Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–NSCC–2022–014. 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 NSCC and on DTCC's website (*https://dtcc.com/legal/sec-rule-filings.aspx*). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NSCC–2022–014 and should be submitted on or before December 13, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[21]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–25352 Filed 11–21–22; 8:45 am]

BILLING CODE 8011–01–P

[21] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96331; File No. SR–IEX–2022–09]

Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Pursuant to IEX Rule 15.110 To Amend IEX's Fee Schedule

November 16, 2022.

Pursuant to section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on November 7, 2022, 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 Act,[4] and Rule 19b–4 thereunder,[5] the Exchange is filing with the Commission a proposed rule change to amend the fees applicable to Members[6] (the ''Fee Schedule''), pursuant to IEX Rule 15.110(a) and (c). Changes to the Fee Schedule pursuant to this proposal are effective upon filing,[7] and the Exchange plans to implement the changes on December 1, 2022.

The text of the proposed rule change is available at the Exchange's website at *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 the 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 Exchange proposes to amend its Fee Schedule,[8] pursuant to IEX Rule 15.110(a) and (c), to modestly increase: (i) the fees applicable to executions of and with non-displayed orders; (ii) the fees applicable to executions that remove displayed liquidity; (iii) and the fees applicable to the opening process for non-listed securities. The Exchange also proposes to reduce the fees for executions of securities priced below $1.00 per share and to make related and conforming changes.

Non-Displayed Trading Fees

The Exchange currently charges Members a standard fee of $0.0009 per share for non-displayed transactions, both adding and removing liquidity, with an execution price greater than or equal to $1.00.[9] IEX has not changed this fee for non-displayed adding and removing orders since it launched as an Exchange in 2016,[10] although certain fee code combinations can result in a free execution for non-displayed adding and removing orders.[11]

IEX recently conducted an assessment of its non-displayed adding and removing fees, including an assessment of the fees charged by its competitors, and determined that charging $0.0009 to remove non-displayed liquidity places IEX's fee well below the most inexpensive ''maker-taker''[12] venues which range from $0.0026 to $0.0029.[13]

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] 15 U.S.C. 78s(b)(1).

[5] 17 CFR 240.19b–4.

[6] *See* IEX Rule 1.160(s).

[7] 15 U.S.C. 78s(b)(3)(A)(ii).

[8] *See* IEX Fee Schedule, available at *https://exchange.iex.io/resources/trading/fee-schedule/.*

[9] *See supra* note 5 [sic].

[10] *See* Securities Exchange Act Release No. 78550 (August 11, 2016), 81 FR 54873 (August 17, 2016) (SR–IEX–2016–09).

[11] Non-displayed Retail orders, Retail Liquidity Providing orders, and orders subject to the ''Internalization Fee'' (the Member executes against resting liquidity added by such Member) all execute for free. *See* IEX Fee Schedule.

[12] In a ''maker-taker'' model, an exchange will typically pay a rebate for an order that adds liquidity and charge a fee for an order that removes liquidity.

[13] *See, e.g.,* MIAX Pearl Equities Fee Schedule (charging a standard fee of $0.0029 for orders that remove liquidity), *https://www.miaxequities.com/sites/default/files/fee_schedule-files/MIAX_Pearl_Equities_Fee_Schedule_09012022.pdf;* NYSE Fee Schedule (charging a standard fee of at least $0.0026 for orders that remove non-displayed liquidity), *https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf*

Similarly, IEX's fee for adding non-displayed liquidity places it well below the most inexpensive ''taker-maker'' [14] venues, which range from $0.0024 to $0.0030.[15] Additionally, IEX notes that several taker-maker exchanges also charge $0.0010 for orders that add non-displayed midpoint liquidity.[16]

Therefore, IEX is proposing to modestly raise its non-displayed adding and removing fees for securities priced at or above $1.00 from $0.0009 to $0.0010, with no changes to non-displayed transactions that currently execute free of charge.[17] These fee increases are designed to offset increased costs to operate the Exchange. IEX notes that in the past five years, the Exchange has not adopted transaction fee changes designed to increase overall fee revenue. During that time the costs of operating the Exchange, including the costs to subscribe to other exchanges' technology products, have increased considerably.

Displayed Removing Fees

Currently, orders that add displayed liquidity to the Exchange execute free of charge, while orders that remove displayed liquidity are charged $0.0006 (for orders priced greater than or equal to $1.00 per share). IEX is not proposing to make any changes to the fees charged for adding displayed liquidity, but is proposing to increase the fee for removing displayed liquidity to $0.0009.

