


Table 2
FY 2019 Values of the Mailbox Monopoly-Sensitivity Analysis
(Base Case¹⁰-Parameters Held Constant While One Other Parameter Varies)

Discount	0 percent	5 percent	10 percent	15 percent	20 percent
Value	\$1.03 billion	\$0.99 billion	\$0.94 billion	\$0.89 billion	\$0.82 billion
Skimmed routes	62 percent	58 percent	53 percent	48 percent	43 percent

Days/week	1	2	3	4	5	6
Value	\$0.94 billion	\$0.44 billion	\$0.19 billion	\$0.12 billion	\$0.10 billion	\$0.09 billion
Skimmed routes	53 percent	19 percent	6 percent	3 percent	2 percent	2 percent

Cost Advantage	0 percent	10 percent	20 percent	30 percent
Value	\$0.83 billion	\$0.94 billion	\$1.04 billion	\$1.13 billion
Skimmed routes	44 percent	53 percent	63 percent	73 percent

Contestable Volume	50 percent	100 percent	150 percent
Value	\$0.23 billion	\$0.94 billion	\$1.81 billion
Skimmed routes	19 percent	53 percent	73 percent

 Denotes base case parameter value for the mailbox monopoly estimate.

Source: Commission analysis, Library Reference PRC-LR-PI2020-1-NP1.

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To test the sensitivity of the FY 2019 base case combined monopoly estimate, the value of the combined monopoly estimate is shown below in Table 2 for the full range of each parameter while holding the other variables to their base case values.

To the extent that the Commission's additional analysis and this information may affect comments already filed in this docket or create new areas of interest for parties, the Commission is opening up a second comment period. Interested persons are invited to comment on any or all aspects of existing and potential methodology changes. Comments are due March 26, 2021.

It is ordered:

¹⁰ The parameters for the base case of the mailbox monopoly model are that the entrant offers a 10 percent discount, has a 10 percent cost advantage, delivers 1 day a week, and potentially skims 100 percent of the eligible contestable mail on profitable routes.

1. The Commission provides notice of filing its Analysis of the Value of the Postal and Mailbox Monopolies in Library Reference PRC-LR-PI2020-1-NP1.

2. Interested persons may submit written comments on any or all aspects of the Commission's estimation methodology no later than March 26, 2021.

3. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Erica A. Barker,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91094; File No. SR-MEMX-2021-02]

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

February 10, 2021.

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 January 29, 2021, 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 Members³ (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 on February 1, 2021. 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.

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) increase the standard rebate for executions of orders (other than Retail Orders⁴) in securities priced at or above \$1.00 per share that add displayed liquidity to the Exchange; (ii) increase the standard rebate for executions of Retail Orders in securities priced at or above \$1.00 per share that add displayed liquidity to the Exchange; (iii) increase the standard fee for executions of orders in securities priced at or above \$1.00 per share that remove liquidity from the Exchange; and (iv) adopt a fee for executions of orders in securities priced below \$1.00 per share that are routed to and executed on an away

market and that remove liquidity from the market to which they are routed.

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 rebates/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 15% of the total market share of executed volume of equities trading.⁵ Thus, in such a low-concentrated and highly competitive market, no single equities trading venue possesses significant pricing power in the execution of order flow, and the Exchange currently represents less than 1% of the overall market share.⁶

Increased Standard Rebate for Added Displayed Volume

The Exchange proposes to increase the standard rebate provided for executions of orders (other than Retail Orders) in securities priced at or above \$1.00 per share that are displayed on the MEMX Book⁷ and add liquidity to the Exchange ("Added Displayed Volume"). Currently, the Exchange provides a standard rebate of \$0.0029 per share for executions of Added Displayed Volume. The Exchange now proposes to increase the standard rebate provided for executions of Added Displayed Volume to \$0.0034 per share.

Increased Standard Rebate for Added Displayed Retail Volume

The Exchange also proposes to increase the standard rebate provided for executions of Retail Orders in securities priced at or above \$1.00 per share that are displayed on the MEMX Book and add liquidity to the Exchange ("Added Displayed Retail Volume"). Currently, the Exchange provides a standard rebate of \$0.0034 per share for executions of Added Displayed Retail Volume. The Exchange now proposes to increase the standard rebate provided for executions of Added Displayed Retail Volume to \$0.0037 per share. As

a recent entrant in the equities market and to attract additional order flow to the Exchange to help it compete with other equities trading venues, the Exchange previously adopted a higher standard rebate for executions of Added Displayed Retail Volume relative to the standard rebate for executions of Added Displayed Volume to incentivize Members to submit additional order flow in the form of Retail Orders to the Exchange.⁸ The proposed increase rebate for executions of Added Displayed Retail Volume is designed to maintain a higher rebate for such orders relative to the standard rebate for Added Displayed Volume, which the Exchange is proposing to increase from \$0.0029 per share to \$0.0034 per share, as described above.

