

that each portfolio on average mails two statements per year to meet the requirements of the rule.<sup>4</sup> The staff further estimates that the time needed to make the determinations required by the rule and to prepare the statement required under the rule is approximately 1 hour per statement. The total annual burden for all portfolios therefore is estimated to be approximately 23,636 burden hours.<sup>5</sup>

The staff estimates that approximately one-third of the total annual burden (7,879 hours) would be incurred by a paralegal with an average hourly wage rate of approximately \$205 per hour,<sup>6</sup> and approximately two-thirds of the annual burden (15,757 hours) would be incurred by a compliance clerk with an average hourly wage rate of \$66 per hour.<sup>7</sup> The staff therefore estimates that the aggregate annual cost of complying with the paperwork requirements of the rule is approximately \$2,655,157 ((7,879 hours × \$205 = \$1,615,195) + (15,757 hours × \$66 = \$1,039,962)).

To comply with state law, many investment companies already must distinguish the different sources from which a shareholder distribution is paid and disclose that information to shareholders. Thus, many investment companies would be required to distinguish the sources of shareholder dividends whether or not the Commission required them to do so under rule 19a-1.

The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules. Compliance with the collection of information required by rule 19a-1 is mandatory for management companies that make statements to shareholders pursuant to section 19(a) of the Act. An agency may not conduct or sponsor, and a person is not required to respond to, a collection

<sup>4</sup> A few portfolios make monthly distributions from sources other than net income, so the rule requires them to send out a statement 12 times a year. Other portfolios never make such distributions.

<sup>5</sup> This estimate is based on the following calculation: 11,818 management investment company portfolios × 2 statements per year × 1 hour per statement = 23,636 burden hours.

<sup>6</sup> Hourly rates are derived from the Securities Industry and Financial Markets Association ("SIFMA"), Management and Professional Earnings in the Securities Industry 2013, modified to account for an 1800-hour work-year and inflation, and multiplied by 5.35 to account for bonuses, firm size, employee benefits, and overhead.

<sup>7</sup> Hourly rates are derived from SIFMA's Office Salaries in the Securities Industry 2013, modified to account for an 1800-hour work-year and multiplied by 2.93 to account for bonuses, firm size, employee benefits and overhead.

of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: November 9, 2017.

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-24749 Filed 11-15-17; 8:45 am]

**BILLING CODE P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82052; File No. SR-BatsBZX-2017-76]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify Its Fees for Physical Ports as They Apply to the Exchange's Equity Options Platform

November 9, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 2, 2017, Cboe BZX Exchange, Inc. ("BZX" or the "Exchange") (formerly known as Bats BZX Exchange, Inc.) 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

<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).

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 BZX Rules 15.1(a) and (c) to modify its fees for physical ports as they apply to the Exchange's equity options platform ("BZX Options").

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

A physical port is utilized by a Member or non-Member to connect to the Exchange at the data centers where the Exchange's servers are located. The Exchange currently maintains a presence in two third-party data centers: (i) The primary data center where the Exchange's business is primarily conducted on a daily basis, and (ii) a secondary data center, which is predominantly maintained for business continuity purposes. The Exchange currently assesses the following physical connectivity fees for Members and non-Members on a monthly basis: \$2,000 per physical port that connects to the System<sup>6</sup> via 1 gigabyte circuit;

<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).

<sup>6</sup> The term "System" is defined as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when

and \$6,000 per physical port that connects to the System via 10 gigabyte circuit. The Exchange proposes to increase the fee per physical port that connects to the System via a 10 gigabyte circuit from \$6,000 per month to \$7,000 per month in order to cover its increased infrastructure costs associated with establishing physical ports to connect to the Exchange's Systems and enable it to continue to maintain and improve its market technology and services.<sup>7</sup> The Exchange does not propose to amend the fee for a 1 gigabyte circuit, which will remain \$2,000 per month. The Exchange proposes to implement this amendment to its fee schedule on January 2, 2018.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>9</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. The Exchange also 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. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange.

The Exchange believes that the proposed rate is equitable and non-discriminatory in that it applies uniformly to all Members. Members and non-Members will continue to choose whether they want more than one physical port and choose the method of connectivity based on their specific needs. All Members that voluntarily select various service options will be charged the same amount for the same services. As is true of all physical connectivity, all Members and non-Members have the option to select any connectivity option, and there is no differentiation with regard to the fees charged for the service.

