Existing Procedures and PNU cabinet provisions, and would serve to reduce any potential for confusion on how cabinets and power would be allocated if a shortage in one or the other were to arise in the future, and would thereby make the Price List more transparent and reduce any potential ambiguity.

For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the proposed rule change, or
(B) institute proceedings to determine whether the proposed rule change should be 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–NYSENAT–2021–03 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NYSENAT–2021–03. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission’s internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission’s Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSENAT–2021–03 and should be submitted on or before March 17, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.19

J. Matthew DeLaDernier,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–91151; File No. SR–
CboeBZX–2021–016]

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

February 18, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on February 10, 2021, 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

21 As provided in the Fee Schedule, a “Qualified Security” refers to a BZX-listed security for which
designed to create a more comprehensive liquidity provision program to incentivize LMMs to provide enhanced market quality across all BZX-listed securities, including in higher volume securities where transaction-based incentives may better incentivize liquidity provision than current programs.4

The Exchange also proposes to re-letter existing paragraphs (B) and (C) based on the new proposed paragraph, make a ministerial change to the definition of “Qualified LMM” in the Fee Schedule, and eliminate the Market Depth Tier provided under footnote 1 of the Fee Schedule.

The Exchange currently offers LMM Liquidity Provision Rates which provide LMMs daily incentives that are based on whether the LMM meets certain performance based criteria (i.e., the applicable Minimum Performance Standard).5 Specifically, the Exchange provides each LMM with a daily incentive based on how many Qualified Securities or Enhanced Securities 6 the LMM has and the average aggregate daily auction volume in the BZX-listed securities for which it is an LMM (“LMM Securities”). The LMM Liquidity Provision Rates were implemented to incentivize LMMs to meet the Minimum Performance Standards across all of their LMM Securities, especially for newly listed and other lower volume securities.

Now, the Exchange is proposing to offer an opt-in LMM Add Liquidity Rebate of $0.0039 per share to an LMM 8 that elects to participate in the program for a particular Qualified Security. As proposed, an LMM that opts to participate in the LMM Add Liquidity Rebate for a particular LMM Security would not receive the otherwise applicable Liquidity Provision Rate that it would receive under the program today. In order to be eligible for the proposed rebate, the LMM Security must first have a consolidated average daily volume (CADV) of at least 1,000,000 shares (the “CADV Requirement”).10 Specifically, an LMM may opt in to the program for the next calendar month if an LMM Security has a CADV of at least 1,000,000 shares during the prior month. For example, if an LMM Security has a CADV of at least 1,000,000 shares for the month of December 2020, the LMM may opt in to the LMM Add Liquidity Rebate for that security during January 2021, which would apply to its trading in the LMM Security for February 2021. If the LMM Security does not meet the CADV Requirement for a given month, the LMM Security will be automatically un-enrolled from the LMM Add Liquidity Rebate. Like the be .50%–3%. The Original Filing provides that “[b]efore diverging significantly from the ranges described above, the Exchange will submit a rule filing to the Commission describing such proposed changes.” The Exchange does not believe that this change represents a “significant divergence” but is instead noting the change in order to provide transparency regarding the current state of the Minimum Performance Standards.

An “Enhanced Security” refers to a BZX-listed security which meets certain enhanced qualifying market quality standards. 8 Like the Standard and Enhanced Rates provided under the existing LMM Liquidity Provision Rates (i.e., paragraph (A) of footnote 14), the proposed rebate would apply only to MPIDs that are LMMs.

“CADV” means consolidated average daily volume calculated as the average daily volume reported for a security and trade reporting facilities to a consolidated transaction reporting plan for the three calendar months preceding the month for which the fees apply and excludes volume on days when the market closes early and on the Russell Reconstitution Day.

10 New listings and transferred listings made during a given month will not be eligible for the LMM Add Liquidity Rebate during that month.

