

the analyst's personal views and whether or not the research analyst received or will receive any compensation in connection with the views or recommendations expressed in the research report. Regulation AC also requires broker-dealers to, on a quarterly basis, make, keep, and maintain records of research analyst statements regarding whether the views expressed in public appearances accurately reflected the analyst's personal views, and whether any part of the analyst's compensation is related to the specific recommendations or views expressed in the public appearance. Regulation AC also requires that research prepared by foreign persons be presented to U.S. persons pursuant to Securities Exchange Act Rule 15a-6 and that broker-dealers notify associated persons if they would be covered by the regulation. Regulation AC excludes the news media from its coverage.

The collections of information under Regulation AC are necessary to provide investors with information with which to determine the value of the research available to them. It is important for an investor to know whether an analyst may be biased with respect to securities or issuers that are the subject of a research report. Further, in evaluating a research report, it is reasonable for an investor to want to know about an analyst's compensation. Without the information collection, the purposes of Regulation AC could not be met. This regulation does not involve the collection of confidential information.

The Commission estimates that Regulation AC imposes an aggregate annual time burden of approximately 25,844 hours on 5,186 respondents, or approximately 5 hours per respondent. The Commission estimates that the total annual internal cost of compliance for the 25,844 hours is approximately \$12,452,349, or approximately \$2,401 per respondent, annually.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [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 Candace Kenner, 100 F Street NE, Washington, DC 20549, or by sending 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: July 13, 2018.

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83634; File No. SR-IEX-2018-15]

### Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Discontinue the Router Basic Routing Option

July 13, 2018.

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 July 10, 2018, the Investors Exchange LLC ("IEX" or the "Exchange") 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 Substance of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"),<sup>4</sup> and Rule 19b-4 thereunder,<sup>5</sup> Investors Exchange LLC ("IEX" or "Exchange") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend Rule 11.230(c) (Routing Options) to discontinue the Router Basic routing option and delete references thereto. The Exchange has designated this rule change as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>6</sup> and provided the Commission with the notice required by Rule 19b-4(f)(6) thereunder.<sup>7</sup>

The text of the proposed rule change is available at the Exchange's website at [www.iextrading.com](http://www.iextrading.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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of this proposed rule change is to amend Rule 11.230(c) (Routing Options) to delete references to the Router Basic routing option. The Exchange currently offers two routing options—Router and Router Basic—which may be elected by a User upon entry of an order eligible for routing to the Exchange.<sup>8</sup> The Exchange proposes to discontinue the Router Basic option.

Rule 11.230(c)(1) describes the Exchange's Router Basic routing option under which the System<sup>9</sup> sends routable orders to market centers on the Exchange's proprietary System routing table.<sup>10</sup> If shares remain unexecuted after routing, they are posted on the Order Book or canceled, as per User instructions. Once posted to the Order Book, the unexecuted portion of such an order is eligible for the re-sweep behavior described in Rule 11.230(c)(3), market conditions permitting.

Furthermore, Rule 11.230(c)(2) describes the Exchange's Router routing option under which the System sends routable orders to the Order Book to check for available shares and then any remainder is sent to market centers on the Exchange's proprietary System routing table. If shares remain unexecuted after routing, they are

<sup>8</sup> See standard FIX tag 18 (ExecInst) in the Investors Exchange FIX Specification, available on the Exchange's public website.

<sup>9</sup> See Rule 1.160(nn).

<sup>10</sup> See Rule 11.230(c). The term "System routing table" refers to the proprietary process for determining the specific trading venues, including the Order Book, to which the System routes orders and the order in which it routes them. The Exchange reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice.

<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.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b-4.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4.

posted on the Order Book or canceled, as per User instructions. Once posted to the Order Book, the unexecuted portion of such an order is eligible for the re-sweep behavior described in Rule 11.230(c)(3), market conditions permitting.

The Exchange evaluates its product and service offerings on an ongoing basis to identify opportunities for enhancement and simplification. After several internal analyses, the Exchange has identified that relatively fewer Users elect Router Basic in comparison to the Exchange's Router option.<sup>11</sup>

Accordingly, the Exchange has determined to simplify the routing options offered by the Exchange by discontinuing the Router Basic option, considering the current demand for Router Basic does not warrant the infrastructure and ongoing maintenance expenses required to support the product. Users seeking to route orders to market centers on the System routing table via the Exchange will continue to be able to do so using the Router option. Furthermore, use of the Exchange's router will continue to be optional and Users may access liquidity on away market centers using alternative methods, such as connecting to those exchanges directly or through a third-party service provider.

In conjunction with the proposed discontinuation of Router Basic, the Exchange proposes to reserve paragraph (1) of Rule 11.230(c). The Exchange intends to implement the proposed rule change on the operative date of this filing.

## 2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b) of the Act in general,<sup>12</sup> and further the objectives of Section 6(b)(5) of the Act,<sup>13</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

As discussed in the Purpose section, the proposed rule change is designed to simplify the Exchange's routing options, which the Exchange believes is

consistent with the protection of investors and the public interest. Furthermore, the Exchange believes the proposed changes are consistent with the protection of investors and the public interest in that, as described above, the Exchange has relatively few Users electing Router Basic.