IEX notes that its current fee for removing displayed liquidity is well below those charged by all the maker-taker exchanges (each of which charges a standard fee of $0.0030 for removing displayed liquidity [18]) and is even lower than the fees charged by one ''taker-maker'' exchange, Nasdaq BX, which charges a standard fee of $0.0007 for orders that remove liquidity.[19]

As with the proposed changes to the non-displayed trading fees, this modest proposed fee increase is designed to offset increased costs to operate the Exchange as described above.

Opening Process Fees

IEX currently charges a fee of $0.0009 per share for executions equal to or greater than $1.00 per share in IEX's opening process for securities listed on other exchanges. Because this fee has been set at the same level as the non-displayed adding and removing fees, IEX is proposing to similarly increase the opening process fee to $0.0010. This modest proposed fee increase is also designed to offset increased costs to operate the Exchange as described above.

Sub-Dollar Execution Fees

Currently, IEX charges .30% of the Total Dollar Value (''TDV'') for all executions below $1.00 per share, unless another fee code combination results in a free execution (*e.g.,* a retail order that removes displayed liquidity). This can create a significant pricing disparity between taking orders for executions above and below $1.00. For example, in a 1,000-share execution at $1.01 the taker would pay a fee of $0.60, while a 1,000-share execution at $0.99 would pay a fee of $2.97 or approximately five times the fee for the $1.01 execution. IEX therefore believes it is fairer and more equitable to synchronize its sub-dollar transaction fees with its fees for executions above $1 per share.

Thus, IEX proposes to reduce the non-displayed sub-dollar execution and opening process fees from 0.30% of TDV to 0.10% of TDV (more comparable to the new $0.0010 fee for non-displayed executions). Similarly, as proposed, any sub-dollar executed orders that add displayed liquidity would be charged no fee, while any sub-dollar executed orders that remove displayed liquidity would be charged a fee of 0.09% of TDV.

IEX notes that its sub-dollar execution fees are currently higher than those charged by several other exchanges. For example, taker-maker exchange Cboe BYX charges 0.10% of TDV for transactions that remove liquidity,[20] while taker-maker exchange Cboe EDGA and maker-taker exchange NYSE both charge no fee for sub-dollar executions that either add or remove liquidity.[21]

Conforming Changes to the Fee Schedule

As part of this fee change, IEX proposes to remove the bullet in the ''Transaction Fees'' section that states that ''Executions below $1.00 are assessed a fee of 0.30% of TDV unless the Fee Code Combination results in a FREE execution'' and add a new column to its ''Fee Code Combinations and Associated Fees'' table to list the fees charged for sub-dollar executions, to reflect the proposed fee changes. In addition, IEX proposes to incorporate the existing fees for auctions in IEX listed securities into the new column.[22]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,[23] in general, and furthers the objectives of section 6(b)(4) [24] of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable fees among IEX Members and persons using its facilities. Additionally, IEX believes that the proposed changes to the Fee Schedule are consistent with the investor protection objectives of section 6(b)(5) [25] of the Act, in particular, in that they are 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; and are not designed to permit unfair discrimination between customers, brokers, or dealers.

The Exchange believes that the proposed changes to non-displayed order executions (and opening process executions) are reasonable, fair and equitable, non-discriminatory, and consistent with the Act. The Exchange 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. Within that context, charging $0.0010 per share (or 0.10% of TDV for sub-dollar executions) for orders that add or remove non-displayed liquidity, as well

[14] In a ''taker-maker'' model (also called an ''inverted'' exchange), an exchange will typically pay a rebate for an order that removes liquidity (or offer a free execution) and charge a fee for an order that adds liquidity.

[15] *See, e.g.,* Cboe BYX Fee Schedule (charging a standard fee of $0.0024 to add non-displayed liquidity, *https://www.cboe.com/us/equities/membership/fee_schedule/byx/;* Cboe EDGA Fee Schedule (charging a standard fee of $0.0030 to add non-displayed liquidity), *https://www.cboe.com/us/equities/membership/fee_schedule/edga/.*

[16] This fee is charged by Cboe BYX and EDGA, *see supra* note 12 [sic], and also Nasdaq BX, *http://nasdaqtrader.com/Trader.aspx?id=bx_pricing.*

[17] *See supra* note 8.

[18] *See, e.g.,* MIAX Pearl Equities Fee Schedule, *https://www.miaxequities.com/sites/default/files/fee_schedule-files/MIAX_Pearl_Equities_Fee_Schedule_09012022.pdf;* NYSE Fee Schedule, *https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf;* Nasdaq Fee Schedule, *http://nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.*

[19] *See* Nasdaq BX, *http://nasdaqtrader.com/Trader.aspx?id=bx_pricing.*

[20] *See* Cboe BYX Fee Schedule, *supra* note 12 [sic].