11 An LMM must opt in to the LMM Add Liquidity Rebate each time a Qualified Security is eligible for the rebate after having failed to meet the CADV Requirement during the prior month(s).
paragraph (B). Second, the Exchange proposes to make a ministerial change to the definition of “Qualified LMM” in the Fee Schedule to reference Rule 11.8(e)(1)(E) instead of (D). Third, the Exchange proposes to eliminate the Market Depth Tier provided under Footnote 1 of the Fee Schedule. The proposal will have no impact on Members as no Member has recently met the Market Depth Tier.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,12 in general, and furthers the objectives of Section 6(b)(4) and 6(b)(5),13 in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that its listing business operates in a highly competitive market in which market participants, which includes both issuers and LMMs, can readily transfer their listings or opt not to participate, respectively, if they deem fee levels, liquidity provision incentive programs, or any other factor at a particular venue to be insufficient or excessive. The proposed rule changes reflect a competitive pricing structure designed to incentivize issuers to list new products and transfer existing products to the Exchange and market participants to enroll and participate as LMMs on the Exchange, which the Exchange believes will enhance market quality in all securities listed on the Exchange.

The Exchange believes that the proposal to adopt incentives based on both Minimum Performance Standards and transactions under the LMM Add Liquidity Rebate is a reasonable means to incentivize market quality in securities listed on the Exchange. The marketplace for listings is extremely competitive and there are several other national securities exchanges that offer listings. Transfers between listing venues occur frequently for numerous reasons, including market quality. As noted above, the LMM Add Liquidity Rebate allows the Exchange to offer LMM pricing comparable to other traditional LMM programs available on other listing venues and, as such, this proposal is intended to help the Exchange compete as a listing venue. Further, the Exchange notes that the proposed incentives are not transaction fees, nor are they fees paid by participants to access the Exchange.

Rather, the proposed payments are based on achieving certain objective market quality and transaction-based metrics.

As stated above, the proposed rebate would continue to encourage LMMs to meet the Minimum Performance Standards for Qualified Securities, but would provide the potential for additional incentives for higher volume securities. The proposed rebate would provide LMMs with the flexibility to opt in to an additional pricing program that better incentivizes LMMs to meet certain market quality metrics in higher volume securities, which, when coupled with the existing LMM Liquidity Provision Rates, would provide a more comprehensive program to incentivize LMMs to provide enhanced market quality across all LMM Securities. Specifically, the LMM Liquidity Provision Rates are designed to incentivize LMMs to meet the Minimum Performance Standards in lower volume securities where transaction-based incentives may not sufficiently incentivize liquidity and the proposed LMM Add Liquidity Rates would incentivize LMMs to meet the Minimum Performance Standards in higher volume securities through the potential of greater economic benefits, which the Exchange believes is reasonable. The Exchange believes the proposal will benefit all investors by both increasing competition among LMMs in higher volume securities and leading to tighter and deeper markets to the benefit of all market participants.

The Exchange believes that it is reasonable only for securities that meet the CADV Requirement to be eligible for the LMM Add Liquidity Rates because the Exchange does not want to disincentivize LMMs in lower volume securities from meeting the standards applicable to Enhanced Securities. Such lower volume securities generally benefit more from LMMs meeting the standards applicable to Enhanced Securities and the Exchange believes that it is reasonable to continue to require LMMs in securities that do not meet the CADV Requirement to meet such standards in order to maximize their daily payment.

The Exchange believes that it is reasonable to offer the LMM Add Liquidity Rates only for securities that meet the CADV Requirement, because the Exchange generally makes more revenue the greater the trading volume in the trading volume [sic]. Specifically, as the proposed incentives are available only in LMM Securities that meet the CADV Requirement, the incentives are generally commensurate with the Exchange’s revenue in that LMM Security. Further, the LMM Add Liquidity Rates provide an alternative incentive structure for LMMs that may better incentivize them to meet the required criteria for the LMM Security. The Exchange believes the LMM Add Liquidity Rates adds an alternative rebate structure that, coupled with the LMM Liquidity Provision Rates, would create a comprehensive incentive structure that will encourage participation and, further, competition among LMMs. The Exchange believes that increased participation and competition among LMMs will result in better market quality across all of its listings, resulting in greater market quality to the benefit of investors and other market participants.

