

Exchange had less than 10% market share of executed volume of multiply-listed equity & ETF options trades.<sup>19</sup>

The Exchange believes that the proposed Rebate change reflects this competitive environment because it modifies the Exchange's fees in a manner designed to incent Floor Brokers to direct trading interest to the Exchange, to provide liquidity and to attract order flow. To the extent that this purpose is achieved, all the Exchange's market participants should benefit from the improved market quality and increased opportunities for price improvement.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment. And, in fact, the Exchange believes that the proposed change could promote competition between the Exchange and other execution venues, by encouraging additional orders to be sent to the Exchange for execution, including to the Floor.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>20</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>21</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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)<sup>22</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEAMER-2020-45 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-NYSEAMER-2020-45. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File

Number SR-NYSEAMER-2020-45, and should be submitted on or before July 8, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**J. Matthew DeLesDernier,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-89043; File No. SR-BOX-2020-18]

### Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Section II of the Fee Schedule (Manual Transaction Fees) on the BOX Options Market LLC Facility

June 11, 2020.

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> notice is hereby given that on June 1, 2020, BOX Exchange LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Fee Schedule to the BOX Options Market LLC ("BOX") facility. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's internet website at <http://boxexchange.com>.

<sup>23</sup> 17 CFR 200.30-3(a)(12).

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

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

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

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

<sup>19</sup> Based on OCC data, *supra* note 7, the Exchange's market share in equity-based options was 9.82% for the month of January 2019 and 8.08% for the month of January 2020.

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b-4(f)(2).

<sup>22</sup> 15 U.S.C. 78s(b)(2)(B).

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

#### 1. Purpose

The Exchange proposes to amend the Fee Schedule for trading on BOX to amend Section II (Manual Transaction Fees).<sup>5</sup>

The Exchange first proposes to amend QOO Order Fees for Professional Customers in Section II.A of the BOX Fee Schedule. Specifically, the Exchange proposes to decrease the Professional Customer QOO Order Fee in Penny Pilot Classes and Non-Penny Pilot Classes from \$0.25 per contract to \$0.10 per contract. Next, the Exchange proposes to amend Section II.C of the BOX Fee Schedule. Specifically, the Exchange proposes to reduce the QOO Order Rebate for all Professional Customer QOO Orders to \$0.05.<sup>6</sup>

#### 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,<sup>7</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange notes that it operates in a highly competitive market in which the Exchange must continually reassess its fees in order to maintain its competitiveness within the options exchange industry. The proposed rule

<sup>5</sup> Orders initiated and presented on the Trading Floor in open outcry, as opposed to initiated electronically. Manual transactions consist of Qualified Open Outcry ("QOO") Orders. All fees, rebates and applicable caps will apply to both sides of the paired QOO Order.

<sup>6</sup> Currently, Floor Brokers receive a \$0.075 per contract rebate for Professional Customer QOO Orders presented on the Trading Floor.

<sup>7</sup> 15 U.S.C. 78f(b)(4) and (5).

changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange.

The Exchange believes the proposed change to reduce Professional Customer QOO Order fees is reasonable, equitable, and not unfairly discriminatory because it is intended to attract a greater number of Professional Customer QOO orders to the Exchange. The Exchange believes the potential increased volume would create better trading opportunities that benefit all market participants. Specifically, greater volume and liquidity from increased order flow could create more trading opportunities and tighter spreads. Further, the Exchange believes it is equitable and not unfairly discriminatory to assess Professional Customers lower fees for manual transactions than Broker Dealers and Market Makers because, by definition, Professional Customers are a different type of market participant. Specifically, Professional Customers are not brokers or dealers in securities; they are persons (or entities) that place more than 390 orders per day on average for their own beneficial account. The Exchange notes that assessing lower fees for Professional Customers compared to Broker Dealers and Market Makers is not novel as BOX currently assesses lower fees for Professional Customers than Broker Dealers and Market Makers in another part of its Fee Schedule.<sup>8</sup> Further, the Exchange notes that Cboe Exchange Inc. ("Cboe") currently assesses different fees for Professional Customers compared to Broker-Dealers and Market Makers for floor transactions.<sup>9</sup> In addition, the Exchange believes the proposed \$0.10 fee is reasonable when compared to fees assessed for similar transactions for Professional Customers at another exchange.<sup>10</sup> Further, the Exchange believes that the proposed change is equitable and not unfairly discriminatory, as the proposed change applies to all Professional Customer QOO Orders presented on the Trading Floor by Floor Brokers.