The Exchange believes that the proposal represents an equitable allocation of reasonable dues, fees, and other charges as its fees for physical

connectivity are reasonably constrained by competitive alternatives. If a particular exchange charges excessive fees for connectivity, affected Members and non-Members may opt to terminate their connectivity arrangements with that exchange, and adopt a possible range of alternative strategies, including routing to the applicable exchange through another participant or market center or taking that exchange's data indirectly. Accordingly, if the Exchange charges excessive fees, it would stand to lose not only connectivity revenues but also revenues associated with the execution of orders routed to it, and, to the extent applicable, market data revenues. The Exchange believes that this competitive dynamic imposes powerful restraints on the ability of any exchange to charge unreasonable fees for connectivity.

Furthermore, the proposed rule change is also an equitable allocation of reasonable dues, fees, and other charges as the Exchange believes that the increased fees obtained will enable it to cover its increased infrastructure costs associated with establishing physical ports to connect to the Exchange's Systems. The additional revenue from the increased fee will also enable the Exchange to continue to maintain and improve its market technology and services.

Lastly, the Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members. For instance, the proposed fees for a 10 gigabyte circuit of \$7,000 per month is less than analogous fees charged by the Nasdaq Stock Market LLC ("Nasdaq") and NYSE Arca, Inc. ("Arca"), which range from \$10,000—\$15,000 per month for 10 gigabyte circuits.<sup>10</sup>

## 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 not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, the Exchange believes that fees for connectivity are constrained by the robust competition for order flow among exchanges and non-exchange markets. The Exchange does not believe that the proposed changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors.

<sup>10</sup> See Nasdaq Rule 7034(b) and the NYSE Arca fee schedule available at [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Marketplace\\_Fees.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf) (dated October 11, 2017).

Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Further, excessive fees for connectivity would serve to impair an exchange's ability to compete for order flow rather than burdening competition.

## 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 unsolicited 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>11</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>12</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 Number SR-BatsBZX-2017-76 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-BatsBZX-2017-76. 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/>

applicable, routing away." See Exchange Rule 1.5(aa).

<sup>7</sup> The Exchange also proposes two minor technical amendments to this section of its fee schedule. First is to change the word "Connection" to "Connectivity" in the section's title. The second is to change references to "G" for gigabyte to "Gb".

<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

*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 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. 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-BatsBZX-2017-76, and should be submitted on or before December 7, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

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

[FR Doc. 2017-24777 Filed 11-15-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82049; File Nos. SR-BatsBYX-2017-11; SR-BatsBZX-2017-38; SR-BatsEDGA-2017-13; SR-BatsEDGX-2017-22; SR-BOX-2017-16; SR-BX-2017-023; SR-C2-2017-017; SR-CBOE-2017-040; SR-CHX-2017-08; SR-FINRA-2017-011; SR-GEMX-2017-17; SR-IEX-2017-16; SR-ISE-2017-45; SR-MIAX-2017-18; SR-MRX-2017-04; SR-NASDAQ-2017-046; SR-NYSE-2017-22; SR-NYSEArca-2017-52; SR-NYSEMKT-2017-26; SR-PEARL-2017-20; SR-PHLX-2017-37]

**Self-Regulatory Organizations; Bats BYX Exchange, Inc.; Bats BZX Exchange, Inc.; Bats EDGA Exchange, Inc.; Bats EDGX Exchange, Inc.; BOX Options Exchange LLC; C2 Options Exchange, Incorporated; Chicago Board Options Exchange, Incorporated; Chicago Stock Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; Investors Exchange LLC; Miami International Securities Exchange, LLC; MIAX PEARL LLC; Nasdaq BX, Inc.; Nasdaq GEMX, LLC; Nasdaq ISE, LLC; Nasdaq MRX, LLC; Nasdaq PHLX LLC; The Nasdaq Stock Market LLC; New York Stock Exchange LLC; NYSE Arca, Inc. and NYSE MKT LLC; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Changes To Establish Fees for Industry Members To Fund the Consolidated Audit Trail**

November 9, 2017.

On May 1, 2017,<sup>1</sup> May 2, 2017,<sup>2</sup> May 3, 2017,<sup>3</sup> May 8, 2017,<sup>4</sup> May 9, 2017,<sup>5</sup> May 10, 2017,<sup>6</sup> May 12, 2017,<sup>7</sup> May 15,

<sup>1</sup> Miami International Securities Exchange, LLC and MIAX PEARL LLC filed their proposed rule changes on May 1, 2017.

<sup>2</sup> The Nasdaq Stock Market LLC and Nasdaq BX, Inc. filed their proposed rule changes on May 2, 2017.

<sup>3</sup> Chicago Stock Exchange, Inc. filed its proposed rule change on May 3, 2017.

<sup>4</sup> Financial Industry Regulatory Authority, Inc. filed its proposed rule change on May 8, 2017.

<sup>5</sup> Investors Exchange LLC originally filed its proposed rule change on May 3, 2017 under File No. SR-IEX-2017-13, and subsequently withdrew that filing and filed a proposed rule change on May 9, 2017.

