10:00 a.m. and 3:00 p.m. Copies of the plan also will be available for inspection and copying at the principal offices of the Participating Organizations. 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 *4–566* and should be submitted on or before October 20, 2020.

V. Discussion

The Commission finds that the Plan, as proposed to be amended, is consistent with the factors set forth in Section 17(d) of the Act [14] and Rule 17d–2 thereunder [15] in that it is necessary or appropriate in the public interest and for the protection of investors, fosters cooperation and coordination among SROs, and removes impediments to and fosters the development of the national market system. The Commission continues to believe that the Plan, as amended, should reduce unnecessary regulatory duplication by allocating regulatory responsibility for the surveillance, investigation, and enforcement of Common Rules to FINRA. Accordingly, the proposed amendment to the Plan promotes efficiency by consolidating these regulatory functions in a single SRO.

Under paragraph (c) of Rule 17d–2, the Commission may, after appropriate notice and comment, declare a plan, or any part of a plan, effective. In this instance, the Commission believes that appropriate notice and comment can take place after the proposed amendment is effective. The amendment adds MIAX PEARL as a Participant to the Plan, and adds Exchange Act Rules 14e–3 and 15(g) to the list of rules in Exhibit A.[16] The Commission believes that the current amendment to the Plan does not raise any new regulatory issues that the Commission has not previously considered, and therefore believes that the amended Plan should become effective without any undue delay.

[14] 15 U.S.C. 78q(d).

[15] 17 CFR 240.17d–2.

[16] The Commission notes that the most recent prior amendment to the Plan, which, among other things, added MEMX as a Party to the Plan, was published for comment and the Commission did not receive any comments thereon. *See supra* note 11.

VI. Conclusion

This order gives effect to the amended Plan submitted to the Commission that is contained in File No. 4–566.

It is therefore ordered, pursuant to Section 17(d) of the Act,[17] that the Plan, as amended, filed with the Commission pursuant to Rule 17d–2 on September 18, 2020, is hereby approved and declared effective.

It is further ordered that the Participating Organizations are relieved of those regulatory responsibilities allocated to FINRA under the amended Plan to the extent of such allocation.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–21408 Filed 9–28–20; 8:45 am]

BILLING CODE 8011–01–P

[17] 15 U.S.C. 78q(d).

[18] 17 CFR 200.30–3(a)(34).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–89974; File No. SR–CboeBZX–2020–071]

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

September 23, 2020.

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 September 11, 2020, 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. The text of the proposed rule change is provided in 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.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its fee schedule applicable to its equities trading platform (''BZX Equities'') to: (1) Amend certain standard rates; (2) update the Add Volume Tiers; (3) update the Supplemental Incentive Program Tiers; (4) include a Remove Volume Tier; and (5) include additional Lead Market Maker (''LMM'') Add Volume Tiers.[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 13 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Exchange Act, to which market participants may direct their order flow. Based on publicly available information,[4] no single registered equities exchange has more than 18% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a

[3] The Exchange initially filed the proposed fee changes on September 1, 2020 (SR–CboeBZX–2020–069). On September 11, 2020, the Exchange withdrew that filing and submitted this filing.

[4] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (August 24, 2020), available at *https://markets.cboe.com/us/equities/market_statistics/*.

''Maker-Taker'' model whereby it pays credits to members that provide liquidity and assesses fees to those that remove liquidity. The Exchange's fee schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Currently, for orders priced at or above $1.00, the Exchange provides a standard rebate of $0.0025 per share for orders that add liquidity and assesses a fee of $0.0030 per share for orders that remove liquidity. For orders priced below $1.00, the Exchange does not assess a fee for orders that add liquidity and assesses a fee of 0.30% of total dollar value for orders that remove liquidity. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Proposed Amendment to Standard Rates

As stated above, the Exchange currently assesses a standard rebate of $0.0025 per share for orders that add liquidity in securities priced at $1.00 or more. Also, for orders in securities below $1.00, it does not assess a standard fee for orders that add liquidity and assesses a fee of .30% of total dollar value per share for orders that remove liquidity. The Exchange proposes to amend the standard rate for orders that add liquidity in securities priced at $1.00 or more from a standard rebate of $0.0025 per share to $0.0020 per share and reflects this change in the Fee Codes and Associated Fee where applicable (*i.e.,* corresponding to fee codes B, V, and Y). The Exchange also proposes to amend the standard rates for orders in securities priced under $1.00 that add liquidity by providing for a standard rebate of $0.00009 per share, and reflects this change in footnote 7 which is appended to corresponding fee codes that add liquidity (*i.e.,* B, V and Y). The Exchange notes that these standard rates are in line with, yet also competitive with, rates assessed by other equities exchanges on orders in securities priced at $1.00 or more [5] and in securities priced below $1.00.[6] The Exchange notes, too, that its affiliated exchange, Cboe EDGX Exchange, Inc. (''EDGX Equities''), is simultaneously submitting a fee change to amend its same current standard rates for orders in securities under $1.00 that add liquidity in the same manner.