Accordingly, the Exchange has determined to simplify the routing options offered by the Exchange by discontinuing the Router Basic option, considering the current demand for Router Basic does not warrant the infrastructure and ongoing maintenance expenses required to support the product. Routing through the Exchange is voluntary, and an alternative routing option offered by the Exchange as well as other methods remain available to Users that wish to route to market centers on the System routing table. In addition, the Router Basic routing option is not a core product offering of the Exchange, nor is the Exchange required by the Act to offer such product. Therefore, the Exchange believes the proposed rule change would simplify the Exchange's routing options, and make its rules clearer and less confusing for investors by removing a routing option that will no longer be offered by the Exchange, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. Lastly, the Exchange does not believe that this proposal will permit unfair discrimination among customers, brokers, or dealers because the Router Basic routing option will no longer be available to any Users of the Exchange.

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

The Exchange does not believe that the proposal will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather simplify the Exchange's routing options, and eliminate the infrastructure and ongoing maintenance expenses to support a product that Members use relatively less.

Furthermore, the Exchange believes the proposed rule change does not impose any burden on intra-market competition not necessary or appropriate in furtherance of the purposes of the Act because, as described above, the Router Basic routing option will no longer be available to any Users of the Exchange, and thus all Users will be impacted in

the same manner. Further, Users seeking to route orders to market centers on the System routing table will continue to be able to do so using the Router option or may access liquidity on away market centers using alternative methods, such as connecting to those exchanges directly or through a third-party service provider.

The Exchange also does not believe that the proposed rule change would impose a burden on inter-market competition since other exchanges are free to adopt comparable routing options.

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

Written comments were neither solicited nor received.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)<sup>14</sup> of the Act and Rule 19b-4(f)(6)<sup>15</sup> thereunder. Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) 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 shall institute proceedings under Section 19(b)(2)(B)<sup>16</sup> of the Act 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:

<sup>11</sup> For example, during the first quarter of 2018, over two thirds of routable orders entered on the Exchange were entered under the Router option, instead of Router Basic.

<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> 15 U.S.C. 78f(b)(5).

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

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

*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-IEX-2018-15 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-IEX-2018-15. 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 this filing will also 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-IEX-2018-15 and should be submitted on or before August 9, 2018.

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****Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

*Extension:*

Rule 12d2-1, SEC File No. 270-098, OMB Control No. 3235-0081

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 12d2-1 (17 CFR 240.12d2-1), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Act").

On February 12, 1935, the Commission adopted Rule 12d2-1<sup>1</sup> ("Suspension of Trading") which sets forth the conditions and procedures under which a security may be suspended from trading under Section 12(d) of the Act.<sup>2</sup> Rule 12d2-1 provides the procedures by which a national securities exchange may suspend from trading a security that is listed and registered on the exchange. Under Rule 12d2-1, an exchange is permitted to suspend from trading a listed security in accordance with its rules, and must promptly notify the Commission of any such suspension, along with the effective date and the reasons for the suspension.

Any such suspension may be continued until such time as the Commission may determine that the suspension is designed to evade the provisions of Section 12(d) of the Act and Rule 12d2-2 thereunder.<sup>3</sup> During the continuance of such suspension under Rule 12d2-1, the exchange is required to notify the Commission promptly of any change in the reasons for the suspension. Upon the restoration to trading of any security suspended under Rule 12d2-1, the exchange must notify the Commission promptly of the effective date of such restoration.

<sup>1</sup> See Securities Exchange Act Release No. 98 (February 12, 1935).

<sup>2</sup> See Securities Exchange Act Release No. 7011 (February 5, 1963), 28 FR 1506 (February 16, 1963).

<sup>3</sup> Rule 12d2-2 prescribes the circumstances under which a security may be delisted from an exchange and withdrawn from registration under Section 12(b) of the Act, and provides the procedures for taking such action.

The trading suspension notices serve a number of purposes. First, they inform the Commission that an exchange has suspended from trading a listed security or reintroduced trading in a previously suspended security. They also provide the Commission with information necessary for it to determine that the suspension has been accomplished in accordance with the rules of the exchange, and to verify that the exchange has not evaded the requirements of Section 12(d) of the Act and Rule 12d2-2 thereunder by improperly employing a trading suspension. Without Rule 12d2-1, the Commission would be unable to fully implement these statutory responsibilities.

There are 21 national securities exchanges<sup>4</sup> that are subject to Rule 12d2-1. The burden of complying with Rule 12d2-1 is not evenly distributed among the exchanges, however, since there are many more securities listed on the New York Stock Exchange, Inc., the NASDAQ Stock Exchange, and the NYSE American LLC than on the other exchanges.<sup>5</sup> There are approximately 964 responses<sup>6</sup> under Rule 12d2-1 for the purpose of suspension of trading from the national securities exchanges each year, and the resultant aggregate annual reporting hour burden would be, assuming on average one-half reporting hour per response, 482 annual burden hours for all exchanges. The related internal compliance costs associated with these burden hours are \$103,871 per year.

The collection of information obligations imposed by Rule 12d2-1 is mandatory. The response will be available to the public and will not be kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the

<sup>4</sup> The Exchanges are BOX Options Exchange LLC, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe EDGA Exchange, Inc., Cboe EDGX Exchange, Inc., Cboe Exchange, Inc., Chicago Stock Exchange, Inc., Investors Exchange LLC, Miami International Securities Exchange, MIA PEARL, LLC, Nasdaq BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC, Nasdaq PHLX LLC, The Nasdaq Stock Market, New York Stock Exchange LLC, NYSE Arca, Inc., NYSE American LLC, NYSE National, Inc.

<sup>5</sup> In fact, some exchanges do not file any trading suspension reports in a given year.

<sup>6</sup> The 964 figure was calculated by averaging the numbers for compliance in 2016 and 2017, which are 1,002 and 925, respectively.

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