

• Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CboeEDGX-2018-022 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-CboeEDGX-2018-022. 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-CboeEDGX-2018-022 and should be submitted on or before August 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

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

[FR Doc. 2018-14848 Filed 7-10-18; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83600; File No. SR-CboeEDGX-2018-024]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on the Exchange's Equity Options Platform

July 6, 2018.

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 June 29, 2018, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 implement proposed changes to its fee schedule for its equity options platform ("EDGX Options") relating to logical and physical connectivity fees, effective July 2, 2018.

The text of the proposed rule change is available at the Exchange's website 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 Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to implement proposed changes to its fee schedule for its equity options platform ("EDGX Options") relating to logical and physical connectivity fees, effective July 2, 2018.

##### Logical Connectivity

The Exchange proposes to amend certain logical connectivity fees. Currently, EDGX Options market participants may utilize a variety of logical connectivity ports. A logical port provides users with the ability within the Exchange's system to accomplish a specific function through a connection, such as order entry, data receipt, or access to information. Currently, with respect to logical port fees, the Exchange only assesses a fee for Purge Ports. Additionally, logical connectivity fees are limited to logical ports in the Exchange's primary data center and no logical port fees are assessed for redundant secondary data center ports.

The Exchange first proposes to adopt a \$500 per month, per port fee for all logical ports excluding Purge, Multicast Pitch Spin Server, GRP and Bulk Ports.<sup>5</sup> The Exchange notes that fees for these excluded ports are explicitly set forth in the Fees Schedule. The Exchange notes that the proposed fee of \$500 per port is in line with the fee assessed for similar ports on BZX Options and C2 Options.<sup>6</sup>

Next, the Exchange proposes to adopt fees for Multicast PITCH/Spin Server and GRP ports. Multicast PITCH Spin Server Ports and GRP Ports are used to request and receive a retransmission of data from the Exchange's Multicast PITCH data feed. The Exchange's Multicast PITCH/Top data feed is available from two primary feeds, identified as the "A feed" and the "C feed", which contain the same information but differ only in the way such feeds are received. The Exchange also offers two redundant feeds,

<sup>5</sup> The Exchange notes that even though Ports with Bulk Quoting Capabilities ("Bulk Ports") already has its own line item in the logical connectivity fees table, it's not explicitly excluded from the general "Logical Ports" line item. The Exchange proposes to add a reference relating to its exclusion to maintain clarity in the Fees Schedule.

<sup>6</sup> See Cboe BZX Options Exchange Fee Schedule, Options Logical Port Fees and Cboe C2 Options Exchange Fees Schedule, Logical Connectivity Fees.

<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>11</sup> 17 CFR 200.30-3(a)(12).

identified as the “B feed” and the “D feed.” The Exchange proposes to adopt a \$500 per month, per set fee. All secondary feed Multicast PITCH Spin Server and GRP Ports will be provided for redundancy at no additional cost. The Exchange notes that the proposed fee is in line with the fee assessed for the same ports on BZX Options and C2 Options.<sup>7</sup>

Lastly, the Exchange proposes to amend fees for ports with bulk quoting capabilities (“Bulk Ports”). A Bulk Port is a logical port that provides users with the ability to submit bulk messages to enter, modify or cancel orders designated as Post Only Orders, provided such orders are entered with a Time-in-Force of DAY or a Time-in-Force of GTD with an expiration time on that trading day. The Exchange does not currently assess fees for Bulk Ports. The Exchange now proposes to adopt a monthly fee of \$600 per port. The Exchange notes that the proposed Bulk Port fee is less than the fee assessed for similar ports on BZX Options and C2 Options.<sup>8</sup>

#### Physical Port Clarification

The Exchange next proposes to add clarifying language relating to its Options Physical Connectivity Fees. First, the Exchange proposes to clarify that all Physical Connectivity Fees will be prorated based on the remaining trading days in the calendar month. The Exchange notes that while this is current practice, it is not currently codified under the Options Physical Connectivity Fees section (although similar language is found under the Options Logical Port Fees section). The Exchange also proposes to clarify that physical ports (other than Disaster Recovery physical ports) may be used to connect to C2 Options, Cboe BZX, Cboe BYX and Cboe EDGA. Disaster Recovery physical ports may be used to connect to the Disaster Recovery Systems for C2 Options, Cboe BZX, Cboe BYX, Cboe EDGA, Cboe Options and CFE. Additionally, the Exchange proposes to make clear that Members and non-Members will only be assessed a single fee for any physical port or Disaster Recovery physical port that accesses the identified exchanges, respectively. The Exchange notes that similar language appears in the Fees Schedule of C2 Options.<sup>9</sup>

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>10</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>11</sup> which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Permit Holders and other persons using its facilities. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>12</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes it’s reasonable to assess the proposed fees for each of the logical connectivity ports described above as the proposed fees enable the Exchange to continue to maintain and improve its market technology and services. Additionally, the Exchange notes the proposed fees are in line with, and indeed less than, the fees assessed on certain of its affiliated exchanges for similar connectivity.<sup>13</sup> The proposed logical connectivity fees are also equitable and not unfairly discriminatory because the Exchange will apply the same fees to all market participants that use the same respective connectivity options.

