

risk disclosure document. The amended rule also requires broker-dealers to maintain a copy of the customer's written acknowledgement for at least three years following the date on which the risk disclosure document was provided to the customer, the first two years in an accessible place. Rule 15g-2 also requires a broker-dealer, upon request of a customer, to furnish the customer with a copy of certain information set forth on the Commission's website.

The risk disclosure documents are for the benefit of the customers, to assure that they are aware of the risks of trading in "penny stocks" before they enter into a transaction. The risk disclosure documents are maintained by the broker-dealers and may be reviewed during the course of an examination by the Commission.

The Commission estimates that approximately 175 broker-dealers are engaged in penny stock transactions and that each of these firms processes an average of three new customers for penny stocks per week. The Commission further estimates that half of the broker-dealers send the penny stock disclosure documents by mail, and the other half send them through electronic means such as email. Because the Commission estimates the copying and mailing of the penny stock disclosure document takes two minutes, this means that there is an annual burden of 27,456 minutes, or 447 hours, for this third-party disclosure burden of mailing documents. Additionally, because the Commission estimates that sending the penny stock disclosure document electronically takes one minute, the annual burden is 13,728 minutes, or 229 hours, for this third-party disclosure burden of emailing documents.

Broker-dealers also incur a recordkeeping burden of approximately two minutes per response when filing the completed penny stock disclosure documents as required pursuant to the Rule 15g-2(c), which means that the respondents incur an aggregate recordkeeping burden of 54,600 minutes, or 910 hours.

Furthermore, Rule 15g-2(d) requires a broker-dealer, upon request of a customer, to furnish the customer with a copy of certain information set forth on the Commission's website, which takes a respondent no more than two minutes per customer. Because the Commission estimates that a quarter of customers who are required to receive the Rule 15g-2 disclosure document will request that their broker-dealer provide them with the additional microcap and penny stock information

posted on the Commission's website, the Commission therefore estimates that each broker-dealer respondent processes approximately 39 requests for paper copies of this information per year or an aggregate total of 78 minutes per respondent, which amounts to an annual burden of 13,650 minutes, or 228 hours. There was an overall decrease in the total burden hours because the number of registered broker-dealers the Commission estimates will be engaged in penny stock transactions decreased from 182 to 175.

The Commission does not maintain the risk disclosure document. Instead, it must be retained by the broker-dealer for at least three years following the date on which the risk disclosure document was provided to the customer, the first two years in an accessible place. The collection of information required by the rule is mandatory. The risk disclosure document is otherwise governed by the internal policies of the broker-dealer regarding confidentiality, etc.

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. Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent by December 18, 2023 to

(i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street NE, Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov.

Dated: November 14, 2023.

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2023-25479 Filed 11-16-23; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-98908; File No. SR-PEARL-2023-62]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide an Additional Means To Access the Exchange's Equity Trading Platform Member Firm Portal

November 13, 2023

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 2, 2023, MIAX PEARL, LLC ("MIAX Pearl" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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

The Exchange proposes to provide an additional means to access the Exchange's equity trading platform (referred to herein as "MIAX Pearl Equities") Member Firm Portal.³

The text of the proposed rule change is available on the Exchange's website at <https://www.miaxglobal.com/markets/us-options/pearl-options/rule-filings>, at MIAX Pearl's principal office, 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See MIAX Exchanges Member Firm Portal User Manual, available at https://www.miaxglobal.com/sites/default/files/page-files/MIAX_Exchanges_Member_Firm_Portal_User_Manual_07142023.pdf.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange provides Equity Members⁴ access to an internet-facing portal which provides self-service functions to Equity Members, known as the Member Firm Portal (“MFP”). Specifically, the MFP allows Equity Members to view current connectivity and services, manage various order entry settings,⁵ view all orders and cancel individual open orders, and view current and request changes for current session notifications, session configurations, and Market Participant Identifier (“MPID”) configurations. The MFP also provides Equity Members the ability to adjust risk settings and allows Equity Market Makers⁶ to view and manage their securities assignments. The MFP allows Equity Members to more efficiently manage their back office operations at the Equity Member level. Currently, access to the MFP is provided on a per user basis, whereby Equity Members seek to have individuals within their organization permissioned to access the MFP via a web portal on their behalf (known as the “MFP User Interface” or “MFP UI”). The Exchange provides the MFP UI to Equity Members free of charge.⁷