Proposed Updates to the Add Volume Tiers

The Exchange currently offers five Add Volume Tiers under footnote 1 of the Fee Schedule. The Add Volume Tiers provide Members with opportunities to receive incrementally increasing enhanced rebates for their liquidity adding orders that yield fee codes ''B'' [7], ''V'' [8], and ''Y'' [9], upon reaching incrementally more difficult criteria under each tier. Specifically, the Add Volume Tiers currently offer the following:

- Tier 1 offers an enhanced rebate of $0.0028 for qualifying orders (*i.e.,* yielding fee codes B, V or Y) where a Member has an ADAV [10] as a percentage of TCV [11] greater than or equal to 0.20%;
- Tier 2 offers an enhanced rebate of $0.0029 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.30%;
- Tier 3 offers an enhanced rebate of $0.0030 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.50%;
- Tier 4 offers an enhanced rebate of $0.0031 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 1.00%; and
- Tier 5 offers an enhanced rebate of $0.0032 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 1.25%.

The Exchange proposes to amend the rebates offered and the criteria under each Add Volume Tier, as well as proposes an additional Tier 6, as follows:

- Proposed Tier 1 offers an enhanced rebate of $0.0025 for qualifying orders where a Member has an ADAV greater than or equal to 1,000,000;
- Proposed Tier 2 offers an enhanced rebate of $0.0027 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.10%;
- Proposed Tier 3 offers an enhanced rebate of $0.0028 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.20%;
- Proposed Tier 4 offers an enhanced rebate of $0.0029 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.25%;
- Proposed Tier 5 offers an enhanced rebate of $0.0030 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.40%; and
- Proposed new Tier 6 offers an enhanced rebate of $0.0031 for qualifying orders where a Member has an ADAV as a percentage of TCV greater than or equal to 0.85%.

The proposed rule change to Tiers 1 through 5 eases the difficulty in reaching the tiers' criteria while amending the enhanced rebates to correspond with the ease in criteria and proposed Tier 6 offers Members an additional opportunity to receive a rebate on their qualifying orders. The proposed restructuring of the current Add Volume Tiers and the new criteria and reduced fee offered in proposed Tier 6 are designed to provide Members with increased incentives to receive enhanced rebates on their liquidity adding displayed orders by increasing their add volume order flow in order to achieve the proposed eased and/or additional criteria.

Proposed Updates to the Supplemental Incentive Program Tiers

The Exchange currently offers three different Supplemental Incentive Program Tiers under footnote 1 of the Fee Schedule, wherein a Member may receive an additional rebate for qualifying orders where a Member adds

[5] *See* NYSE Price List 2020, ''Transactions in stocks with a per share stock price of $1.00 or more'', which assesses a fee of ranging from no charge to $0.0018 for various orders in securities priced at $1.00 or more; *and* Nasdaq Pricing 7, Section 118(a)(1), which assesses a charge ranging from no charge to $0.0035 or a credit ranging from $0.00005 to $0.00325 for various orders in securities priced at $1.00 or more.

[6] *See* NYSE Price List 2020, ''Transactions in stocks with a per share stock price less than $1.00'', which either does not assess a charge or assesses a charge of 0.3% for various orders in securities priced below $1.00; *and* Nasdaq Price List, ''Rebates and Fees, Shares Executed Below $1.00'', available at *http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2,* which assesses no charge for orders to add liquidity in securities priced below $1.00 and assesses a charge of 0.30% of total dollar volume for orders to remove liquidity in securities priced below $1.00. *See also* Securities Exchange Release No. 89607 (August 18, 2020), 85 FR 52179 (August 24, 2020) (SR–NYSEArca–2020–75), which recently amended in its fee schedule the base rate for adding and removing liquidity in Round Lots and Odd Lots in Tapes A, B and C securities with a per share price below $1.00.

