

open market and the national market system, protect investors and the public interest, and not be unfairly discriminatory; or not impose an unnecessary or inappropriate burden on competition.<sup>37</sup>

#### V. Commission's Solicitation of Comments

The Commission requests written views, data, and arguments with respect to the concerns identified above as well as any other relevant concerns. Such comments should be submitted by July 26, 2019. Rebuttal comments should be submitted by August 9, 2019. Although there do not appear to be any issues relevant to approval or disapproval which would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.<sup>38</sup>

The Commission asks that commenters address the sufficiency and merit of the Exchange's statements in support of the proposal, in addition to any other comments they may wish to submit about the proposed rule change.

Interested persons are invited to submit written data, views, and arguments concerning the proposed rule change, 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-CboeBZX-2019-041 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-CboeBZX-2019-041. 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](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-CboeBZX-2019-041 and should be submitted on or before July 26, 2019. Rebuttal comments should be submitted by August 9, 2019.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(3)(C) of the Act,<sup>39</sup> that File Number SR-CboeBZX-2019-041 be and hereby is, temporarily suspended. In addition, the Commission is instituting proceedings to determine whether the proposed rule change should be approved or disapproved.

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

**Eduardo A. Aleman,**

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86238; File No. SR-NYSE-2019-14]

#### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend Section 703.18 of the Listed Company Manual To Permit the Listing of Event-Based Contingent Value Rights and Make Other Changes To the Listing Standards for Contingent Value Rights

June 28, 2019.

On April 25, 2019, New York Stock Exchange LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend Section 703.18 of the Exchange's Listed Company Manual to expand the circumstances under which a contingent value right ("CVR") may be listed on the Exchange and make other changes to the listing standards for CVRs. The proposed rule change was published for comment in the **Federal Register** on May 15, 2019.<sup>3</sup> The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is June 29, 2019.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> the Commission designates August 13, 2019, as the date

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

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

<sup>3</sup> See Securities Exchange Act Release No. 85812 (May 9, 2019), 84 FR 21861.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> *Id.*

<sup>37</sup> See 15 U.S.C. 78f(b)(4), (5), and (8).

<sup>38</sup> 15 U.S.C. 78s(b)(2). Section 19(b)(2) of the Act grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by an SRO. See Securities Acts Amendments of 1975, Report of the Senate Committee on Banking, Housing and Urban Affairs to Accompany S. 249, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

<sup>39</sup> 15 U.S.C. 78s(b)(3)(C).

<sup>40</sup> 17 CFR 200.30-3(a)(57) and (58).

by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-NYSE-2019-14).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-14278 Filed 7-3-19; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86231; File No. SR-CboeEDGX-2019-029]

### Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Suspension of and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change Amending the Fee Schedule Assessed on Members To Establish a Monthly Trading Rights Fee

June 28, 2019.

#### I. Introduction

On April 29, 2019, Cboe EDGX Exchange, Inc. (“EDGX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change (File Number SR-CboeEDGX-2019-029) to amend the EDGX fee schedule to establish a monthly Trading Rights Fee to be assessed on Members. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on May 16, 2019.<sup>4</sup> The Commission has received no comment letters on the proposal. Under Section 19(b)(3)(C) of the Act,<sup>5</sup> the Commission is hereby: (i) Temporarily suspending the proposed rule change; and (ii) instituting proceedings to determine whether to approve or disapprove the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange proposes to amend the Membership Fees section of the EDGX

fee schedule to establish a monthly Trading Rights Fee, which would be assessed on Members that trade more than a specified volume in U.S. equities.<sup>6</sup> Specifically, the Exchange proposes to charge Members a Trading Rights Fee of \$500 per month for the ability to trade on the Exchange. A Member would not be charged the monthly Trading Rights Fee if it meets one of the following exceptions: (1) The Member has a monthly ADV<sup>7</sup> of less than 100,000 shares, or (2) at least 90% of the Member’s orders submitted to the Exchange per month are retail orders.<sup>8</sup> The proposed Trading Rights Fee also would not be charged to new Members for the first three months of their membership.<sup>9</sup>

#### III. Suspension of the Proposed Rule Change

Pursuant to Section 19(b)(3)(C) of the Act,<sup>10</sup> at any time within 60 days of the date of filing of a proposed rule change pursuant to Section 19(b)(1) of the Act,<sup>11</sup> the Commission summarily may temporarily suspend the change in the rules of a self-regulatory organization (“SRO”) 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. As discussed below, the Commission believes a temporary suspension of the proposed rule change is necessary and appropriate to allow for additional analysis of the proposed rule change’s consistency with the Act and the rules thereunder.

