

*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-BOX-2017-14. 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 Web site (<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 Web site viewing and printing in the Commission's Public Reference Room, on official business days between the hours of 10:00 a.m. and 3:00 p.m., located at 100 F Street NE., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-2017-14 and should be submitted on or before June 7, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80653; File No. SR-BatsEDGA-2017-12]

### Self-Regulatory Organizations; Bats EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees

May 11, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the

“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 5, 2017, Bats EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the fee schedule applicable to Members<sup>5</sup> and non-Members of the Exchange pursuant to EDGA Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange's Web site at [www.bats.com](http://www.bats.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 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 parts of such statements.

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

###### 1. Purpose

The Exchange proposes to amend its fee schedule to: (i) Lower the rate for fee code RT; and (ii) add the RMPT/RMPL Tier 2.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

#### Fee Code RT

The Exchange proposes to decrease the fee for orders yielding fee code RT, which is appended to orders routed using the ROUT<sup>6</sup> routing strategy, from \$0.00260 to \$0.00250 per share for securities priced at or above \$1.00 per share. The Exchange does not propose to amend the rate for orders yielding fee code RT in securities priced below \$1.00 per share.

#### RMPT/RMPL Tier 2

The Exchange offers one tier under footnote 4, the RMPT/RMPL Tier under which a Member receives a discounted fee of \$0.0008 per share for orders yielding fee codes PT<sup>7</sup> or PX<sup>8</sup> where that Member adds or removes an ADV<sup>9</sup> greater than or equal to 2,000,000 shares using the RMPT or RMPL<sup>10</sup> routing strategy. The Exchange now proposes to add a new tier under footnote 4 to be known as Tier 2 under which a Member would receive a discounted fee of \$0.0006 per share for orders yielding fee codes PT or PX where that Member adds or removes an ADV greater than or equal to 4,000,000 shares using the RMPT or RMPL routing strategy.<sup>11</sup>

<sup>6</sup> ROUT is a routing strategy that checks the System for available shares and then are sent to destinations on the System routing table. See Exchange Rule 11.11(g)(3)(B). The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. See Exchange Rule 11.11(g).

<sup>7</sup> Fee code PT is appended to orders that remove liquidity from the Exchange using RMPT or RMPL routing strategy and is assessed a fee of \$0.0010 per share on securities priced over \$1.00, and there is no fee on securities priced below \$1.00. See the Exchange's fee schedule available at [http://www.bats.com/us/equities/membership/fee\\_schedule/edga/](http://www.bats.com/us/equities/membership/fee_schedule/edga/).

<sup>8</sup> Fee code PX is append to orders that are routed using the RMPL routing strategy to a destination not covered by Fee Code PL, or are routed using the RMPT routing strategy, and is assessed a fee of \$0.0012 per share on securities priced over \$1.00, and a fee of 30% of the total dollar value on securities priced below \$1.00. *Id.*

<sup>9</sup> ADV is generally defined as average daily volume calculated as the number of shares added to, removed from, or routed by, the Exchange, or any combination or subset thereof, per day. *Id.*

<sup>10</sup> The RMPT routing strategy operates similarly to RMPL in that under both Mid-Point Peg Orders check the System for available shares and any remaining shares are then sent to destinations on the System routing table that support midpoint eligible orders. If any shares remain unexecuted after routing, they are posted on the EDGA Book as a Mid-Point Peg Order, unless otherwise instructed by the User. While RMPL and RMPT operate in an identical manner, the trading venues that each routing strategy routes to and the order in which it routes them differ. See Exchange Rule 11.11(g)(13).

<sup>11</sup> As a result of the fee schedule layout change in adding a second tier, the description of which fee codes are appended with footnote 3 will be moved above the table similar to the layout of the table in footnote 4.

<sup>17</sup> 17 CFR 200.30-3(a)(12).

## Implementation Date

The Exchange proposes to implement the above changes to its fee schedule immediately.<sup>12</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>13</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>14</sup> 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.

## Fee Code RT

The Exchange believes that its proposal to decrease the fee for orders that yield fee code RT represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities in that it continues to be designed to cover the costs of routing incurred by the Exchange. The Exchange believes the decreased fee will attract additional liquidity to the Exchange as orders routed using the ROUT routing strategy first check the Exchange for available shares before routing and any unexecuted returned shares are posted to the Exchange. While the affected Members' orders will be charged a lower fee due to the proposal, the revenue received by the Exchange will continue to be used to fund the Exchange generally, including the cost of maintaining and improving the technology used to handle and route orders from the Exchange as well as programs that the Exchange believes help to attract additional liquidity and thus improve the depth of liquidity available on the Exchange. Furthermore, the Exchange notes that routing through the Exchange is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

## RMPT/RMPL Tier 2

The Exchange believe that the addition of the RMPL/RMPT Tier 2 is also reasonable and equitable because it is similar to the RMPL/RMPT Tier 1 and its inclusion of the RMPL and RMPT routing strategies results in the equal treatment of those orders under the Exchange's tiered pricing structure. The proposed new RMPT/RMPL Tier 2

should also attract additional midpoint liquidity to the Exchange, resulting in increased price improvement opportunities for orders seeking an execution at the midpoint of the NBBO on the Exchange or elsewhere.

In addition, volume-based rebates such as that proposed herein have been widely adopted by exchanges and are equitable 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; (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns; and (iii) the introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the proposed tier is a reasonable, fair and equitable, and not an unfairly discriminatory allocation of fees and rebates, because it will provide Members with an additional incentive to reach certain thresholds on the Exchange.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that this change represents a significant departure from previous pricing offered by the Exchange or from pricing offered by the Exchange's competitors. The proposed rates would apply uniformly to all Members, and Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. Further, excessive fees would serve to impair an exchange's ability to compete for order flow and members rather than burdening competition. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

## 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<sup>15</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>16</sup> 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.