[7] Appended to displayed orders that adds liquidity to BZX (Tape B) and is assessed a standard rebate of $0.0025.

[8] Appended to displayed orders that adds liquidity to BZX (Tape A) and is assessed a standard rebate of $0.0025.

[9] Appended to displayed orders that adds liquidity to BZX (Tape C) and is assessed a standard rebate of $0.0025.

[10] ''ADAV'' means average daily added volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

[11] ''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.

a certain Tape ADV [12] as a percentage of that Tape's TCV. Specifically, the Supplemental Incentive Program Tiers offered are as follows:

- Supplemental Incentive Program—Tape A Tier offers an additional rebate of $0.0001 for orders yielding fee code V [13] where a Member adds a Tape A ADV greater than or equal to 0.50% of the Tape A TCV;
- Supplemental Incentive Program—Tape B Tier offers an additional rebate of $0.0001 for orders yielding fee code B [14] where a Member adds a Tape B ADV greater than or equal to 0.50% of the Tape B TCV; and
- Supplemental Incentive Program—Tape C Tier offers an additional rebate of $0.0001 for orders yielding fee code Y [15] where a Member adds a Tape C ADV greater than or equal to 0.50% of the Tape C TCV;

The proposed rule change amends each of the tiers' criteria by reducing the percentage of Tape ADV over Tape TCV from 0.50% to 0.30%. The proposed rule change also updates the language in each Tier to state ''where a Member has a Tape A/B/C ADAV'', which essentially states the same requirement as ''adds an ADV,'' but is more appropriately aligned with the defined terms in the Fee Schedule.[16] The proposed rule change to the Supplemental Incentive Program Tiers does not alter any of the additional rebate amounts currently offered. As such, the reduction in percentage of Tape ADAV over TCV, thus easing the tiers' criteria, is designed to further incentivize Members to submit displayed order flow to Tapes A, B and C to receive the current additional rebates provided under the Supplemental Incentive Program Tiers.

Proposed Remove Volume Tier

The Exchange proposes to add a new Remove Volume Tier under footnote 1 of the Fee Schedule.[17] The proposed Remove Volume Tier offers a reduced fee of $0.0029 for orders in securities at or above $1.00 and 0.28% of total dollar value for orders in securities below $1.00 [18] yielding fee code ''N'', [19] ''W'' [20] and ''BB'' [21] where a Member has an ADAV greater than or equal to 0.20% TCV with displayed orders that yield fee codes B, V or Y. The proposed Remove Volume Tier is designed to incentivize Members to increase their orders that add displayed volume on the Exchange in order to receive a reduced fee on their qualifying, liquidity removing orders.

Proposed Updates to the LMM Add Volume Tiers

Under the Exchange's LMM Program, the Exchange offers daily incentives for LMMs in securities listed on the Exchange for which the LMM meets certain Minimum Performance Standards.[22] Such daily incentives are determined based on the number of Cboe-listed securities for which the LMM meets such Minimum Performance Standards and the average auction volume across such securities. Generally, the more LMM Securities [23] for which the LMM meets the Minimum Performance Standards and the higher the auction volume across those securities, the greater the total daily payment to the LMM. Currently, the Exchange offers an LMM Add Volume Tier under footnote 14 of the Fee Schedule, which provides an additional rebate of $0.0001 for LMM orders yielding B, V and Y [24] where an LMM 1) adds an ADV [25] greater than or equal to 0.20% of the TCV, 2) has an Average Aggregate Daily Auction Volume in LMM Securities greater than or equal to 500,000, and 3) is enrolled in at least 75 LMM Securities.

The Exchange proposes to include three additional LMM Add Volume Tiers as follows:[26]

- Proposed LMM Add Volume Tier 2 provides an additional rebate of $0.0006 for orders yielding fee codes V [27] and ''HV'' [28] where an LMM 1) is enrolled is enrolled in at least 50 LMM Securities, and 2) has a Tape A ADAV greater than or equal to 0.10% of the Tape A TCV;
- Proposed LMM Add Volume Tier 3 provides an additional rebate of $0.0003 for orders yielding fee codes B [29] and ''HB'' [30] where an LMM 1) is enrolled is enrolled in at least 50 LMM Securities, and 2) has a Tape B ADAV greater than or equal to 0.20% of the Tape B TCV;
- LMM Add Volume Tier 4 provides an additional rebate of $0.0006 for orders yielding fee codes Y [31] and ''HY'' [32] where an LMM (1) is enrolled in at least 50 LMM Securities, and (2) has a Tape C ADAV greater than or equal to 0.10% of the Tape C TCV.