The Exchange also believes it’s reasonable, equitable and not unfairly discriminatory to prorate physical connectivity fees because it provides for a more precise assessment of physical connectivity fees based on when a user obtains a new physical port or Disaster Recovery physical port. The Exchange believes it’s reasonable, equitable and not unfairly discriminatory to assess a physical port fee only once if it connects with another affiliate exchange because only one port is being used and the Exchange does not wish to charge multiple fees for the same port. The Exchange believes listing the affiliate exchanges that physical ports and Disaster Recovery physical ports can connect to adds clarity to the fee schedule and avoids potential confusion. The alleviation of confusion removes impediments to and perfects the mechanism of a free and open market and a national market system.

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(4).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> See Affiliated Exchange Fee Schedules, Logical Port Fees.

#### 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. The Exchange does not believe that the proposed change represents a significant departure from pricing offered by the Exchange’s affiliates. Additionally, 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 change will impair the ability of members or competing venues to maintain their competitive standing in the financial markets. The Exchange believes that fees for connectivity are constrained by the robust competition for order flow among exchanges and non-exchange markets. Further, excessive fees for connectivity, would serve to impair an exchange’s ability to compete for order flow rather than burdening competition. The Exchange also does not believe the proposed rule change would impact intramarket competition as it would apply to all members and non-members equally.

#### 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<sup>14</sup> and paragraph (f) of Rule 19b-4<sup>15</sup> 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,

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> See e.g., Cboe C2 Options Exchange Fees Schedule, Physical Connectivity Fees.

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 SRB-4CboeEDGX-2018-024 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 SRB-4CboeEDGX-2018-024. 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 SRB-4CboeEDGX-2018-024 and should be submitted on or before August 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83601; File No. SR-NYSE-2018-31]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1, To Require Certain Member Organizations To Participate in Scheduled Market-Wide Circuit Breaker Testing

July 6, 2018.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on June 26, 2018, the New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change. On July 5, 2018, the Exchange filed Amendment No. 1 to 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, as amended, from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker testing. Amendment No.1 supersedes the original filing in its entirety. The proposed rule change is available on the Exchange's website 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend NYSE Rule 49 to require certain member organizations to participate in scheduled Market-Wide Circuit Breaker ("MWCB") testing.

MWCBs are important, automatic mechanisms that are invoked to promote stability and investor confidence during a period of significant stress when securities markets experience extreme broad-based declines. MWCBs are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets when severe price declines reach levels that may exhaust market liquidity. All U.S. equity and options exchanges have established procedures that allow for trading to be halted, or under extreme circumstances, for markets to be closed before the normal close of trading for a trading day. MWCBs provide for trading halts in all equities and options markets during a severe market decline as measured by a single-day decline in the S&P 500 Index.

Pursuant to NYSE Rule 80B (Trading Halts Due to Extraordinary Market Volatility), a market-wide trading halt will be triggered if the S&P 500 Index declines in price by specified percentages from the prior day's closing price of that index. Currently, the triggers are set at three circuit breaker thresholds: 7% (Level 1), 13% (Level 2) and 20% (Level 3). A market decline that triggers a Level 1 or Level 2 circuit breaker after 9:30 a.m. ET and before 3:25 p.m. ET would halt market-wide trading for 15 minutes, while a similar market decline at or after 3:25 p.m. ET would not halt market-wide trading. A market decline that triggers a Level 3 circuit breaker, at any time during the trading day, would halt market-wide trading for the remainder of the trading day.

The Security [sic] Information Processors ("SIP") for the U.S. equity markets have established a quarterly MWCB testing schedule.<sup>4</sup> On the

<sup>16</sup> 17 CFR 200.30-3(a)(12).

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

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

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

<sup>4</sup> See [https://www.nyse.com/publicdocs/ctaplan/notifications/trader-update/CTS\\_CQS%202018\\_Failover%20Testing\\_Q1.pdf](https://www.nyse.com/publicdocs/ctaplan/notifications/trader-update/CTS_CQS%202018_Failover%20Testing_Q1.pdf).