small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 15% of the market share. 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.” 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 execution of order flow from broker dealers’. . . .” Accordingly, the Exchange does not believe its proposed fee changes 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 and paragraph (f) of Rule 19b–4 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);
- Send an email to rule-comments@sec.gov. Please include File Number SR–CboeBZX–2021–045 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–2021–045. 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–CboeBZX–2021–045, and should be submitted on or before July 15, 2021.

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

J. Matthew DeLoisDernier,
Assistant Secretary.

[FR Doc. 2021–13243 Filed 6–23–21; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Increase Position Limits for Options on Certain Exchange-Traded Funds and an Exchange-Traded Note

June 17, 2021.


Section 19(b)(2) of the Act provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the
self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is June 24, 2021.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, pursuant to Section 19(b)(2) of the Act, the Commission designates August 8, 2021 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–CBOE–2021–029).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.8

J. Matthew DeLesDernier,
Assistant Secretary.

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

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

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

1. Purpose

The Exchange proposes to amend the Fee Schedule to modify one of the conditions for Members 3 to receive the alternative complex PRIME (“cPRIME”) 4 Agency Order Credit.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule for the Complex PRIME (“cPRIME”) Agency Order Credit


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (‘‘Act’’),1 and Rule 19b–4 thereunder,2 notice is hereby given that on June 9, 2021, Miami International Securities Exchange LLC (‘‘MIAX’’ or ‘‘Exchange’’) filed with the Securities and Exchange Commission (‘‘Commission’’) a 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.

3. The term ‘‘Member’’ means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed ‘‘members’’ under the Exchange Act. See Exchange Rule 100.

4. ‘‘cPRIME’’ is the process by which a Member may electronically submit a ‘‘cPRIME Order’’ (as defined in Rule 518(b)(1)) it represents as agent (a ‘‘cPRIME Agency Order’’) against principal or solicited interest for execution (a ‘‘cPRIME Auction’’), subject to the restrictions set forth in Exchange Rule 515A, Interpretation and Policy .12 5 cPRIME Orders are processed and executed in the Exchange’s PRIME mechanism, the same mechanism that the Exchange uses to process and execute simple PRIME orders, pursuant to Exchange Rule 515A. A cPRIME is a process by which a Member may electronically submit for execution an order it represents as agent (an ‘‘Agency Order’’) against principal interest and/or solicited interest. The Member that submits the Agency Order (‘‘Initiating Member’’) agrees to guarantee the execution of the Agency Order by submitting a contra-side order representing principal interest or solicited interest (‘‘Contra-Side Order’’). When the Exchange receives a properly designated Agency Order for Auction processing, a request for response (‘‘RFR’’) detailing the option, side, size and initiating price is broadcasted to MIAX participants up to an optional designated limit price. Members may submit responses to the RFR, which can be either an Auction or Cancel (‘‘AOC’’).

of the credit otherwise applicable to such orders, if a certain threshold is satisfied. The Exchange initially filed this proposal on May 28, 2021 (SR–MIAX–2021–24) and withdrew such filing on June 9, 2021. The Exchange proposes to implement the fee change effective June 9, 2021.

Background

Exchange Rule 518(b)(7) defines a cPRIME Order as a type of complex order 6 that is submitted for participation in a cPRIME Auction and trading of cPRIME Orders is governed by Rule 515A, Interpretation and Policies .12 7 cPRIME Orders are provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Fee Schedule, Section 1(b)(iii).

A ‘‘complex order’’ is any order involving the concurrent purchase and/or sale of two or more different options in the same underlying security (the ‘‘legs’’ or ‘‘components’’ of the complex order), for the same account, in a ratio that is equal to or greater than one-to-three (1.333) and less than or equal to three-to-one (3.000) and for the purposes of executing a particular investment strategy. A complex order can also be a ‘‘stock-order’’ option, which is an order to buy or sell a stated number of units of an underlying security coupled with the purchase or sale of options contract(s) on the opposite side of the market, subject to certain contingencies set forth in the proposed rules governing complex orders. For a complete definition of a ‘‘complex order,’’ see Exchange Rule 518(a)(5). See also Securities Exchange Act Release No. 78620 (August 18, 2016), 81 FR 58770 [August 25, 2016] (SR–MIAX–2016–26).

5 Under the PCRP, MIAX Options credits each MIAX Options member that submits the Agency Order (‘‘Initiating Member’’) agrees to guarantee the execution of the Agency Order by submitting a contra-side order representing principal interest or solicited interest (‘‘Contra-Side Order’’). When the Exchange receives a properly designated Agency Order for Auction processing, a request for response (‘‘RFR’’) detailing the option, side, size and initiating price is broadcasted to MIAX participants up to an optional designated limit price. Members may submit responses to the RFR, which can be either an Auction or Cancel (‘‘AOC’’).