The proposed additional tiers also explicitly include that the proposed additional rebates apply to orders in securities priced below $1.00 and makes clear in the general heading language that both displayed and non-displayed orders will count toward meeting the tiers' criteria. The proposed additional LMM Add Volume tiers are designed to provide LMM Members with opportunities to receive additional rebates for both their displayed and non-displayed orders, thus further incentivizing Members to enroll and participate in the LMM Program, as well LMM Members to continue to add volume to Tape A, B and C.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[33]

[12] ''ADV'' means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis.

[13] *See supra* note 8.

[14] *See supra* note 7.

[15] *See supra* note 9.

[16] *See supra* notes 10 and 12.

[17] As a result of the new Remove Volume Tier, it also updates the title of footnote 1 to ''Add/Remove Volume Tiers''.

[18] As a result, the Exchange proposes to update the statement under General Notes in the Fee Schedule to state that ''unless otherwise indicated, variable rates provided by tiers apply only to executions in securities priced at or above $1.00.

[19] Appended to orders that remove liquidity from BZX (Tape C) and is assessed a standard fee of $0.00300.

[20] Appended to orders that remove liquidity from BZX (Tape A) and is assessed a standard fee of $0.00300.

[21] Appended to orders that remove liquidity from BZX (Tape B) and is assessed a standard fee of $0.00300.

[22] As defined in Rule 11.8(e)(1)(E), the term ''Minimum Performance Standards'' means a set of standards applicable to an LMM that may be determined from time to time by the Exchange. Such standards will vary between LMM Securities depending on the price, liquidity, and volatility of the LMM Security in which the LMM is registered. The performance measurements will include: (A) Percent of time at the NBBO; (B) percent of executions better than the NBBO; (C) average displayed size; and (D) average quoted spread. For additional detail, see Original LMM Filing.

[23] As defined in Rule 11.8(e)(1)(D), the term ''LMM Security'' means a Listed Security that has an LMM. As defined in Rule 11.8(e)(1)(B), the term ''Listed Security'' means any ETP or any Primary Equity Security or Closed-End Fund listed on the Exchange pursuant to Rule 14.8 or 14.9.

[24] *See supra* notes 7, 8 and 9.

[25] Like the proposed clarification in the Supplement Incentive Tiers, the proposed rule change also updates the language in LMM Add Volume Tier 1 to state ''where a Member has a Tape A/B/C ADAV'', which essentially states the same requirement as ''adds an ADV'', but is more appropriately aligned with the defined terms in the Fee Schedule. *See supra* note 15.

[26] As a result of the proposed additional LMM Add Volume Tiers, the Exchange updates the current LMM Add Volume Tier to be LMM Add Volume Tier 1.

[27] *See supra* note 8.

[28] Appended to non-displayed orders that add liquidity (Tape A) and are assessed a standard rebate of $0.0015.

[29] *See supra* note 7.

[30] Appended to non-displayed orders that add liquidity (Tape B) and are assessed a standard rebate of $0.0015.

[31] *See supra* note 9.

[32] Appended to non-displayed orders that add liquidity (Tape C) and are assessed a standard rebate of $0.0015.

[33] 15 U.S.C. 78f.

in general, and furthers the objectives of Section 6(b)(4),[34] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members, issuers and other persons using its facilities. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members. The Exchange notes that relative volume-based incentives and discounts have been widely adopted by exchanges, including the Exchange, and are reasonable, equitable and non-discriminatory because they are open to all members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. Additionally, as noted above, the Exchange operates in highly competitive market. The Exchange is only one of several equity venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. It is also only one of several maker-taker exchanges. Competing equity exchanges offer similar tiered pricing structures, including schedules of rebates and fees that apply based upon members achieving certain volume and/or growth thresholds, as well as assess similar fees or rebates for similar types of orders, to that of the Exchange. These competing pricing schedules, moreover, are presently comparable to those that the Exchange provides, including the pricing of comparable criteria and/or fees and rebates.