Equity Members have requested that the Exchange also provide access to the MFP via an Application Programming Interface (“API” and together “MFP API”), in addition to the current MFP UI accessed via the web portal. The Exchange currently provides MFP API to Members⁸ on its options platform,⁹ as

⁴ The term “Equity Member” is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. See Exchange Rule 1901.

⁵ This includes whether an order should be attributed by its MPID or as Retail on the Exchange's proprietary data feeds or when routed pursuant to the PAC routing option, adjusting port level settings, adjusting risk controls, and retrieving assignment history for a given symbol assignments. See, e.g., Exchange Rules 2614(c)(5), 2617(a)(5)(ii)(A)(3), 2618(a), and 2622(f).

⁶ The term “Equities Market Maker” shall mean an Equity Member that acts as a Market Maker in equity securities, pursuant to Chapter XXVI. See Exchange Rule 1901.

⁷ The Exchange does not currently intend to charge fees for API access to the MFP and will submit a separate filing with the Commission pursuant to Section 19(b)(1) should it decide to do so in the future.

⁸ The term “Member” means an individual or organization that is registered with the Exchange pursuant to Chapter II of these Rules for purposes of trading on the Exchange as an “Electronic Exchange Member” or “Market Maker.” Members are deemed “members” under the Act. See Exchange Rule 100.

⁹ See Securities Exchange Act Release No. 98016 (July 28, 2023), 88 FR 51364 (August 3, 2023) (SR-

do its affiliates, Miami International Holdings, LLC (“MIAX”) and MIAX Emerald, LLC (“MIAX Emerald”).¹⁰

In sum, an API is a way for two or more computer programs to talk to each other. It is a software to software interface that defines the data and the transactions that can be communicated between systems. In providing the MFP API, functions that would otherwise be done manually via the MFP UI, can be automated. The MFP API, in essence, facilitates and expedites the transaction processing for the supported functionality such that Equity Members can automate their interactions with the MFP. This allows for more efficient processing, the potential reduction of operational risk due to issues caused by human error, the timeliness of the completion of MFP-related functions, etc.¹¹ Providing API access to the MFP would allow Equity Members to enable their systems and applications to communicate directly with the MFP, thereby eliminating or reducing the need for individuals to access the MFP UI via the web portal.

The Exchange does not propose to alter the current MFP or MFP UI. The Exchange simply proposes to provide an additional and optional means to access the MFP, in the form of an API. API access to the MFP would allow an Equity Member's applications to communicate directly with the MFP. Therefore, by its nature, the MFP API does not lend itself to access on a per user basis, as is the case today with the MFP UI via the web portal. API access would allow Equity Members to automate functions they perform today on the MFP, such as adjusting risk settings or managing various order entry settings. Equity Members who do not prefer to access the MFP API would be able to perform the same functions when accessing the MFP UI via the current web portal. However, due to associated technological changes needed to provide API access, the Exchange does not plan to offer all MFP functionality that is currently available via the MFP UI on day one and intends

PEARL–2023–32) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide an Additional Means of Access to the Member Firm Portal Through an Application Programming Interface).

¹⁰ See Securities Exchange Act Release Nos. 98017 (July 28, 2023), 88 FR 51366 (August 3, 2023) (SR–MIAX–2023–29); and 98018 (July 28, 2023), 88 FR 51374 (August 3, 2023) (SR–EMERALD–2023–18) (Notices of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide an Additional Means of Access to the Member Firm Portal Through an Application Programming Interface).

¹¹ See, e.g., *What is an API?*, available at <https://www.ibm.com/topics/api> (last visited October 9, 2023).

to rollout the functionality over a period of time.

