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–NYSEAMER–2024–45 and should be submitted on or before December 5, 2024. Rebuttal comments should be submitted by December 19, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[40]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–26533 Filed 11–13–24; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101552; File No. SR–CboeEDGA–2024–047]

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

November 7, 2024

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, 2024, Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") 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 EDGA Exchange, Inc. (the "Exchange" or "EDGA") 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 (*http://markets.cboe.com/us/equities/regulation/rule_filings/edga/*), 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 to introduce the New Member Program (the "Program"), which offers discounted membership fees and logical port fees for up to 12 months, effective beginning November 1, 2024.

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 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the "Act"), to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange has more than 16% of the market share.[3] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow.

The purpose of this filing is to broadly encourage new market participants that are not currently members of the Exchange to become members by discounting certain fixed costs associated with Exchange membership. By way of background, the Exchange currently charges member organizations certain fixed costs related to Exchange membership, including for example membership fees and logical port fees, both of which are filed with the Commission and set forth in the Exchange's Fee Schedule. Also, by way of background, the Exchange recently adopted the "Maker-Taker" model whereby it pays rebates to members that add liquidity and assesses fees to those that remove liquidity.[4] The Exchange's Fee Schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively.

As stated previously, the Exchange recently adopted the Maker-Taker model. Both the proposal of the Program and the Exchange's adoption of the Maker-Taker Model are intended to drive liquidity for the Exchange for the benefit of market participants. Specifically, the Exchange notes that the market share of taker-maker exchanges has been steadily declining in recent years. The Exchange analyzed its internal data and found that in particular, the market share of inverted markets has dropped from approximately 8% in April 2020 to 2.6% in July 2024. Similarly, the average monthly notional volume of taker-maker exchanges has declined from approximately $528.0 billion in 2021 to an average monthly notional volume of $267.4 billion in 2024 (year-to-date). The Exchange believes that both the Program and the adoption of the Maker-Taker Model will increase the Exchange's market share and bring additional liquidity to the Exchange for the benefit all participants.

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[40] 17 CFR 200.30–3(a)(57).

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

[2] 17 CFR 240.19b–4.

[3] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (October 1, 2024), available at *https://www.cboe.com/us/equities/market_statistics/*.

[4] *See* SR–CboeEDGA–2024–045. The Exchange previously operated under a "Taker-Maker" model, in which the Exchange paid credits to members that removed liquidity and assessed fees to those that added liquidity.

Therefore, in addition to the Exchange's adoption of the Maker-Taker model, the Exchange proposes to introduce the Program, which would offer discounts for up to 12 months following approval as a new member on membership fees and logical port fees for new member organizations, subject to specific restrictions. These discounts would be available to all eligible new members for the duration of the Program. The Exchange believes that the proposed Program would make membership easier for a greater number of market participants and provide increased incentives for firms that are not currently Exchange members to apply for Exchange membership. The Exchange believes that having more members trading on the Exchange would benefit investors through the additional display of liquidity and increased execution opportunities on the Exchange.

The Exchange proposes to codify the Program as a new paragraph under the Membership Fees section of the Fee Schedule. The Exchange also notes that the Program is similar to a program adopted by an affiliated equities exchange that similarly provides discounts on membership and for new members for the similar purpose of encouraging new market participants to become members of the exchange.[5]

General Eligibility and Restrictions

To be eligible to participate in the Program, a new member organization must not have been approved as an Exchange member organization within the eighteen (18) months prior to approval of its new membership (''New Member''). Eligibility for discounts begins in the month that a new membership application is approved. A New Member is only eligible to enroll in the Program once. A New Member that is, or becomes, an ''affiliate'' of an existing member organization, defined as having at least 75% common ownership between the two entities as reflected on each entity's Form BD, is ineligible to participate in the Program. The Program would automatically terminate after the 12th month of membership in the Program and the discounted fees discussed below will be charged to that member at the regular rate set forth in the Exchange's fee schedule, as applicable, from that point forward.