Regarding the proposed change to the standard rates, the Exchange believes that amending the standard rates for orders that add volume in securities prices at $1.00 or more and in securities priced below $1.00 is reasonable because, as stated above, in order to operate in the highly competitive equities markets, the Exchange and its competing exchanges seek to offer similar pricing structures, including assessing comparable standard rates for orders in securities priced at or above, as well as priced below, $1.00.[35] Thus, the Exchange believes the proposed standard rate changes are reasonable as they are generally aligned with and competitive with the amounts assessed for the orders in securities above/below $1.00 on other equities exchanges. The Exchange also believes that amending the standard rate amounts represents an equitable allocation of fees and is not unfairly discriminatory because they will continue to automatically and uniformly apply to all Members' orders that add liquidity in securities at $1.00 or more and in securities less than $1.00.

Regarding the proposed updates and additions to the Add Volume, Supplemental Incentive and LMM Add Volume Tiers, as well as the new Remove Volume Tier, the Exchange believes that the proposed tiers are reasonable because they each provide an additional opportunity (either by amending existing tiers or adding new tiers) for Members to receive a discounted rate or enhanced rebates by means of liquidity adding orders. The Exchange notes the proposed tiers are available to all Members and are competitively achievable for all Members that submit the requisite order flow, in that, all firms are eligible for the proposed tiers and those that submit the requisite order flow could compete to meet the proposed tiers. Each Member will uniformly receive the respective proposed enhanced rebates, additional rebates or reduced fee if the corresponding tier criteria is met. The Exchange also believes that the proposed tiers are reasonable, equitable and not unfairly discriminatory because, as noted above, competing equity exchanges offer similar tiered pricing structures to that of the proposed Add Volume,[36] Supplemental Incentive,[37] Remove Volume,[38] and LMM Add Volume Tiers,[39] including as amended, which are presently comparable in pricing and criteria to the proposed tiers.

In particular, the Exchange believes the proposed Add Volume Tiers are reasonable because they amend existing opportunities by easing the level of difficulty in each of the existing five tiers, thus maintaining the current structure of step-up in difficulty in achieving each ascending tier, and provide an additional, also incrementally more challenging, opportunity in proposed Tier 6. The proposed ease in criteria and additional tier will incentivize Members to increase add volume order flow in order to receive the corresponding enhanced rebates for Members' qualifying orders. The Exchange further believes that the proposed rule changes to the Add Volume Tiers are reasonable as they represent proportional decreases in difficulty per adjacent tiers. In line with easing the relative level of difficulty in each of the Add Volume Tiers, the Exchange believes that providing a reduced enhanced rebate per tier is reasonable as it is commensurate with the proposed criteria. That is, the reduction in enhanced rebates reasonably reflects the scaled difficulty in achieving the add volume criteria over a baseline of 1,000,000 in proposed Tier 1, up through the incrementally increasing ADAV threshold as a percentage of TCV in Tiers 2 through 6. Also, the proposed reduced enhanced rebates (and proposed additional enhanced rebate in Tier 6) corresponding to the proposed criteria in the Add Volume Tiers do not represent a significant departure from the enhanced rebates currently offered under the tiers, and merely incrementally shifts the range of enhanced rebates offered to most appropriately align with the

[34] 15 U.S.C. 78f(b)(4).

[35] *See supra* notes 5 and 6.

[36] *See* EDGA Equities Fee Schedule, footnote 7, ''Add/Remove Volume Tiers''; BYX Equities Fee Schedule, footnote 1, ''Add/Remove Volume Tiers''; and EDGX Equities Fee Schedule, footnote 1, ''Add Volume Tiers'', each of which provide for similar add volume criteria for which members may receive comparable reduced fees on their orders (EDGA/BYX) or enhanced rebates ranging from $0.0023 to $0.0028 (EDGX) for meeting such thresholds.

[37] *See* NYSE Price List, ''Credit Applicable to Supplemental Liquidity Providers (''SLPs'')'', which provides additional credits up to $0.0005 for various types of Tape liquidity; *and* Nasdaq Equity 7, Section 118(a)(1), which provides supplemental credit of $0.00005 for various types of Tape liquidity.

[38] *See* EDGA Equities Fee Schedule, footnote 7, ''Add/Remove Volume Tiers'', of which the Remove Volume Tiers offers an enhanced rebate of $0.0022 or $0.0028 for reaching a certain threshold of ADV over TCV; *and* BYX Equities Fee Schedule, footnote 1, ''Add/Remove Volume Tiers'', of which the Remove Volume Tiers offer enhanced rebates between $0.0015 and $0.0018 for various criteria (Step-Up volume, ADAV of a set number of shares, ADV as a percentage of TCV, etc.).