The Exchange asserts that the proposed Trading Rights Fee “is reasonable because it will assist in funding the overall regulation and maintenance of the Exchange.”<sup>12</sup> The Exchange also asserts that the proposed Trading Rights Fee is reasonable because the “cost of this membership

<sup>6</sup> See Notice, *supra* note 4, at 22174. The Commission notes that the Exchange’s affiliates, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., and Cboe EDGA Exchange, Inc., each also filed a proposed rule change to amend their fee schedules to establish a monthly Trading Rights Fee to be assessed on Members: CboeBYX-2019-009, CboeBZX-2019-041, and CboeEDGA-2019-011, respectively.

<sup>7</sup> “ADV” means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis. See Notice, *supra* note 4, at 22174 n.3.

<sup>8</sup> See Notice, *supra* note 4, at 22174.

<sup>9</sup> For any month in which a firm is approved for Membership with the Exchange, the monthly Trading Rights Fee would be pro-rated in accordance with the date on which Membership is approved. Notice, *supra* note 4, at 22174.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(C).

<sup>11</sup> 15 U.S.C. 78s(b)(1).

<sup>12</sup> See Notice, *supra* note 4, at 22174.

fee is generally less than the analogous membership fees of other markets.”<sup>13</sup> The Exchange states that it believes the proposed Trading Rights Fee is equitable and not unfairly discriminatory because it will apply equally to all Members that do not meet the requirements of the exceptions.<sup>14</sup>

In regard to the proposed exceptions pursuant to which Members would not be charged the Trading Rights Fee, the Exchange states that it believes that both exceptions are reasonable. Specifically, the Exchange states that the proposed exception for Members that trade less than a monthly ADV of 100,000 shares is reasonable because it would allow such smaller Members to continue to trade at a lower cost.<sup>15</sup> In addition, the Exchange states the exception is reasonable because such firms consume fewer regulatory resources.<sup>16</sup>

The Exchange also states that the second exception for Members that submit 90% or more of their orders per month as retail orders is reasonable because it would ensure that “retail broker members can continue to submit orders for individual investors at a lower cost, thereby continuing to encourage retail investor participation on the Exchange.”<sup>17</sup>

Finally the Exchange states that it believes that not charging a Trading Rights Fee for new Members is reasonable because it will incentivize firms to become Members of the Exchange and “bring additional liquidity to the market to the benefit of all market participants.”<sup>18</sup>

When exchanges file their proposed rule changes with the Commission, including fee filings like the Exchange’s present proposal, they are required to provide a statement supporting the proposal’s basis under the Act and the rules and regulations thereunder applicable to the exchange.<sup>19</sup> The instructions to Form 19b-4, on which exchanges file their proposed rule changes, specify that such statement “should be sufficiently detailed and specific to support a finding that the

<sup>13</sup> See *id.* The Exchange notes, for example, that the Exchange’s proposed Trading Rights Fee of \$500 a month is “substantially lower” than the monthly \$1,250 monthly Trading Rights Fee that Nasdaq assesses on its members. *Id.*

<sup>14</sup> See *id.* at 22175.

<sup>15</sup> See *id.* at 22174-75.

<sup>16</sup> See *id.* at 22175.

<sup>17</sup> See *id.*

<sup>18</sup> See *id.*

<sup>19</sup> See 17 CFR 240.19b-4 (Item 3 entitled “Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change”).

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<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).

<sup>4</sup> See Securities Exchange Act Release No. 85838 (May 10, 2019), 84 FR 22174 (“Notice”).

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