Membership Fee

The Exchange currently assesses a yearly Membership Fee of $2,500, which is generally assessed at the end of each year for membership in the following calendar year. For any month in which a firm is approved for membership with the Exchange after the renewal period, the Firm Membership Fee is pro-rated beginning on the date on which membership is approved. The pro-rated fee is calculated based on the remaining trading days in that year and assessed in the month following membership approval. The fee is also non-refundable in the event that the firm ceases to be a Member following the date on which fees are assessed.[6] The Exchange proposes to reduce the Membership Fee for a New Member by waiving the annual Membership Fee in its entirety for any New Member.

Logical Ports

The Program would next provide discounts on its logical port fees. Currently, EDGA market participants may utilize a variety of logical connectivity ports. A logical port provides users with the ability within the Exchange's system to accomplish a specific function through a connection, such as order entry, data receipt, or access to information. Currently, the Exchange assesses $550 per Logical Port per month.[7]

The Exchange proposes to waive the cost of one order entry (FIX or BOE) Logical Port (excluding Purge Port, Multicast PITCH Spin Server Port, GRP Port, and Certification Logical Port) per month for New Members for its first 12 months as a Member.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of section 6(b) of the Act.[8] Specifically, the Exchange believes the proposed rule change is consistent with the section 6(b)(5) [9] requirements that the rules of an exchange be 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, 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. Additionally, the Exchange believes the proposed rule change is consistent with the section 6(b)(5) [10] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly competitive market in which market participants can and do move order flow or discontinue or reduce use of certain categories of products, in response to fee changes. As previously discussed, the overall market share of exchanges offering a taker-maker pricing model has significantly declined and the Exchange is seeking to bring back market share to the Exchange. Moreover, in the current competitive market environment, market participants also have a choice of where to become members. Accordingly, the Exchange believes that it is reasonable to offer discounted membership and certain logical port fees for up to 12 months for New Members in order to provide an incentive for new firms to apply for Exchange membership. The Exchange believes that providing an incentive for firms that are not currently Exchange members to apply for membership would encourage market participants to become members of the Exchange and bring additional liquidity to a public market (along with the Exchange's adoption of the Maker-Taker model).[11] In addition, the Exchange believes that the proposal could result in additional liquidity to a public exchange, to the benefit of all market participants. The Exchange believes creating incentives and opportunities for new members on the Exchange protects investors and the public interest by increasing the competition and liquidity on a transparent public market.

The Exchange believes that the proposal is also equitable and not unfairly discriminatory. In the prevailing competitive environment,

[5] *See* Securities Exchange Act Release No. 92493 (July 26, 2021), 86 FR 41129 (July 30, 2021) (SR–CboeEDGX–2021–034). *See also* Cboe EDGX Equities Fee Schedules, Footnote 3, Retail Equities Membership Programs. While the Retail Equities Membership Program (the ''Affiliate Program'') does offer additional discounts, the Affiliate Program only offers these benefits to a narrow scope of participants with retail order flow to drive participation in a specific customer segment. In the Exchange's case, it is offering the Program broadly to new market participants (subject to the below eligibility requirements) to work towards greater overall liquidity on the Exchange.

[6] However, if a Member is pending a voluntary termination of rights as a Member pursuant to Exchange Rule 2.8 prior to the date any Membership Fee for a given year will be assessed, and the Member does not utilize the facilities of Exchange during such time, then the Member is not obligated to pay the annual Membership Fee.

[7] Excludes Purge Ports, Multicast PITCH Spin Server Ports, GRP Ports, and Certification Logical Ports.

[8] 15 U.S.C. 78f(b).

[9] 15 U.S.C. 78f(b)(5).