Increased Standard Fee for Removed Volume

The Exchange also proposes to increase the standard fee charged for executions of orders in securities priced at or above \$1.00 per share that remove liquidity from the Exchange ("Removed Volume"). Currently, the Exchange charges a standard fee of \$0.0025 per share for executions of Removed Volume. The Exchange now proposes to increase the standard fee charged for executions of Removed Volume to \$0.0026 per share.

Adoption of Standard Fee for Routed Removed Sub-Dollar Volume

Lastly, the Exchange proposes to adopt a standard fee for executions of orders in securities priced below \$1.00 per share that are routed to and executed on an away market and that remove liquidity from the market to which they are routed ("Routed Removed Sub-Dollar Volume"). Currently, the Exchange does not charge a fee or provide a rebate for executions of Routed Removed Sub-Dollar Volume. The Exchange now proposes to charge a standard fee of 0.30% of the total dollar value of each execution of Routed Removed Sub-Dollar Volume. The Exchange notes that the routing services offered by the Exchange and its affiliated broker-dealer are completely optional and market participants can readily select between various providers of routing services, including other exchanges and broker-dealers.

Additional Discussion

The purpose of the proposed increased standard rebates for executions of Added Displayed Volume

³ See Exchange Rule 1.5(p).

⁴ A "Retail Order" means an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. See Exchange Rule 11.21(a).

⁵ Market share percentage calculated month-to-date for January 2021 as of January 28, 2021. The Exchange receives and processes data made available through consolidated data feeds (*i.e.*, CTS and UTDF).

⁶ *Id.*

⁷ "MEMX Book" refers to the Exchange system's electronic file of orders. See Exchange Rule 1.5(q).

⁸ See Securities Exchange Act Release No. 90555 (December 3, 2020), 85 FR 79244 (December 9, 2020) (SR-MEMX-2020-14).

and Added Displayed Retail Volume is for business and competitive reasons, as the Exchange believes such increased rebates would incentivize Members to submit additional displayed liquidity-adding order flow (including both Retail Orders and non-retail orders) to the Exchange, which the Exchange believes would promote price discovery and price formation, provide more trading opportunities and tighter spreads, and deepen liquidity that is subject to the Exchange's transparency, regulation and oversight, thereby enhancing market quality to the benefit of all Members and investors.

The purpose of the proposed increased standard fee for executions of Removed Volume and the proposed adoption of a standard fee for executions of Routed Removed Sub-Dollar Volume is also for business and competitive reasons, as the Exchange believes such fees would generate additional revenue to offset some of the costs associated with the proposed increased rebates for executions of Added Displayed Volume and Added Displayed Retail Volume described above, and the Exchange's operations generally, in a manner that is consistent with the Exchange's overall pricing philosophy of encouraging added displayed liquidity. The proposed standard fee for executions of Routed Removed Sub-Dollar Volume is also intended to recoup some of the Exchange's costs associated with handling such orders, including the costs of operating the Exchange's affiliated routing broker-dealer and the applicable fees charged by the away market for removing liquidity, as the current pricing structure would require the Exchange to absorb all such costs.

The proposed rule change does not include different fees or rebates that depend on the amount of orders submitted to, and/or transactions routed or executed on or through, the Exchange or its affiliated routing broker-dealer. Accordingly, all fees and rebates described above are applicable to all Members, regardless of the overall volume of a Member's routing or trading activities on or through the Exchange or its affiliated routing broker-dealer.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁹ in general, and with Sections 6(b)(4) and (5) of the Act,¹⁰ in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and

other charges among its Members and other persons using its facilities and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

As discussed above, the Exchange operates in a highly fragmented and 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, and the Exchange represents only a small percentage of the overall market. The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. 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."¹¹

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 new or different pricing structures being introduced into the market. The Exchange also reiterates that the routing services offered by the Exchange and its affiliated broker-dealer are completely optional and that the Exchange operates in a highly competitive market in which market participants can readily select between various providers of routing services with different product offerings and different pricing. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to Added Displayed Volume, Added Displayed Retail Volume, Removed Volume and Routed Removed Sub-Dollar Volume, and market participants can readily trade on and/or utilize the routing services of competing venues if they deem pricing levels or product offerings at those other venues to be more favorable. The Exchange believes the proposed rule change reflects a reasonable and competitive pricing structure designed to incentivize market participants to add aggressively priced displayed liquidity and direct their order flow to the Exchange, which the Exchange believes would promote price

discovery and price formation, provide more trading opportunities and tighter spreads, and deepen liquidity that is subject to the Exchange's transparency, regulation and oversight, thereby enhancing market quality to the benefit of all Members and investors.