The Exchange believes it is reasonable that an LMM forfeit the LMM Liquidity Provision Rates if it opts in to the LMM Add Liquidity Rates. As described above, opting in to the LMM Add Liquidity Rates would allow the possibility of greater economic benefit for LMMs by offering a per share rebate. As a result, LMMs would have the possibility of receiving a higher payment for acting as an LMM in an LMM Security, which the Exchange believes makes it reasonable to remove the stipend style payment that exists under the LMM Liquidity Provision Rates. Furthermore, the proposal is opt-in only; therefore, LMMs may opt not to participate if they do not believe that they would benefit from opting in or if they deem the LMM Add Liquidity Rates insufficient in a given LMM Security.

The Exchange believes that the proposal represents an equitable allocation of payments and is not unfairly discriminatory because, while the proposed payments apply only to LMMs, such LMMs must meet rigorous Minimum Performance Standards in order to receive the proposed rebate. Where an LMM does not meet the Minimum Performance Standards for the applicable LMM Security, they will not be eligible for the proposed rebates. Further, registration as an LMM is available equally to all Members and allocation of listed securities between LMMs is governed by Exchange Rule 11.8(e)(2). If an LMM does not meet the Minimum Performance Standards for three out of the last four months, the LMM is subject to forfeiture of LMM status for that LMM Security, at the Exchange’s discretion.

The Exchange believes that its proposal to eliminate the Market Depth Tier is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its
facilities primarily because it will have no impact on Members as no Member has recently met the tier. Removing this tier does not impact any other tiers available to Members and removal of this tier will apply equally to all Members.

The Exchange believes its proposal to re-letter paragraphs (B) and (C) under footnote 14 and amend the definition of Qualified LMM will have no impact on Members of the Exchange as they are ministerial in nature.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed change burdens competition, but rather, enhances competition as it is intended to increase the competitiveness of BZX both among Members by incentivizing Members to become LMMs in BZX-listed securities and as a listing venue by enhancing market quality in BZX-listed securities. The marketplace for listings is extremely competitive and there are several other national securities exchanges that offer listings. Transfers between listing venues occur frequently for numerous reasons, including market quality. This proposal is intended to help the Exchange compete as a listing venue. Accordingly, the Exchange does not believe that the proposed change will impair the ability of issuers, LMMs, or competing listing venues to maintain their competitive standing. The Exchange also notes that the proposed change is intended to enhance market quality in BZX-listed securities, to the benefit of all investors in BZX-listed securities. The Exchange does not believe the proposed amendment would burden intra-market competition as it would be available to all Members uniformly. Registration as an LMM is available equally to all Members and allocation of listed securities among LMMs is governed by Exchange Rule 11.6(e)(2). Further, if an LMM does not meet the Minimum Performance Standards for three out of the past four months, the LMM is subject to forfeiture of LMM status for that LMM Security, at the Exchange’s discretion.

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 14 and paragraph (f) of Rule 19b–4 15 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—2021–016 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—2021–016 on the subject line.

ACTION: Notice of request for public comment and submission to OMB of proposed collection of information.

SUMMARY: The Department of State has submitted the information collection described below to the Office of Management and Budget (OMB) for approval. In accordance with the Paperwork Reduction Act of 1995 we are requesting comments on this collection from all interested individuals and organizations. The purpose of this notice is to allow 30 days for public comment.

DATES: Submit comments directly to the Office of Management and Budget (OMB) up to March 26, 2021.

ADDRESSES: Direct comments to the Department of State Desk Officer in the Office of Information and Regulatory Affairs at the Office of Management and Budget (OMB). You may submit comments by the following methods:

- Email: oira_submission@omb.eop.gov. You must include the DS form number, information collection title, and the OMB control number in the subject line of your message.
- Fax: 202–395–5806. Attention: Desk Officer for Department of State.