The Exchange believes the proposal to reduce the QOO Order Rebate for all Professional Customer QOO

<sup>8</sup> See BOX Fee Schedule Section I.D. Qualified Contingent Cross ("QCC") Transactions. The Exchange notes that Professional Customers are charged no fee for QCC transactions where Broker Dealers and Market Makers are charged \$0.17 for their QCC transactions.

<sup>9</sup> For manual transactions, Cboe charges \$0.12 per contract for professional customers ("U" capacity code); \$0.25 per contract for Broker-Dealers ("BA" code); and \$0.23 for Market-Makers ("MA" code). See Cboe Fees Schedule "Options Transaction Fee Per Contract; Manual".

<sup>10</sup> *Id.*

transactions is reasonable. Specifically, the Exchange believes the proposed \$0.05 rebate is balanced by the potential increase in Professional Customer volume directed toward the Exchange's Floor Brokers who would benefit from a rise in rebate opportunities because of the increased volume from Professional Customer orders. The Exchange believes that the rebate will continue to incentivize Floor Brokers to execute Professional Customer QOO Orders on the Trading Floor. The Exchange also notes that Floor Brokers will continue to receive a \$0.075 per contract rebate on all other qualifying QOO Orders presented to the Trading Floor. Lastly, the Exchange believes that the proposal to lower the QOO Order Rebate for Professional Customer executions is equitable and not unfairly discriminatory because the proposed change applies to all Professional Customers' QOO Orders presented to the Trading Floor equally.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it operates in a highly competitive market in which competitors are free to modify their own fee schedules. The Exchange believes that the proposal to reduce the QOO Order fee for Professional Customers does not impose a burden on competition. Although the reduction in QOO Order Fees to \$0.10 for manual executions only applies to Professional Customers, the proposed change is aimed at encouraging increased Professional Customer options volume, which may provide greater trading opportunities for all market participants. The Exchange believes this enhances competition as it is intended to increase the competitiveness of BOX by adopting an additional pricing incentive in order to attract order flow and incentivize Professional Customer executions on the Exchange.

Further, the Exchange does not believe that reducing the QOO Order rebate for Professional Customer executions will impose an undue burden on intermarket competition. Several other competing exchanges have open outcry trading floors and market participants can readily direct order flow to any these venues if they deem BOX's manual transaction fees to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its

fees to remain competitive with other exchanges. The Exchange does not believe the proposed rule change to reduce the QOO Order rebate for Professional Customer executions would burden intramarket competition as it would apply uniformly to all Floor Brokers on the BOX Trading Floor. The proposed rule change reflects a competitive pricing structure designed to incentivize Professional Customers to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Participants.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were either solicited or 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) of the Exchange Act<sup>11</sup> and Rule 19b-4(f)(2) thereunder,<sup>12</sup> because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the 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 (<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-BOX-2020-18 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-BOX-2020-18. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of 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-BOX-2020-18, and should be submitted on or before July 8, 2020.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-89049; File No. SR-NYSEAMER-2020-44]

**Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Modifying the NYSE American Options Fee Schedule**

June 11, 2020.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the

“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on June 5, 2020, NYSE American LLC (“NYSE American” 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**

The Exchange proposes to modify the NYSE American Options Fee Schedule (“Fee Schedule”) to extend through June 2020 certain fee changes implemented for April and May 2020. The Exchange proposes to implement the fee change effective June 5, 2020.<sup>4</sup> The proposed change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The purpose of this filing is to modify the Fee Schedule to extend through June 2020 certain fee changes implemented for April and May 2020, as described below. The Exchange proposes to implement the fee change effective May 28, 2020.

On March 18, 2020, the Exchange announced that it would temporarily close the Trading Floor, effective Monday, March 23, 2020, as a

<sup>1</sup> 15 U.S.C. 78a.

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

<sup>3</sup> The Exchange originally filed to amend the Fee Schedule on May 28, 2020 (SR-NYSEAMER-2020-42) and withdrew such filing on June 5, 2020.

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

<sup>14</sup> 15 U.S.C. 78s(b)(1).