## 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](mailto:rule-comments@sec.gov). Please include File No. SR-BatsEDGA-2017-12 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 No. SR-BatsEDGA-2017-12. 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 Web site (<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 Web site 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

<sup>12</sup> The Exchange initially submitted the proposed fee change on May 1, 2017. (SR-BatsEDGA-2017-09). On May 5, 2017, the Exchange withdrew SR-BatsEDGA-2017-09 and submitted this filing.

<sup>13</sup> 15 U.S.C. 78f.

<sup>14</sup> 15 U.S.C. 78f(b)(4).

<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f).

inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-BatsEDGA-2017-12, and should be submitted on or before June 7, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80665; File No. SR-  
NYSEArca-2017-51]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending NYSE Arca Equities Schedule of Fees and Charges for Exchange Services

May 11, 2017.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on May 1, 2017, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services (“Fee Schedule”) to adopt a new pricing tier, Tape C Tier 3. The Exchange proposes to implement the fee changes effective May 1, 2017. The proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://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 the Fee Schedule, as described below, and implement the fee changes on May 1, 2017.

The Exchange proposes to introduce a new pricing tier level—Tape C Tier 3—for securities with a per share price of \$1.00 or above.

As proposed, a new Tape C Tier 3 credit of \$0.0002 per share<sup>4</sup> for orders that provide liquidity in Tape C Securities would be applicable to ETP Holders and Market Makers, that, on a daily basis, measured monthly, (1) directly execute providing volume in Tape C Securities during the billing month (“Tape C Adding ADV”) that is equal to at least 0.40% of US Tape C CADV<sup>5</sup> over the ETP Holder’s or Market Maker’s fourth quarter 2016 Tape C Adding ADV taken as a percentage of Tape C CADV (“Tape C Baseline % CADV”), and (2) execute providing volume in Tape B Securities during the billing month that is equal to at least 3.5% of Tape B CADV. For example, if an ETP Holder’s Tape C Baseline % CADV was 0.500%, the ETP Holder would need a Tape C Adding ADV of at least 0.900% and a Tape B Adding ADV of at least 3.5% of Tape B CADV in order to qualify for the proposed Tape

C Tier 3 credit of \$0.0002 per share (*i.e.*, 0.500% Tape C Baseline % CADV plus 0.400% of the US Tape C CADV for the billing month).<sup>6</sup> The credit provided under the proposed Tape C Tier 3 would be in addition to the ETP Holder’s Tiered or Basic Rate credit(s).

Under the proposed new Tape C Tier 3, ETP Holders and Market Makers would also be charged a fee of \$0.0029 per share for orders that take liquidity from the Book in Tape C Securities. For all other fees and credits, Tiered or Basic Rates apply based on a firm’s qualifying levels.

For ETP Holders that qualify for the proposed new Tape C Tier 3, Tiered or Basic Rates would apply to all other fees and credits, based on the firm’s qualifying levels, and if an ETP Holder qualifies for more than one tier in the Fee Schedule, the Exchange would apply the most favorable rate available under such tiers. The proposed Tape C Tier 3 provides an incremental credit, similar to current Tape C Tier 1 and Tape C Tier 2 pricing tiers, and therefore, the Exchange proposes to adopt rule text within each of the Tape C tiers to note that ETP Holders and Market Makers can only qualify for one of the Tape C incremental credits. ETP Holders and Market Makers that qualify, for example, for the proposed Tape C Tier 3 credit cannot also qualify for either the Tape C Tier 1 incremental credit or the Tape C Tier 2 incremental credit. Using the above example, if an ETP Holder’s Tape C Baseline % CADV was 0.500%, and the ETP Holder had a Tape C Adding ADV of at least 0.900% and a Tape B Adding ADV of at least 3.5% of Tape B CADV, the ETP Holder would meet the requirements of Tape C Tier 1, Tape C Tier 2 and the proposed Tape C Tier 3. As proposed, however, the ETP Holder would only receive the \$0.0002 incremental credit for adding liquidity and the \$0.0029 for taking liquidity associated with the proposed Tape C Tier 3 pricing tier; the ETP Holder would not be entitled to the Tape C Tier 1 and Tape C Tier 2 pricing tiers.

Additionally, the Exchange recently adopted a Tape C Tier 2 pricing tier that references the applicability of a \$0.0002 per share credit to ETP Holders and Market Makers that qualify for that

<sup>4</sup> Under the Basic Rate, ETP Holders receive a credit of \$0.0020 per share for Tape C orders that provide liquidity to the Book.

<sup>5</sup> The Exchange proposes to use the same definition of US CADV for purposes of the proposed Tape C Tier 3. Specifically, US CADV means United States Consolidated Average Daily Volume for transactions reported to the Consolidated Tape, excluding odd lots through January 31, 2014 (except for purposes of Lead Market Maker pricing), and excludes volume on days when the market closes early and on the date of the annual reconstitution of the Russell Investments Indexes. Transactions that are not reported to the Consolidated Tape are not included in US CADV. See Fee Schedule, Footnote 3.

<sup>6</sup> The Exchange recognizes that a firm that becomes an ETP Holder or Market Maker after the Baseline Month would have a Tape C Baseline ADV of zero. In this regard, a new ETP Holder or Market Maker would need to have a Tape C Adding ADV during the billing month of no less than 0.400% of US Tape C CADV, in addition to the Tape B Adding ADV of at least 3.5% of Tape B CADV, for the \$0.0002 per share credit to apply.

<sup>17</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.