

of the purposes of the Act. As noted above, the proposed rule change will not substantively change either the text or application of the rules. FINRA would like to proceed with the rulebook consolidation process expeditiously, which will provide additional clarity and regulatory efficiency to members.

*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 with respect to the proposed rule change to transfer the above listed NASD Rules, Incorporated NYSE Rules and Interpretations into the Consolidated FINRA Rulebook without any substantive changes.<sup>37</sup>

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

Because the foregoing 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<sup>38</sup> and Rule 19b-4(f)(6) thereunder.<sup>39</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-FINRA-2019-009 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-FINRA-2019-009. 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 such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2019-009 and should be submitted on or before May 7, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>40</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-07504 Filed 4-15-19; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85590; File No. SR-CboeEDGX-2019-018]

**Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Modify Its Fee Schedule**

April 10, 2019.

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 April 3, 2019, Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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 Exchange. 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**

Cboe EDGX Exchange, Inc. (the “Exchange” or “EDGX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify its fee schedule. The text of the proposed rule change is attached as Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website ([http://markets.cboe.com/us/options/regulation/rule\\_filings/edgx/](http://markets.cboe.com/us/options/regulation/rule_filings/edgx/)), at the Exchange's Office of the Secretary, 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 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 EDGX Options fee schedule to modify the definitions of fee codes RQ and RR to include routing to MIAX Emerald LLC (“MIAX Emerald”), effective April 3, 2019. The Exchange's current approach to routing fees is to set forth in a simple manner certain sub-categories of fees that approximate the cost of routing to other options exchanges based on the cost of transaction fees assessed by each venue as well as costs to the Exchange for

<sup>37</sup> But see *supra* notes 8, 10, 11, 20 and 29.

<sup>38</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>39</sup> 17 CFR 240.19b-4(f)(6).

<sup>40</sup> 17 CFR 200.30-3(a)(12).

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

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

routing (*i.e.*, clearing fees, connectivity and other infrastructure costs, membership fees, etc.) (collectively, "Routing Costs"). The Exchange then monitors the fees charged as compared to the costs of its routing services and adjusts its routing fees and/or sub-categories to ensure that the Exchange's fees do indeed result in a rough approximation of overall Routing Costs, and are not significantly higher or lower in any area.

Currently, fee code RR is appended to Customer orders in non-Penny Pilot securities that are routed to ARCA, BZX Options, C2, ISE, ISE Gemini, MIAX Pearl or NOM and assessed a fee of \$1.25 per contract. Additionally, fee code RQ is appended to Customer orders in Penny Pilot securities that are routed to ARCA, BZX Options, C2, ISE, ISE Gemini, MIAX Pearl or NOM and assessed a fee of \$0.85 per contract. The Exchange proposes to modify the definitions of fee code RQ and PR to include MIAX Emerald. The Exchange anticipates that the proposed fee structure will approximate the cost of routing orders to MIAX Emerald. The Exchange is proposing the charges set forth above to maintain a simple and fair fee schedule with respect to routing fees that approximate the total cost of routing, including Routing Costs.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the Section 6 of the Act,<sup>3</sup> in general, and Section 6(b)(4),<sup>4</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. As explained above, the Exchange generally attempts to approximate the cost of routing to other options exchanges, including other applicable costs to the Exchange for routing. The Exchange believes its proposed fees are reasonable taking into account Routing Costs based on the rates charged by MIAX Emerald. The Exchange believes that a pricing model based on approximate Routing Costs is a reasonable, fair and equitable approach to pricing. Specifically, the Exchange believes that its proposal to adopt routing fees to MIAX Emerald is fair, equitable and reasonable because the fees are generally an approximation of the anticipated cost to the Exchange for routing orders to MIAX Emerald. The Exchange notes that routing through the Exchange is voluntary. The Exchange also believes that the

proposed fee structure for orders routed to and executed at MIAX Emerald is fair and equitable and not unreasonably discriminatory in that it applies equally to all Members.

### *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. The Exchange believes the proposed routing fee will not impose an undue burden on competition because the Exchange will uniformly assess the routing fee on all Members. The Exchange does not believe that the proposed changes represent a significant departure from routing fees offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value or if they view the proposed fee as excessive. Further, excessive fees for participation would serve to impair an exchange's ability to compete for order flow and members 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 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>5</sup> and paragraph (f) of Rule 19b-4<sup>6</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, 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-CboeEDGX-2019-018 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-2019-018. 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-2019-018 and should be submitted on or before May 7, 2019.

<sup>3</sup> 15 U.S.C. 78f.

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

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

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

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-07502 Filed 4-15-19; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85584; File No. SR-NYSEAMER-2019-10]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the NYSE American Options Fee Schedule

April 10, 2019.