The Exchange notes that the use of accessing the MFP API would be completely voluntary and would simply be a second optional means to access the MFP. Equity Members who wish to continue to access the MFP UI via the web portal may continue to do so for no fee.

Implementation Date and Rollout

Due to the technological changes associated with this proposed change, the Exchange will issue a trading alert publicly announcing the implementation date of the proposed rule change and will announce in that trading alert which MFP functions will be available via the API. The Exchange anticipates that it will begin to offer API access to the MFP in first quarter of 2024. The Exchange will issue a trading alert each time it makes additional MFP functions available via the API.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(b) of the Act,¹² in general, and Section 6(b)(5),¹³ in particular, because 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange notes that providing the MFP API to Equity Members is consistent with the Act in that the use of MFP API is completely voluntary and simply provides Equity Members with an additional means to access the Exchange's MFP. The MFP is a useful tool for Equity Members to manage their trading on the Exchange, including back office operations, risk controls settings, and Equity Market Maker assignments. The Exchange also notes that it currently provides MFP API to Members on its options platform,¹⁴ as do its affiliates, MIAX and MIAX Emerald.¹⁵ The Exchange simply seeks to do the same for MIAX Pearl Equities in this filing.

As noted above, accessing the MFP via an API would be an optional alternative to web access. Those not

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ See *supra* note 9.

¹⁵ See *supra* note 10.

electing to access the MFP via an API may continue to use the MFP UI via the web portal free of charge. The MFP, whether accessed via an API or web portal, allow Equity Members to more efficiently manage their back office operations, view all orders and cancel individual open orders, and view current and request changes for current session notifications, session configurations, MPID configurations, and in managing Equity Market Maker assignments. The Exchange notes that trade information in the MFP is specific to each Equity Member and their trades, allowing them to conveniently manage their back office operations as needed.

Providing API access to the MFP would be provided purely for convenience, in response to Equity Member demand, and would be entirely optional. As stated above, API access to the MFP would enable Equity Members to connect their applications to the MFP allowing their application to communicate directly with the MFP. This enables Equity Members to automate functions that would normally be performed by individual users access the MFP via the current web portal, such as adjusting risk settings and managing various order entry settings. Equity Members who do not prefer to access the MFP API would be able to perform the same functions by accessing the MFP UI via the existing web portal.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. API access to the MFP would simply be an optional additional means to access the MFP. The Exchange does not believe that the proposal would impose any inappropriate burden on intramarket competition because Equity Members who access the MFP via an API would not receive any competitive advantage over those who access it via the current web portal because any functionality available to Equity Members who access the MFP via an API would be available to those who access MFP UI via the current web portal. API access would simply be a convenience and would enable Equity Members to automate their back office operations performed via the MFP as they choose. The Exchange does not believe an Equity Member's ability to automate this functionality provides any competitive advantage when trading on the Exchange because the MFP is only used by Equity Members for back office

operations and not order entry or execution.

The Exchange believes that the proposed rule change would not impose any inappropriate burden on intermarket competition as other exchanges currently offer similar API access to their comparable member portals.¹⁶ The proposal would enhance the Exchange's competitive position vis-a-vis other exchanges by allowing it to upgrade the means of access to its MFP, which would provide added convenience to Equity Members that wish to utilize the MFP via an API. Further, the proposed rule change would enable the Exchange to improve its customer service and enhance Equity Members' experience when managing their back office and other operations performed via the MFP.