[39] *See* Nasdaq Phlx Equity 7 Pricing Schedule, Section 3(c), which provides up to an additional credit of $0.0003 for various order and quoting volume thresholds for the exchange's qualified market makers (''QMMs''); *and* NYSE Price List, ''Fees and Credits applicable to Designated Market Makers (''DMMs'')'', which provides, among various credits for orders in securities at or above $1.00, additional credit of $0.0004 for DMMs adding liquidity in securities under $1.00. *See also* Securities Exchange Release No. 89607 (August 18, 2020), 85 FR 52179 (August 24, 2020) (SR–NYSEArca–2020–75), which recently adopted in its fee schedule a step up tier for ETP Holders adding liquidity in Round Lots and Odd Lots in Tapes A, B and C securities with a per share price below $1.00 and amended the base rate for adding and removing liquidity in Round Lots and Odd Lots in Tapes A, B and C securities with a per share price below $1.00.

corresponding shift in criteria difficulty per each tier.

Similarly, the Exchange believes the proposed amendments to the Supplemental Incentive Tiers are reasonable because they, too, amend existing opportunities by uniformly easing the level of difficulty in each of the three existing Supplemental Incentive Tiers, which currently provide for the same criteria thresholds per Tape. Therefore, by uniformly easing the criteria per each tier, while maintaining the existing additional rebate amounts, the proposed rule change to the Supplemental Tiers is reasonably designed to incentivize Members to increase their add volume order flow per each Tape.

The Exchange believes the Remove Volume Tier is a reasonable means to incentivize Members to continue to provide liquidity adding, displayed volume to the Exchange by offering them a different, additional opportunity than that of the Add Volume Tiers—to receive a reduced fee on their liquidity removing orders by meeting the proposed criteria in submitting additional add volume order flow. In addition to this, the Exchange has recently observed that trading in subdollar names has grown significantly; nearly tripling since the beginning of 2020, and that competing equities exchanges have begun offering pricing incentives for subdollar orders.[40] Therefore, the Exchange believes that it is reasonable and equitable to provide the proposed reduced fee under the new Remove Volume Tier for qualifying subdollar orders. Also, as indicated above, the Exchange's affiliated equities exchanges already have similar Remove Volume in place, which offer similar rebates for achieving comparable criteria, in addition to their Add Volume Tiers.[41]

The Exchange believes the proposed additional LMM Add Volume Tiers are reasonable in that they offer LMM Members on the Exchange an additional opportunity to receive an added rebate for their provision of liquidity, both displayed and non-displayed, per Tape. As with the proposed Remove Volume Tier, the Exchange believes that it is reasonable and equitable to provide the proposed additional rebates under the new LMM Add Volume Tiers for qualifying subdollar orders as a result of the recent expansive growth in the subdollar market segment, as well as competitive pricing offered by other equities exchanges for subdollar orders.[42] The Exchange believes the proposed additional rebates for both liquidity adding displayed and non-displayed orders to the Tapes will incentivize increased overall order flow to the Book and price-improvement opportunities. The Exchange also notes that the proposed LMM Add Volume Tiers reflect a competitive pricing structure designed to incentivize market participants to enroll in LMP Securities, which the Exchange believes will enhance market quality in all securities listed on the Exchange and encourage issuers to list new products and transfer existing products to the Exchange. The Exchange further believes that the proposed criteria and corresponding additional rebates per tier are reasonable and equitable. Generally, Tape B experiences less variability in terms of broader market share, whereas Tape A and C tend to experience more volatility. As a result, the Exchange has observed that LMM Members generally submit less Tape volume in connection with Tape A and Tape C. For example, the average Tape ADAV as a percentage of Tape TCV in Tape A and Tape C from LMM Members in the last month was approximately ten basis points lower than their average Tape ADAV over Tape TCV in Tape B. As a result, the Exchange believes Members are more easily able to meet a volume requirement for Tape B, and therefore, it is equitable to provide for a slightly higher ADAV Tape B threshold of Tape B TCV than that for Tape A and C, that corresponds to a slightly lower additional rebate than that which corresponds to Tape A and C.

