDs quote at least 10% in less than 750 UTP Securities each. The first MPID would qualify for the $10,000 credit in the first month. Assume that in the second month all of ETP Holder A's MPIDs quote at least 10% in at least 750 UTP Securities each. In the second month, ETP Holder A's first MPID would not qualify for the credit since it already received the $10,000 credit in the first month. ETP Holder A would accordingly receive a credit for $40,000 in the second month because the five of the remaining MPIDs met the quoting requirements but the combined credit is capped at $50,000 per ETP Holder. Because ETP Holder A would have received a combined credit of $50,000 over the first two months, ETP Holder A would not be eligible for any additional monthly quoting credits.

As noted, the purpose of this proposed change is to provide ETP Holders with an incentive to increase quoting on the Exchange in UTP Securities, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders. As noted, the Exchange operates in a competitive environment, particularly as it relates to attracting non-marketable orders, which add liquidity to the Exchange. The Exchange believes that incentivizing ETP Holders to quote at the NBBO in UTP Securities more frequently could attract additional orders to the Exchange and contribute to price discovery, especially in less liquid securities that may quote but not trade. In addition,

[14] The Exchange proposes to delete the stray comma following ''(displayed)'' in the first entry under ''Adding Liquidity'' in Section II, A of the Price List.

[15] *See* Rule 1.1E(dd) (definition of NBBO, Best Protected Bid, Best Protected Offer, Protected Best Bid and Offer (PBBO)).

additional liquidity-providing quotes benefit all market participants because they provide greater execution opportunities on the Exchange and improve the public quotation.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ETP Holders would have in complying with the proposed change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[16] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[17] in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Proposal is Reasonable

As discussed above, the Exchange operates in a highly fragmented and competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [18]

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products, in response to fee changes. With respect to non-marketable order flow that would provide liquidity on an Exchange, ETP Holders can choose from any one of the 13 currently operating registered exchanges to route such order flow. Accordingly, competitive forces constrain exchange transaction fees that relate to orders that would provide liquidity on an exchange. Stated otherwise, changes to exchange transaction fees can have a direct effect on the ability of an exchange to compete for order flow.

Given this competitive environment, the proposal represents a reasonable attempt to attract additional order flow to, and to increase quoting on, the Exchange. As noted, the Exchange's market share of trading in Tapes A, B and C securities combined is under 1%.

Specifically, the Exchange believes that offering new credits for displayed orders, and revising the credits for non-displayed orders, that add liquidity to the Exchange would provide incentives for ETP Holders to send additional liquidity providing orders to the Exchange. As noted above, the Exchange operates in a highly competitive environment, particularly for attracting non-marketable order flow that provides liquidity on an exchange.

Since the credits for displayed orders that add liquidity to the Exchange would be new, no ETP Holder currently qualifies for the proposed credits. As previously noted, there are a number of ETP Holders that could qualify for the proposed credits for displayed and non-displayed orders that add liquidity to the Exchange but without a view of ETP Holder activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether the proposed rule change would result in any ETP Holder qualifying for the proposed credits. The Exchange believes the proposed credits are reasonable as they would provide an incentive for ETP Holders to direct order flow to the Exchange and provide meaningful added levels of liquidity in order to qualify for the credits, thereby contributing to depth and market quality on the Exchange. The Exchange notes that the proposed credits remain in line with credits currently offered on other markets to attract displayed and non-displayed liquidity. For example, Cboe BZX and Nasdaq offer non-tier credits for adding liquidity of $0.0020.[19]

The Exchange further believes that the proposed revised fees for orders that remove liquidity from the Exchange are reasonable because they would incentivize ETP Holders to remove additional liquidity from the Exchange, thereby increasing the number of orders adding liquidity executed on the Exchange and improving overall liquidity on a public exchange, resulting in lower costs for ETP Holders that qualify for the rates. The Exchange notes that the proposed fees, although higher than current levels, are significantly less than comparable fees offered on other markets. For example, Cboe BZX and Nasdaq both offer a non-tier fee for removing liquidity of $0.0030.[20]

Without having a view of an ETP Holder's activity on other markets and off-exchange venues, the Exchange believes that the proposed higher fees to remove liquidity would provide an incentive for ETP Holders to remove additional liquidity from the Exchange. As previously noted, a number of ETP Holders qualify for the proposed fees and additional ETP Holders could qualify for the fees if they choose to direct order flow to, and increase quoting on, the Exchange.