[21] *See* Cboe EDGA Fee Schedule, *supra* note 12 [sic]; *see also* NYSE Fee Schedule, *supra,* note 10 [sic].

[22] There are no IEX listed securities.

[23] 15 U.S.C. 78f(b).

[24] 15 U.S.C. 78f(b)(4).

[25] 15 U.S.C. 78f(b)(5).

as opening process orders, is designed to set IEX's non-displayed pricing squarely within the fees charged by maker-taker exchanges to remove liquidity and taker-maker exchanges to add liquidity. Keeping IEX's prices competitive with those of other markets is designed to incentivize more market participants to trade on IEX and avail themselves of IEX's deep pool of non-displayed liquidity, which is consistent with the overall goal of enhancing market quality.

The Exchange also believes that the proposed changes to executions that remove displayed liquidity are reasonable, fair and equitable, non-discriminatory, and consistent with the Act. As noted above, the Exchange 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. Within that context, charging $0.0009 per share (or .09% of TDV for sub-dollar executions) for orders that remove displayed liquidity (coupled with continuing to offer free executions for orders that add displayed liquidity) is designed to keep IEX's displayed trading prices competitive with those of other exchanges. IEX believes that such competitive prices should incentivize Members and other market participants to enter displayed orders on IEX by providing a pricing incentive for such orders without offering rebates, thereby contributing to price discovery and price formation, which is consistent with the overall goal of enhancing market quality.

Other exchanges use ''maker-taker'' or ''taker-maker'' fee structures that apply different fees to orders that add versus remove liquidity, generally providing a rebate rather than charging a fee to adding or removing orders. In a ''maker-taker'' model an exchange will typically pay a rebate for an order that adds liquidity and charge a fee for an order that removes liquidity. The Exchange is not proposing to pay a rebate, but as proposed the fee to remove displayed liquidity will still be lower than the fee to add or remove non-displayed liquidity and will be within the range (and in many cases much less than) the fees charged by competing exchanges to remove displayed or non-displayed liquidity.[26] Consequently, IEX does not believe that the proposed fee structure for adding or remove non-displayed liquidity, or for removing displayed liquidity, raises any new or novel issues that the Commission has not already considered in the context of other exchanges' fees. The Exchange believes that this fee structure will attract and incentivize displayed order flow as well as order flow seeking to trade with displayed order flow. Additionally, increases in displayed liquidity would contribute to the public price discovery process which would benefit all market participants and protect investors and the public interest.

The Exchange also believes that it is reasonable to decrease the fees it charges for sub-dollar executions to synchronize those fees with the fees charged for executions at or above $1.00. These fees will result in lower transaction costs for sub-dollar executions at IEX, including for the first time allowing sub-dollar executions that add liquidity to execute free of charge.

The Exchange further believes that the proposed fee change is consistent with the Act's requirement that the Exchange provide for an equitable allocation of fees that is also not unfairly discriminatory. As proposed, the fees for adding and removing displayed and non-displayed liquidity will apply in an equal and nondiscriminatory manner to all Members. All Members are eligible to enter displayed or non-displayed orders and orders to remove displayed or non-displayed orders. Moreover, to the extent the proposed change is successful in incentivizing the entry and execution of displayed orders on IEX, such greater liquidity will benefit all market participants by increasing price discovery and price formation as well as market quality and execution opportunities.

In addition, the Exchange believes that it is reasonable to add a new column to the Fee Code Combinations and Associated Fees table to reflect the proposed fee changes and to provide information to Members on the relevant charges, including indicating how sub-dollar pricing will apply to all possible fee code combinations. This addition to the Fee Schedule will provide additional clarity for Members on transaction fees, consistent with the objectives of section 6(b)(1)[27] of the Act. The revisions are designed to reflect the fee changes, and also to provide enhanced clarity to the applicable Fee Code Combinations and Associated Fees, so the Exchange does not believe that adding such information raises any new or novel issues not already considered by the Commission. Accordingly, the Exchange believes that it is reasonable to revise the Fee Code Combinations as proposed in order to reflect the applicable fees.