Overall, the Exchange believes that easing the current tiers' criteria and adding new tier criteria, each based on a Member's liquidity adding orders, will benefit all market participants by incentivizing continuous liquidity and thus, deeper more liquid markets as well as increased execution opportunities. Particularly, the majority of the proposed tiers are designed to incentivize continuous displayed liquidity, which signals other market participants to take the additional execution opportunities provided by such liquidity, while the proposed incentives to provide non-displayed liquidity will further contribute to a deeper, more liquid market and provide even more execution opportunities for active market participants at improved prices. This overall increase in activity deepens the Exchange's liquidity pool, offers additional cost savings, supports the quality of price discovery, promotes market transparency and improves market quality, for all investors.

In addition to this, the Exchange believes that the proposal represents an equitable allocation of rebates and is not unfairly discriminatory because all Members will continue to be eligible for the Add Volume and Supplemental Incentive Tiers, as amended, and in the same way will be eligible for the proposed Remove Volume Tier and additional Add Volume and LMM Add Volume Tiers. Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would definitely result in any Members qualifying for the proposed tiers. While the Exchange has no way of predicting with certainty how the proposed tiers will impact Member activity, the Exchange anticipates that for the proposed Add Volume Tiers approximately between seven and thirteen Members will be able to compete for and achieve the proposed criteria across proposed Add Volume Tiers 1 and 2; at least three Members will be able to compete for and achieve the amended criteria in each Add Volume Tier 3 and 4; and at least six Members will be able to compete for and achieve the amended/new criteria across Add Volume Tiers 5 and 6. The Exchange anticipates that for the proposed Supplemental Incentive Tiers at least three Members will be able to compete for and achieve the proposed criteria in each of the three additional tiers. The Exchange anticipates that for the proposed Remove Volume Tier at least ten Members will be able to compete for and achieve the proposed criteria. Finally, the Exchange anticipates that for the proposed Add Volume LMM Tiers at least two LMM Members will be able to compete for and achieve the proposed criteria in each of the three additional tiers. The Exchange anticipates that the tiers will include various liquidity providing Member types, such as traditional Market Makers, and wholesale or consolidator firms that mainly make markets for retail orders, each providing distinct types of order flow to the Exchange to the benefit of all market participants. The Exchange also notes that the proposed tiers will not

[40] *See* NYSE Price List, ''Fees and Credits applicable to Designated Market Makers (''DMMs'')'', which provides, among various credits for orders in securities at or above $1.00, additional credit of $0.0004 for DMMs adding liquidity in securities under $1.00; *see also* Securities Exchange Release No. 89607 (August 18, 2020), 85 FR 52179 (August 24, 2020) (SR–NYSEArca–2020–75), which recently adopted in its fee schedule a step up tier for ETP Holders adding liquidity in Round Lots and Odd Lots in Tapes A, B and C securities with a per share price below $1.00 and amended the base rate for adding and removing liquidity in Round Lots and Odd Lots in Tapes A, B and C securities with a per share price below $1.00.

[41] *See supra* note 38.

[42] *See supra* note 40.

adversely impact any Member's pricing or their ability to qualify for other rebate tiers. Rather, should a Member not meet the proposed criteria for a tier, the Member will merely not receive the corresponding additional rebate.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, as discussed above, the Exchange believes that the proposed change would encourage the submission of additional order flow to a public exchange, thereby promoting market depth, execution incentives and enhanced execution opportunities, as well as price discovery and transparency for all Members. As a result, the Exchange believes that the proposed change furthers the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes ''more efficient pricing of individual stocks for all types of orders, large and small.'' [43]

The Exchange believes the proposed rule change does not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed changes apply to all Members equally in that all Members are eligible for the proposed Add Volume Tiers, Supplemental Incentive Tiers, Remove Volume Tier and LMM Add Volume Tiers (and have the same opportunity to become an LMM Member), have a reasonable opportunity to meet the tiers' criteria and will all receive the corresponding proposed enhanced rebates, additional rebates and reduced fee if such criteria are met. Additionally, the proposed tier changes are designed to attract additional order flow to the Exchange. The Exchange believes that the updated tier criteria and the additional tier criteria would incentivize market participants to direct liquidity adding order flow to the Exchange, bringing with it additional execution opportunities for market participants and improved price transparency. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage Members to send orders, thereby contributing towards a robust and well-balanced market ecosystem. In addition to this, the Exchange notes that the proposed amendments to the standard rebates for orders in securities above/below $1.00 will continue to apply automatically to all such Members' orders uniformly.