The Exchange believes that the proposed credit for quoting on the Exchange in UTP Securities is reasonable. The proposed credit would provide ETP Holders with an additional incentive to increase quoting on the Exchange in UTP Securities, and particularly in less active securities, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders. The Exchange believes that incentivizing ETP Holders on the Exchange to quote at the NBBO more frequently could attract additional orders to the Exchange and contribute to price discovery. In addition, additional liquidity-providing quotes benefit all market participants because they provide greater execution opportunities on the Exchange and improve the public quotation.

Finally, the Exchange also believes the proposed non-substantive changes are reasonable and would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased clarity and transparency on the Price List, thereby reducing potential confusion.

Given the competitive environment in which the Exchange currently operates, the proposed rule change accordingly constitutes a reasonable attempt to increase liquidity on the Exchange and improve the Exchange's market share relative to its competitors.

The Proposal Is an Equitable Allocation of Fees

The Exchange believes the proposal equitably allocates its fees among its market participants by fostering liquidity provision and stability in the marketplace. Moreover, the proposal is

[16] 15 U.S.C. 78f(b).

[17] 15 U.S.C. 78f(b)(4) & (5).

[18] *See* Regulation NMS, 70 FR at 37499.

[19] *See* Cboe BZX U.S. Equities Exchange Fee Schedule, Fee Codes and Associated Fees, available at *https://markets.cboe.com/us/equities/membership/fee_schedule/bzx/;* Nasdaq Price List, Rebate to Add Displayed Designated Retail Liquidity, available at *http://nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.*

[20] *See* Cboe BZX Fee Schedule, Fee Codes and Associated Fees, available at *https://markets.cboe.com/us/equities/membership/fee_schedule/bzx/;* Nasdaq Price List, Fees to Remove Liquidity, available at *http://nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.*

an equitable allocation of fees because it would reward ETP Holders for increasing their quoting on the Exchange in UTP Securities. As such, it is equitable to offer ETP Holders an additional credit for quoting in UTP Securities up to a maximum amount.

The Exchange believes that the new credits for displayed orders, and revising the credits for non-displayed orders, that add liquidity to the Exchange are equitable because the proposed credits are not unreasonably high in comparison to the credits paid by other exchanges for displayed and non-displayed orders that provide liquidity.[21] The Exchange believes the proposed rule change would improve market quality for all market participants on the Exchange and, as a consequence, attract more liquidity to the Exchange, thereby improving market wide quality and price discovery.

Currently, 5 ETP Holders qualify for the proposed credits for displayed orders that add liquidity to the Exchange. As previously noted, there are a number of other ETP Holders that could qualify for the proposed credits for displayed and non-displayed orders that add liquidity to the Exchange but without a view of ETP Holder activity on other exchanges and off-exchange venues, the Exchange has no way of knowing whether the proposed rule change would result in any ETP Holder qualifying for the proposed credits. The Exchange believes the proposed credits are reasonable as they would provide an incentive for ETP Holders to direct order flow to the Exchange and provide meaningful added levels of liquidity in order to qualify for the credits, thereby contributing to depth and market quality on the Exchange.

The proposal neither targets nor will it have a disparate impact on any particular category of market participant. All ETP Holders would be eligible to qualify for the proposed credits by directing displayed and non-displayed order flow to the Exchange. Similarly, all ETP Holders would be eligible to qualify for the one-time credit for quoting on the Exchange in UTP Securities. ETP Holders must have an assigned MPID to quote and trade on the Exchange, and are thus all ETP Holders would be equally eligible to receive the same proposed credit. As noted above, the Exchange operates in a competitive environment, particularly as it relates to attracting non-marketable orders, which add liquidity to the Exchange. The Exchange believes that offering credits for liquidity-providing displayed and non-displayed orders would provide incentives for ETP Holders to send additional liquidity to the Exchange, thereby providing additional price improvement opportunities on the Exchange and benefiting investors generally. Similarly, the Exchange believes that offering a one-time credit for quoting on the Exchange in UTP Securities would provide an added incentive to increase quoting on the Exchange in UTP Securities, and particularly in less active securities, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders.

The Exchange believes that, for the reasons discussed above, the proposed changes to the liquidity-removing order fees would incentivize ETP Holders to add additional liquidity from the Exchange to qualify for the lower removing fee of $0.0026, thereby increasing the number of orders adding liquidity that are executed on the Exchange and improving overall liquidity on a public exchange. As previously noted, a number of ETPs are qualifying for the current fees for removing liquidity based on their current trading profile on the Exchange. Based on the profile of liquidity-removing firms generally, the Exchange believes additional ETP Holders could qualify for the new rates if they choose to direct order flow to, and increase quoting on, the Exchange, given the low level of 10,000 shares ADV.

