Statements also will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street NE, Room 1580, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. For up-to-date information on the availability of the Public Reference Room, please refer to https://www.sec.gov/fast-answers/answerspublicdocshtm.html or call (202) 551–5450.

All statements received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

FOR FURTHER INFORMATION CONTACT:

Christian Broadbent, Senior Special Counsel, or Jay Williamson, Branch Chief, at (202) 551–6720, Division of Investment Management, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549–3628.

SUPPLEMENTARY INFORMATION: In accordance with Section 10(a) of the Federal Advisory Committee Act, 5 U.S.C.—App. 1, and the regulations thereunder, Sarah ten Siethoff, Designated Federal Officer of the Committee, has ordered publication of this notice.¹

Dated: June 15, 2021.

Vanessa A. Countryman,

Committee Management Officer. [FR Doc. 2021–13206 Filed 6–23–21; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92201; File No. SR-CboeBZX-2021-045]

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

June 17, 2021.

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 June 9, 2021, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 BZX Exchange, Inc. (the "Exchange" or "BZX" or "BZX Equities") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change 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/bzx/), 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 define the term "Step-Up ADV" and introduce a new Single Market Participant Identifier ("MPID") Investor Tier.⁴

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 Exchange Act, to which market participants may direct their order flow. Based on publicly available information,⁵ no single registered equities exchange has more than 15% of the market share. 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 Exchange in particular operates a "Maker-Taker" model whereby it pays credits to Members that add liquidity and assesses fees to those that remove liquidity. The Exchange's fee schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Particularly, for securities at or above \$1.00, the Exchange provides a standard rebate of \$0.0018 per share for orders that add liquidity and assesses a fee of \$0.0030 per share for orders that remove liquidity. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced 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.

The "definitions" section of the Exchange's fee schedule defines various terms used throughout the fee schedule. The Exchange proposes to adopt a new definition for the term "Step-Up ADV". Specifically, as proposed "Step-up ADV" means ADV ⁶ in the relevant baseline month subtracted from current day ADV. Such definition would be referenced in Tiers designed to incentivize Members to grow their ADV from the baseline month, such as the proposed Single MPID Investor Tier, as discussed below.

Pursuant to footnote 4 of the fee schedule, the Exchange currently offers the Single MPID Investor Tiers that provide Members an opportunity to receive an enhanced rebate from the standard rebate for liquidity adding orders that yield fee codes B,⁷ V,⁸ and

¹This notice was issued on June 15, 2021. Due to unexpected publication schedule changes, earlier advance publication was not possible.

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

^{3 17} CFR 240.19b-4.

⁴The Exchange initially filed the proposed fee changes June 1, 2021 (SRCboeBZX–2021–044). On June 9, 2021, the Exchange withdrew that filing and submitted this proposal.

⁵ See Choe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (May 26, 2021), available at https://markets.cboe.com/us/equities/market statistics/.

⁶ ADV means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis.

 $^{^{7}}$ Fee code B is appended to displayed orders adding liquidity to BZX (Tape B).

⁸ Fee code V is appended to displayed orders adding liquidity to BZX (Tape A).

Y 9 and meet certain required volumebased criteria. Specifically, Tier 1 of the Single MPID Investor Tiers provides an enhanced rebate of \$0.0031 per share when (1) an MPID has an ADAV 10 as a percentage of TCV 11 greater than or equal to 0.30%; and (2) the MPID has an ADAV as a percentage of ADV greater than or equal to 90%. Tier 2 of the Single MPID Investor Tiers provides an enhanced rebate of \$0.0032 per share when (1) an MPID has an ADAV as a percentage of TCV greater than or equal to 0.75%; and (2) the MPID has an ADAV as a percentage of ADV greater than or equal to 80%.

Now, the Exchange proposes to offer Tier 3 of the Single MPID Investor Tiers. Proposed Tier 3 would provide a rebate of \$0.0032 per share in Tape B securities (i.e., orders yielding fee code B) and \$0.0033 per share in Tape A and C securities (i.e., orders yielding fee codes V and Y, respectively) when (1) an MPID has a Step-Up ADV as a percentage of TCV is greater than or equal to 0.10% from May 2021; or an MPID has a Step-Up ADV greater than or equal to 8,000,000 from May 2021; and (2) the MPID has an ADAV as a percentage of TCV greater than or equal to 0.55%; or the MPID has an ADAV greater than or equal to 50,000,000. Members that achieve the proposed Single MPID Investor Tier must therefore increase the amount of liquidity that they provide on BZX, thereby contributing to a deeper and more liquid market. Furthermore, the Exchange proposes to offer a higher rebate for Tape A and C securities to further incentivize Members to increase their liquidity on the Exchange in those securities.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹² in general, and furthers the objectives of Section 6(b)(4) and 6(b)(5),¹³ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members, issuers and other persons using its facilities. The Exchange operates in a highly competitive market in which market participants can

⁹ Fee code Y is appended to displayed orders adding liquidity to BZX (Tape C).

readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members.