As such, the Exchange does not believe that the proposed rule change will impose any burden on intermarket or intramarket competition 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

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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act¹⁷ and Rule 19b-4(f)(6)¹⁸ 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

¹⁶ See, e.g., Cboe US Secure Web API manual, available at https://cdn.cboe.com/resources/membership/US_Secure_Web_API.pdf.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-PEARL-2023-62 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-PEARL-2023-62. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-PEARL-2023-62 and should be submitted on or before December 8, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2023–25380 Filed 11–16–23; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–98910; File No. SR-CboeEDGX–2023–068]

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

November 13, 2023.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on November 1, 2023, 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”) proposes to amend its Fee Schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website (https://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 its Fee Schedule, effective November 1, 2023. The Exchange first notes that it 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 or incentives to be insufficient. More specifically, the Exchange is only one of 17 options venues to which market participants may direct their order flow. Based on publicly available information, no single options exchange has more than 17% of the market share.³ Thus, in such a low-concentrated and highly competitive market, no single options exchange, including the Exchange, possesses significant pricing power in the execution of option order flow. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue to reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain the Exchange’s transaction fees, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

The Exchange’s Fees Schedule sets forth standard rebates and rates applied per contract. For example, the Exchange provides standard rebates ranging from \$0.01 up to \$0.21 per contract for Customer orders in both Penny and Non-Penny Securities. The Fee Codes and Associated Fees section of the Fees Schedule also provides for certain fee codes associated with certain order types and market participants that provide for various other fees or rebates. For example, the Exchange assesses a fee of \$0.05 per contract for AIM⁴ Contra orders, yielding fee code BB; assesses a fee of \$1.05 per contract for AIM Responder orders in Non-Penny Securities, yielding fee code BE; and provides a rebate of \$0.06 for AIM

Agency Customer orders, yielding fee code BC.

The Exchange proposes to amend the Fee Codes and Associated Fees table of the Fee Schedule to adopt new fee codes for AIM Contra and AIM Agency Customer orders in Non-Penny Securities. Specifically, the Exchange proposes to adopt new fee codes, BF and BG, to apply to AIM Contra⁵ orders in Non-Penny Securities and AIM Agency⁶ Customer orders in Non-Penny Securities, respectively. The Exchange proposes to assess a fee of \$0.02 per contract for AIM Contra orders in Non-Penny Securities yielding fee code BF and to assess no fee per contract for AIM Agency Customer orders in Non-Penny Securities yielding fee code BG.

The Exchange also proposes to amend the description of current fee code BB to provide it applies to AIM Contra orders in Penny Securities, and to amend the current description of current fee code BC to provide it applies to AIM Agency Customer orders in Penny Securities. The Exchange also proposes to increase the standard fee for AIM Responder orders in Non-Penny Securities (*i.e.*, yield fee code BE) from \$1.05 per contract to \$1.15 per contract.

The proposed rule change also amends Footnote 6 of the Fee Schedule to include new fee codes BF and BG, and to reflect the proposed change in fees for orders yielding fee code BE.⁷ Further, AIM Agency Customer order in Non-Penny Securities yielding fee code BG will not be eligible for rebates under the Automated Improvement “AIM” Tiers set forth in Footnote 9 of the Fee Schedule. As such, the Exchange proposes to rename Footnote 9 as Automated Improvement Mechanism (“AIM”) Penny Tiers, and revise the definition of Interaction Rate set forth in Footnote 9 to state that the Interaction Rate is the percentage of the Penny Agency Order that trades against the Initiating Order.

⁵ The term “AIM Contra Order” refers to an order submitted by a Member entering a AIM Agency Order for execution within AIM that will potentially execute against the AIM Agency Order pursuant to Rules 21.19 and 21.22.

⁶ The term “AIM Agency Order” refers to an order represented as agent by a Member on behalf of another party and submitted to AIM for potential price improvement pursuant to Rules 21.19 and 21.22.

⁷ As part of the proposed rule change, the Exchange proposes to delete duplicative information in the chart in Footnote 6 related to Customer AIM and SAM Auction fees. Further, the Exchange proposes to delete headers in the table referring to issues and consolidate all fee code and rate information on an order type basis. The Exchange also proposes to amend Footnote 6 to remove an inadvertent reference to XB, as such fee code was previously removed from the Exchange Fee Schedule.

¹⁹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Cboe Global Markets U.S. Options Market Monthly Volume Summary (October 30, 2023), available at https://markets.cboe.com/us/options/market_statistics/.

⁴ The term “AIM” refers to Automated Improvement Mechanism.