Further, the Exchange believes that it is reasonable to make a conforming change to delete the provision in the Fee Schedule specifying that all sub-dollar executions are assessed a fee of 0.30% of TDV unless the Fee Code Combination results in a free execution. As discussed in the Purpose section, this language is no longer accurate because sub-dollar execution fees will now be synchronized with the fees charged for executions at or above $1.00, and deletion will avoid any unnecessary confusion as to the applicable 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 fees will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange operates in a highly competitive market in which market participants can easily direct their orders to competing venues, including off-exchange venues, if its fees are viewed as non-competitive. Moreover, IEX notes that the proposed fees are designed to enhance competition by incentivizing the entry of liquidity on IEX and thereby increasing the Exchange's pool of both displayed and non-displayed liquidity to the benefit of all market participants. Further, subject to the SEC rule filing process, other exchanges could adopt similar fees.

The Exchange also does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. While Members that remove displayed liquidity or add or remove non-displayed liquidity will be subject to different fees based on this usage, those differences are not based on the type of Member entering orders but

[26] *See* Cboe BZX Fee Schedule (charging $0.0030 per share for any liquidity removing transactions), available at *https://markets.cboe.com/us/equities/membership/fee_schedule/bzx/;* MIAX Pearl Equities Free Schedule (charging $0.0030 per share for any liquidity removing executions), available at *https://www.miaxoptions.com/sites/default/files/fee_schedule-files/MIAX_PEARL_Equities_Fee_Schedule_01292021.pdf;* MEMX Fee Schedule (charging $0.0026 per share for any liquidity removing executions), available at *https://info.memxtrading.com/fee-schedule/;* Nasdaq Equity 7 Section 118(a) (charging $0.0030 per share for any liquidity removing executions), available at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules/nasdaq-equity-7;* NYSE Fee Schedule (charging $0.00275 per share for any liquidity removing executions), available at *https://www.nyse.com/markets/nyse/trading-info/fees.*

[27] 15 U.S.C. 78f(b)(1).

on whether the Member chose to submit displayed or non-displayed liquidity providing orders. Every Member would benefit from the availability of more liquidity on the Exchange that the proposed fees are designed to incentivize. The related and conforming changes are designed, as discussed in the Purpose and Statutory Basis sections, to provide additional clarity and remove superfluous provisions. Accordingly, the Exchange does not believe that these changes will have any impact on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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 foregoing rule change has become effective pursuant to section 19(b)(3)(A)(ii) [28] of the Act.

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) [29] 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:

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.* Please include File Number SR–IEX–2022–09 on the subject line.

Paper Comments

- Send paper comments in triplicate to Vanessa Countryman, Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–1090.

All submissions should refer to File Number SR–IEX–2022–09. This file number should be included in 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 Section, 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 will also be available for inspection and copying at the IEX's principal office. 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–2022–09 and should be submitted on or before December 13, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[30]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–25355 Filed 11–21–22; 8:45 am]

BILLING CODE 8011–01–P

[28] 15 U.S.C. 78s(b)(3)(A)(ii).

[29] 15 U.S.C. 78s(b)(2)(B).

[30] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–265, OMB Control No. 3235–0273]

Submission for OMB Review; Comment Request; Extension: Rule 17Ad–10

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

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 17Ad–10 (17 CFR 240.17Ad–10), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 17Ad–10 generally requires registered transfer agents to: (1) create and maintain current and accurate securityholder records; (2) promptly and accurately record all transfers, purchases, redemptions, and issuances, and notify their appropriate regulatory agency if they are unable to do so; (3) exercise diligent and continuous attention in resolving record inaccuracies; (4) disclose to the issuers for whom they perform transfer agent functions and to their appropriate regulatory agency information regarding record inaccuracies; (5) buy-in certain record inaccuracies that result in a physical over issuance of securities; and (6) communicate with other transfer agents related to the same issuer. These requirements assist in the creation and maintenance of accurate securityholder records, enhance the ability to research errors, and ensure the transfer agent is aware of the number of securities that are properly authorized by the issuer, thereby avoiding over issuance.

The rule also has specific recordkeeping requirements. It requires registered transfer agents to retain certificate detail that has been deleted for six years and keep current an accurate record of the number of shares or principal dollar amount of debt securities that the issuer has authorized to be outstanding. These mandatory requirements ensure accurate securityholder records and assist the Commission and other regulatory agencies with monitoring transfer agents and ensuring compliance with the rule. This rule does not involve the collection of confidential information.

There are approximately 401 registered transfer agents. We estimate that the average number of hours necessary for each transfer agent to comply with Rule 17Ad–10 is approximately 80 hours per year, which generates an industry-wide annual burden of approximately 32,080 hours (401 times 80 hours). This burden is primarily of a recordkeeping nature but also includes a small amount of third party disclosure. At an average staff cost of $50 per hour, the industry-wide internal labor cost of compliance (a monetization of the burden hours) is