The Proposal Is Not Unfairly Discriminatory

The Exchange believes that the proposal is not unfairly discriminatory. In the prevailing competitive environment, ETP Holders are free to disfavor the Exchange's pricing if they believe that alternatives offer them better value.

The Exchange believes it is not unfairly discriminatory to provide higher credits for displayed orders and non-displayed orders as well as a one-time credit based on enhanced quoting at the NBBO in UTP Securities insofar as the proposed credits would be provided on an equal basis to all similarly situated ETP Holders that add liquidity to the Exchange, who would all be eligible for the same credits if they meet the quoting and other requirements on an equal basis. Moreover, the proposed cap per ETP Holder of $50,000 for the one-time credit for enhanced quoting at the NBBO in UTP Securities would also be provided on equal basis to all ETP Holders. ETP Holders must have an assigned MPID to quote and trade on the Exchange, and are thus all ETP Holders would be equally eligible to receive the same proposed credit.

The revised fees for orders that remove liquidity from the Exchange are also not unfairly discriminatory because the ADV requirement to qualify for the fee would be applied to all similarly situated ETP Holders who would all be eligible for the same fee on an equal basis. Accordingly, no ETP Holder already operating on the Exchange would be disadvantaged by this allocation of fees. Further, the Exchange believes the proposal would provide an incentive for ETP Holders to remove additional liquidity from the Exchange, to the benefit of all market participants.

The proposal does not permit unfair discrimination to provide a lower fee for removing liquidity and higher credits for adding displayed and non-displayed liquidity as the proposed fee and credits would be provided on an equal basis to all similarly situated ETP Holders who would all be eligible for the same credit on an equal basis. Accordingly, no ETP Holder already operating on the Exchange would be disadvantaged by this allocation of fees.

The Exchange also believes that the proposed change is not unfairly discriminatory because it is reasonably related to the value to the Exchange's market quality associated with higher volume. The Exchange believes the proposed credits would incentivize ETP Holders to send more orders to the Exchange and to increase quoting on the Exchange in order to qualify for the proposed credits, which would support the quality of price discovery on the Exchange and provide additional liquidity for incoming orders. Further, the submission of orders to the Exchange is optional for member organizations in that they could choose whether to submit orders to the Exchange and, if they do, the extent of its activity in this regard.

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,[22] 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, as discussed above, the Exchange believes

[21] *See* note 19, *supra.*

[22] 15 U.S.C. 78f(b)(8).

that the proposed changes would encourage the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for ETP Holders. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering integrated competition among orders, which promotes ''more efficient pricing of individual stocks for all types of orders, large and small.'' [23]

Intramarket Competition. The proposed changes are designed to attract additional order flow to the Exchange. The Exchange believes that the proposed changes would continue to incentivize market participants to direct order flow to the Exchange. Greater liquidity benefits all market participants on the Exchange by providing more trading opportunities and encourages member organizations to send orders, thereby contributing to robust levels of liquidity, which benefits all market participants on the Exchange. The proposed credits would be available to all similarly-situated market participants, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange.

Intermarket Competition. The Exchange operates in a highly competitive market in which market participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. As noted, the Exchange's market share of trading in Tapes A, B and C securities combined is less than 1%. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with off-exchange venues. 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 does not believe its proposed fee change can impose any burden on intermarket competition.

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.

[23] Regulation NMS, 70 FR at 37498–99.

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) [24] of the Act and subparagraph (f)(2) of Rule 19b–4 [25] 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) [26] 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.* Please include File Number SR–NYSEAMER–2020–07 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–NYSEAMER–2020–07. 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–NYSEAMER–2020–07 and should be submitted on or before March 16, 2020.

[24] 15 U.S.C. 78s(b)(3)(A).

[25] 17 CFR 240.19b–4(f)(2).

[26] 15 U.S.C. 78s(b)(2)(B).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–88225; File No. SR–MSRB–2019–13]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Granting Approval of a Proposed Rule Change To Amend the Information Facility of the MSRB's Electronic Municipal Market Access (EMMA) System

February 18, 2020.

I. Introduction

On November 19, 2019, the Municipal Securities Rulemaking Board (the ''MSRB'' or ''Board'') filed with the Securities and Exchange Commission (the ''SEC'' or ''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 amend the information facility of the MSRB's Electronic Municipal Market Access (''EMMA'') [3] system (the ''EMMA IF'') to provide for (1) the automated calculation and static display of the number of days between

[27] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] EMMA is a registered trademark of the MSRB.