[10] *Id.*

[11] *See* SR–CboeEDGA–2024–045.

members, including retail-focused members, are free to disfavor Exchange membership and the Exchange's pricing if they believe that alternatives offer them better value. The proposed discounted access to Exchange services for up to 12 months do not permit unfair discrimination because the proposed changes would apply to all similarly situated members, who would all benefit from the lower and discounted fees on an equal basis. Indeed, the Exchange believes the proposed Program is equitable and not unfairly discriminatory because it's open to all eligible New Members. The Exchange also believes it's equitable and not unfairly discriminatory to apply the Program only to qualifying New Members because it is designed to encourage new market participants to become members on the Exchange that may not otherwise do so due in part to the costs associated with becoming members of an exchange. The Exchange additionally notes that while the Program is applicable only to New Members, the Exchange does not believe this application is discriminatory as the Exchange believes that additional members on the Exchange benefit all market participants.

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. Rather, as discussed above, the Exchange believes that the proposed changes would increase competition by reducing the cost of becoming an Exchange member. The Exchange believes that additional members on the Exchange will enhance market quality through the submission of additional liquidity to a public exchange, thereby promoting market depth, price discovery and transparency and enhancing order execution opportunities for all members. As a result, the Exchange believes that the proposed changes further the Commission's goal in adopting Regulation NMS of fostering competition among orders, which promotes "more efficient pricing of individual stocks for all types of orders, large and small."

The Exchange believes the proposed rule changes do not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes would continue to incentivize market participants to become Exchange members and direct order flow to the Exchange. As discussed above, greater liquidity benefits all market participants on the Exchange by encouraging market participants to become Exchange members and send orders to the Exchange, thereby providing more trading opportunities and contributing to robust levels of liquidity on the Exchange, which benefits all market participants. The proposed fee waivers would be available to all similarly situated market participants, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange. As noted, the proposal would apply to all similarly situated New Members on the same and equal terms, who would benefit from the changes on the same basis. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage Members to send orders, thereby contributing towards a robust and well-balanced market ecosystem.

Next, the Exchange believes the proposed rule changes do not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 16% of the market share.[12] Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[13] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .".[14] Accordingly, the Exchange does not believe its proposed fee change imposes any burden 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

The Exchange neither solicited nor received comments on the proposed rule change.

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 [15] and paragraph (f) of Rule 19b–4 [16] 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

[12] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (October 1, 2024), available at *https://www.cboe.com/us/equities/market_statistics/.*

[13] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[14] NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SRNYSEArca–2006–21)).

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

[16] 17 CFR 240.19b–4(f).

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–CboeEDGA–2024–047 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–CboeEDGA–2024–047. 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–CboeEDGA–2024–047 and should be submitted on or before December 5, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–26414 Filed 11–13–24; 8:45 am]

BILLING CODE 8011–01–P

[17] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–101556; File No. SR–MEMX–2024–44]

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Fee Schedule Concerning Equities Transaction Pricing

November 7, 2024.

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 October 31, 2024, MEMX LLC (''MEMX'' 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 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 is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members[3] (the ''Fee Schedule'') pursuant to Exchange Rules 15.1(a) and (c). The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal immediately. The text of the proposed rule change is provided in Exhibit 5.

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* Exchange Rule 1.5(p).

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

1. Purpose

The purpose of the proposed rule change is to amend the Fee Schedule to: (i) modify the required criteria under Liquidity Provision Tier 2; and (ii) modify the Cross Asset Tiers by eliminating Cross Asset Tiers 1 and 2 and renaming the current Cross Asset Tier 3 as Cross Asset Tier 1, as further described below.

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 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 14% of the total market share of executed volume of equities trading.[4] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents approximately 2% of the overall market share.[5] The Exchange in particular operates a ''Maker-Taker'' model whereby it provides rebates to Members that add liquidity to the Exchange and charges fees to Members that remove liquidity from the Exchange. The Fee Schedule sets forth the standard rebates and fees applied per share for orders that add and remove liquidity, respectively. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing, which provides Members with opportunities to qualify for higher rebates or lower fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

[4] Market share percentage calculated as of October 30, 2024. The Exchange receives and processes data made available through consolidated data feeds (*i.e.,* CTS and UTDF).

[5] *Id.*