Next, the Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including 12 other equities exchanges and off-exchange venues and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 18% of the market share.[44] Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, 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. Moreover, 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.'' [45] The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition* v. *Securities and Exchange Commission,* the D.C. Circuit stated as follows: ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .''.[46] 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 Act [47] and paragraph (f) of Rule 19b–4 [48] 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–CboeBZX–2020–071 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–CboeBZX–2020–071. 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

[43] Securities Exchange Act Release No. 51808, 70 FR 37495, 37498–99 (June 29, 2005) (S7–10–04) (Final Rule).

[44] *See supra* note 4.

[45] See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[46] *NetCoalition* v. *SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

[47] 15 U.S.C. 78s(b)(3)(A).

[48] 17 CFR 240.19b–4(f).

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–CboeBZX–2020–071 and should be submitted on or before October 20, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[49]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2020–21410 Filed 9–28–20; 8:45 am]

BILLING CODE 8011–01–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: 30-Day notice.

SUMMARY: The Small Business Administration (SBA) is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act and OMB procedures, SBA is publishing this notice to allow all interested member of the public an additional 30 days to provide comments on the proposed collection of information.

DATES: Submit comments on or before October 29, 2020.

ADDRESSES: Comments should refer to the information collection by title and/or OMB Control Number and should be sent to: *Agency Clearance Officer,* Curtis Rich, Small Business Administration, 409 3rd Street SW, 5th Floor, Washington, DC 20416; and *SBA Desk Officer,* Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205–7030, *curtis.rich@sba.gov.*

SUPPLEMENTARY INFORMATION:

Copies: You may obtain a copy of the information collection and supporting documents from the Agency Clearance Officer.

The STEP Client Report form is completed by state administrators in states that receive an SBA STEP grant in order to report data on the quarterly progress of STEP grant recipients and their clients. These data are used to understand how states have improved the trade and export activities and revenue outcomes of clients. Data from the STEP Client Report provides SBA with critical information about the impact of various strategies used to advance trade and export activities in each state. These data also provide an understanding of the specific ways in which funded activities meet SBA's goal of improving small business trade and export productivity. These data may inform strategies that can be replicated by other small businesses.

Title: SBA STEP Client Report Form.

OMB Control Number: N/A.

Description of Respondents: This form will be completed by the directors at approximately 90 STEP grant recipients.

Estimated Annual Responses: 360.

Estimated Annual Hour Burden: 360.

Curtis Rich,

Management Analyst.

[FR Doc. 2020–21494 Filed 9–28–20; 8:45 am]

BILLING CODE 8026–03–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: 30-Day notice.

SUMMARY: The Small Business Administration (SBA) is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act and OMB procedures, SBA is publishing this notice to allow all interested member of the public an additional 30 days to provide comments on the proposed collection of information.

DATES: Submit comments on or before October 29, 2020.

ADDRESSES: Comments should refer to the information collection by title and/or OMB Control Number and should be sent to: *Agency Clearance Officer,* Curtis Rich, Small Business Administration, 409 3rd Street SW, 5th Floor, Washington, DC 20416; and *SBA Desk Officer,* Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Curtis Rich, Agency Clearance Officer, (202) 205–7030, *curtis.rich@sba.gov.*

SUPPLEMENTARY INFORMATION:

Copies: You may obtain a copy of the information collection and supporting documents from the Agency Clearance Officer.

The SBA secondary market is an evolving 36.9 billion dollar market designed to facilitate the availability of capital to lenders serving the small business community. Pursuant to section 5(h)(1)(C) of the Small Business Act, 15 U.S.C. 634(h)(1)(C), when a secondary market loan is transferred from one investor to another, the sellers of the loan or pool certificate must disclose to certain information to the buyer. This information includes a constant annual prepayment rate based on the seller's analysis pf prepayment histories of SBA guaranteed loans with similar maturities, and also information regarding the terms, conditions and yield of the transferred security.

Title: Form of Detached Assignment for U.S. Small Business Administration Loan Pool or Guaranteed Interest Certificate.

OMB Control Number: 3245–0212.

Description of Respondents: Secondary Market Lenders.

Estimated Annual Responses: 7,500.

Estimated Annual Hour Burden: 11,250.

Curtis Rich,

Management Analyst.

[FR Doc. 2020–21445 Filed 9–28–20; 8:45 am]

BILLING CODE 8026–03–P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: 30-Day notice.

[49] 17 CFR 200.30–3(a)(12).