<sup>6</sup> The New York Stock Exchange LLC, NYSE Arca, Inc. and NYSE MKT LLC filed their proposed rule changes on May 10, 2017.

<sup>7</sup> Nasdaq GEMX LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC and Nasdaq PHLX LLC originally filed their proposed rule changes on May 3, 2017 under File Nos. SR-GEMX-2017-11, SR-ISE-2017-40, SR-MRX-2017-03, and SR-PHLX-2017-35, and subsequently withdrew those filings and filed proposed rule changes on May 12, 2017.

2017,<sup>8</sup> May 16, 2017,<sup>9</sup> and May 23, 2017,<sup>10</sup> Bats BYX Exchange, Inc. ("Bats BYX") (n/k/a Cboe BYX Exchange, Inc.),<sup>11</sup> Bats BZX Exchange, Inc. ("Bats BZX") (n/k/a Cboe BZX Exchange, Inc.),<sup>12</sup> Bats EDGA Exchange, Inc. ("Bats EDGA") (n/k/a Cboe EDGA Exchange, Inc.),<sup>13</sup> Bats EDGX Exchange, Inc. ("Bats EDGX") (n/k/a Cboe EDGX Exchange, Inc.),<sup>14</sup> BOX Options Exchange LLC ("BOX"), C2 Options Exchange, Incorporated ("C2") (n/k/a Cboe C2 Options Exchange, Inc.),<sup>15</sup> Chicago Board Options Exchange, Incorporated ("CBOE") (n/k/a Cboe Exchange, Inc.),<sup>16</sup> Chicago Stock Exchange, Inc. ("CHX"), Financial Industry Regulatory Authority, Inc. ("FINRA"), Investors Exchange LLC ("IEX"), Nasdaq ISE, LLC ("ISE"), Miami International Securities Exchange, LLC ("MIAX"), MIAX PEARL, LLC ("PEARL"), Nasdaq BX, Inc. ("BX"), Nasdaq GEMX, LLC ("GEMX"), Nasdaq MRX, LLC ("MRX"), Nasdaq PHLX LLC ("Phlx"), The Nasdaq Stock Market LLC ("Nasdaq"), New York Stock Exchange LLC ("NYSE"), NYSE Arca, Inc. ("NYSE Arca") and NYSE MKT LLC ("NYSE

<sup>8</sup> BOX Options Exchange LLC originally filed its proposed rule change on May 11, 2017 under File No. SR-BOX-2017-15, and subsequently withdrew that filing and filed a proposed rule change on May 15, 2017.

<sup>9</sup> Bats BYX Exchange, Inc., C2 Options Exchange, Incorporated and Chicago Board Options Exchange, Incorporated filed their proposed rule changes on May 16, 2017. Bats EDGA Exchange, Inc. originally filed its proposed rule change on May 5, 2017 under File No. SR-BatsEDGA-2017-11, and subsequently withdrew that filing on May 11, 2017 and filed a proposed rule change on May 16, 2017.

<sup>10</sup> Bats BZX Exchange, Inc. filed its proposed rule changes on May 23, 2017. Bats EDGX Exchange, Inc. originally filed its proposed rule change on May 5, 2017 under File No. SR-BatsEDGX-2017-20, and subsequently withdrew that filing on May 10, 2017 and filed a proposed rule change on May 23, 2017.

<sup>11</sup> See Securities Exchange Act Release No. 81952 (October 26, 2017), 82 FR 50725 (November 1, 2017). The name change was not yet effective when Bats BYX filed SR-BatsBYX-2017-11.

<sup>12</sup> See Securities Exchange Act Release No. 81962 (October 26, 2017), 82 FR 50711 (November 1, 2017). The name change was not yet effective when Bats BZX filed SR-BatsBZX-2017-38.

<sup>13</sup> See Securities Exchange Act Release No. 81957 (October 26, 2017), 82 FR 50716 (November 1, 2017). The name change was not yet effective when Bats EDGA filed SR-BatsEDGA-2017-13.

<sup>14</sup> See Securities Exchange Act Release No. 81963 (October 26, 2017), 82 FR 50697 (November 1, 2017). The name change was not yet effective when Bats EDGX filed SR-BatsEDGX-2017-22.

<sup>15</sup> See Securities Exchange Act Release No. 81979 (October 30, 2017), 82 FR 51317 (November 3, 2017). The name change was not yet effective when C2 filed SR-C2-2017-017.

<sup>16</sup> See Securities Exchange Act Release No. 81981 (October 30, 2017), 82 FR 51309 (November 3, 2017). The name change was not yet effective when CBOE filed SR-CBOE-2017-040.

<sup>13</sup> 17 CFR 200.30-3(a)(12).