In particular, the Exchange notes that volume-based rebates such as that proposed herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) The value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes. The Exchange believes that the proposed Single MPID Investor Tier 3 is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and rebates because it will continue to provide Members with an incentive to reach certain volume thresholds on the Exchange.

More specifically, the Exchange believes the proposed additional Single MPID Investor Tier is a reasonable means to encourage Members to increase their liquidity on the Exchange in order to meet the proposed criteria to receive the proposed enhanced rebates. The Exchange further believes that the proposed tier represents an equitable allocation of reasonable dues, fees, and other charges because the threshold necessary to achieve the tier encourages Members to add increased liquidity to the BZX and the Exchange believes the proposed enhanced rebates are commensurate with the proposed thresholds. The Exchange also believes that it is an equitable allocation of reasonable fees to offer a different enhanced rebate for Tape B securities as compared to Tape A and C securities under proposed Tier 3 of the Single MPID Investor Tiers. As described above, enhanced rebates are designed to incentivize increased liquidity on the Exchange, and the Exchange believes that the proposal to offer a higher enhanced rebate for Tape A and C securities will incentivize increased liquidity in Tape A and C securities specifically. Furthermore, the Exchange believes the proposed rebate for Tape B is sufficient to incentivize increased liquidity in those securities. The increased liquidity benefits all investors

by deepening the Exchange's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. The Exchange also believes that the proposed rebates are reasonable based on the difficulty of satisfying the tier's proposed criteria as compared to the existing Single MPID Investor Tiers, which provide equal or lower rebates for less stringent criteria. Furthermore, the Exchange believes that the proposed tier is not unfairly discriminatory as it applies to all Members that meet the required criteria.

Additionally, a number of Members have a reasonable opportunity to satisfy proposed Single MPID Investor Tier 3, which the Exchange believes is more stringent than existing Tier 1 and Tier 2. While the Exchange has no way of knowing whether this proposed rule change would definitively result in any particular Member qualifying for the proposed tier, the Exchange anticipates at least two Members to compete for and reasonably achieve the proposed tier; however, the proposed tier is open to any Member that satisfies the tier's criteria. The Exchange believes the proposed tier could provide an incentive for other Members to submit additional liquidity on the Exchange to qualify for the proposed enhanced rebate.

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 intramarket or intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe the proposed change to adopt a new Single MPID Investor Tier burdens competition, but rather, enhances competition as it is intended to increase the competitiveness of BZX by adopting an additional pricing incentive in order to attract order flow and incentivize participants to increase their participation on the Exchange.

As previously discussed, the Exchange operates in a highly competitive market. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. 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

 $^{^{10}}$ ADAV means average daily added volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis.

¹¹ TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

^{12 15} U.S.C. 78f.

^{13 15} U.S.C. 78f(b)(4) and (5).

small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 15% of the market share.14 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 offexchange 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." 15 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 brokerdealers 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'. . . .".16 Accordingly, the Exchange does not believe its proposed fee changes 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 17 and paragraph (f) of Rule 19b-4 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 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 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—CboeBZX-2021-045 on the subject line.

Paper Comments

• Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549-1090. All submissions should refer to File Number SR–CboeBZX–2021–045. 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-CboeBZX-2021-045, and should be submitted on or before July 15, 2021.

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

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–13243 Filed 6–23–21; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92204; File No. SR–CBOE–2021–029]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Increase Position Limits for Options on Certain Exchange-Traded Funds and an Exchange-Traded Note

June 17, 2021.

On April 21, 2021, Cboe Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") ¹ and Rule 19b–4 thereunder, ² a proposed rule change to increase position limits for options on certain exchange-traded funds and an exchange-traded note. The proposed rule change was published for comment in the **Federal Register** on May 10, 2021.³

Section 19(b)(2) of the Act ⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the

¹⁴ Supra note 3[sic].

¹⁵ See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

 ¹⁶ 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) (SR-NYSEArca-2006-21)).

^{17 15} U.S.C. 78s(b)(3)(A).

^{18 17} CFR 240.19b-4(f).

^{19 17} CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

 $^{^3\,}See$ Securities Exchange Act Release No. 91767 (May 4, 2021), 86 FR 25026.

^{4 15} U.S.C. 78s(b)(2).