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 April 1, 2019, NYSE American LLC (the “Exchange” or “NYSE American”) 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

The Exchange proposes to amend the NYSE American Options Fee Schedule (“Fee Schedule”). The Exchange proposes to implement the fee change effective April 1, 2019. 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 purpose of this filing is to modify the Fee Schedule to expand the types of transactions that may be included in the Firm Monthly Fee Cap for ATP Holders that achieve a certain increase in Complex CUBE Auction volume.<sup>4</sup>

Currently, Section I.I. of the Fee Schedule sets forth a Firm Monthly Fee Cap (“Fee Cap”) that limits, or caps, at \$100,000 per month the fees incurred by Firms trading through a Floor Broker in open outcry (*i.e.*, manual transactions).<sup>5</sup> The Fee Cap may be lower than \$100,000 for ATP Holders that achieve Tier 2 or higher of the American Customer Engagement (“ACE”) Program.<sup>6</sup> Once a Firm has reached the Fee Cap, an incremental service fee of \$0.01 per contract for Firm Manual transactions will apply, except for the execution of QCC orders, which are not subject to the incremental service fee.<sup>7</sup>

The Exchange proposes to include a broader range of Exchange activity under the Fee Cap for any ATP Holder that achieves an increase over January 2019 Initiating Complex CUBE volume by at least 0.20% of TCADV (the “Complex CUBE Cap Incentive”). ATP Holders that qualify for the Complex CUBE Cap Incentive will continue to be eligible for a reduced Monthly Fee Cap based on ACE Tier achieved,<sup>8</sup> but will also be able to aggregate the following transactions with their Firm Manual and Firm QCC transactions:

- Broker Dealer Manual transactions; and

<sup>4</sup> See Rule 971.2NY (describing Complex CUBE Auction, which offers price improvement opportunities to Complex Orders); *see also* Fee Schedule, Section I.G, CUBE Auction Fees & Credits, *infra* note 5.

<sup>5</sup> See Fee Schedule, Section I. I. (Firm Monthly Fee Cap), available here, [https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE\\_American\\_Options\\_Fee\\_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/american-options/NYSE_American_Options_Fee_Schedule.pdf) (providing that an ATP Holder that achieves Tier 2, 3, 4 or 5 of the ACE Program is entitled to a Fee Cap of \$85,000, \$75,000, \$70,000 or \$65,000, respectively). The Fee Cap excludes volumes associated with Strategy Executions described in Section I.J., (*e.g.*, reversal and conversion, box spread, short stock interest spread, merger spread and jelly roll) and Firm Manual Facilitation trades (which are always free). Royalty Fees described in Section I. K. still apply to applicable transactions even once Fee Cap is reached. *See id.*

<sup>6</sup> See Fee Schedule, Section I.E. (describing ACE Program), *supra* note 5.

<sup>7</sup> *See supra* note 5.

<sup>8</sup> *See supra* note 5 (regarding reduced Fee Caps associated with ACE Tiers 2-5).

- Broker Dealer QCC transactions.<sup>9</sup>

As proposed, ATP Holders that qualify for the Complex CUBE Cap Incentive and attain the Firm Fee Cap would not be assessed transaction fees on Firm or Broker Dealer Manual volume, including QCC transactions. Further, an incremental service fee of \$0.01 per contract would apply to Broker Dealer Manual transactions<sup>10</sup> and for Broker Dealer QCC Transactions in excess of 25,000 contracts ADV, an incremental service fee of \$0.10 per contract would apply.<sup>11</sup>

For example, an ATP Holder that executed 6,000 contracts per day ADV via Complex CUBE during the month of January 2019 would have to execute over 18,000 contracts a day ADV via Complex CUBE in April 2019 if the TCADV in April 2019 is 6 million contracts (*i.e.*, 6,000 + (0.2% \* 6 million) = (6,000 + 12,000)). Thus, the qualifying ATP Holder would be able to aggregate its Broker Dealer QCC transactions and Manual transactions (together with its Firm QCC transactions and Manual transactions) under the Fee Cap.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>12</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>13</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed Complex CUBE Cap Incentive is reasonable, equitable and not unfairly discriminatory for a number of reasons. First, the proposal is based on the amount of business transacted on the Exchange and ATP Holders can opt to try to achieve the Incentive or not. Second, the proposal is designed to encourage ATP Holders to utilize (if they have not done so) or increase volume sent to the Complex CUBE Auction, which was adopted earlier this year. Further, ATP Holders that seek to or do achieve the Complex CUBE Incentive likewise would be incented to increase its Broker Dealer volume in Manual and QCC transaction in an effort

<sup>9</sup> See proposed Fee Schedule, Section I. I. (Firm Monthly Fee Cap).

<sup>10</sup> See *supra* note 5 (regarding incremental service fee applicable to Firm Manual transactions).

<sup>11</sup> See proposed Fee Schedule, Section I. I. (Firm Monthly Fee Cap).

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

<sup>13</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>7</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.