Increased Standard Rebate for Added Displayed Volume

The Exchange believes the proposed increased standard rebate for executions of Added Displayed Volume is reasonable, equitable and consistent with the Act because it is designed to incentivize Members to submit additional displayed liquidity-adding orders to the Exchange, which would enhance liquidity on the Exchange and promote price discovery and price formation. The Exchange further believes the proposed increased standard rebate is reasonable and appropriate because it is comparable to, and competitive with, the rebates provided by other exchanges for executions of liquidity-adding displayed non-retail orders in securities priced at or above \$1.00 per share.¹² However, the Exchange notes that certain of these exchanges provide a tiered pricing structure that provides a comparable rebate for executions of liquidity-adding displayed non-retail orders in securities priced at or above \$1.00 per share only when certain volume thresholds are met.¹³ The Exchange believes that, consistent with the Exchange's existing pricing structure, it is reasonable, equitable and not unfairly discriminatory to provide a higher rebate for executions of displayed orders that add liquidity than to non-displayed orders as this rebate structure is designed to incentivize Members to submit displayed orders to the Exchange, thereby contributing to price discovery and price formation, consistent with the overall goal of enhancing market quality. The

¹² See, e.g., the MIAx PEARL, LLC equities trading fee schedule on its public website (available at https://www.miaxoptions.com/sites/default/files/fee_schedule-files/MIAx_PEARL_Equities_Fee_Schedule_01012021.pdf), which reflects a standard rebate of \$0.0032 per share to add displayed liquidity in Tape A and Tape C securities priced at or above \$1.00 per share and a standard rebate of \$0.0035 per share to add displayed liquidity in Tape B securities priced at or above \$1.00 per share; the NYSE Arca, Inc. ("NYSE Arca") equities trading fee schedule on its public website (available at https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf), which reflects rebates up to \$0.0033 per share to add displayed liquidity in Tape A and Tape C securities priced at or above \$1.00 per share depending on the applicable tier and rebates up to \$0.0034 per share to add displayed liquidity in Tape B securities priced at or above \$1.00 per share depending on the applicable tier.

¹³ *Id.*

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(4) and (5).

¹¹ Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

Exchange further believes that this fee is equitably allocated and not unfairly discriminatory because it applies equally to all Members and, when coupled with lower fees for removing liquidity, is designed to facilitate increased activity on the Exchange to the benefit of all Members by providing more trading opportunities and promoting price discovery.

The Exchange notes that under this proposal the Exchange will continue to pay a higher rebate for Added Displayed Volume than the fee it charges for removing such volume, and as such the Exchange will continue to have a negative net capture (*i.e.*, will lose money) with respect to such transactions. The Exchange notes that, as a recent entrant in the equities market, it will only utilize a pricing structure whereby it maintains a negative net capture with respect to such transactions for a limited time in an effort to encourage market participants to join, connect to, and participate on the Exchange. As noted above, the Exchange operates in a highly competitive market, and the Exchange believes this pricing structure will enable it to effectively compete with other exchanges by attracting Members and order flow to the Exchange, which will help the Exchange to gain market share for executions. The Exchange expects to modify its pricing structure after it has gained sufficient participation from market participants and market share for executions to eliminate the negative net capture and instead be profitable with respect to such transactions.

Increased Standard Rebate for Added Displayed Retail Volume

Similarly, the Exchange believes the proposed increased standard rebate for executions of Added Displayed Retail Volume is reasonable, equitable and consistent with the Act because it is designed to incentivize Members to submit additional displayed liquidity-adding Retail Orders to the Exchange, which would enhance liquidity in Retail Orders on the Exchange and promote price discovery and price formation. The Exchange further believes the proposed increased standard rebate is reasonable and appropriate because it is comparable to, and competitive with, the rebates provided by other exchanges for executions of liquidity-adding displayed retail orders in securities priced at or above \$1.00 per share.¹⁴

¹⁴ See *e.g.*, the NYSE Arca equities trading fee schedule on its public website (available at https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Marketplace_Fees.pdf), which reflects

However, the Exchange notes that these exchanges provide a tiered pricing structure that provides a comparable rebate for executions of liquidity-adding displayed retail orders in securities priced at or above \$1.00 per share only when certain volume thresholds are met.¹⁵ The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to provide a higher rebate for executions of displayed Retail Orders that add liquidity than to non-displayed Retail Orders as this rebate structure is designed to incentivize Members to submit displayed orders to the Exchange, thereby contributing to price discovery and price formation, consistent with the overall goal of enhancing market quality.

The Exchange understands that Section 6(b)(5) of the Act¹⁶ prohibits an exchange from establishing rules that are designed to permit unfair discrimination between market participants. However, Section 6(b)(5) of the Act does not prohibit exchange members or other broker-dealers from discriminating, so long as their activities are otherwise consistent with the federal securities laws. While the Exchange believes that markets and price discovery optimally function through the interactions of diverse flow types, it also believes that growth in internalization has required differentiation of Retail Order flow from other order flow types. The differentiation proposed herein by the Exchange to maintain a higher rebate for Added Displayed Retail Volume relative to the standard rebate for Added Displayed Volume (*i.e.*, non-retail orders) is not designed to permit unfair discrimination, but instead to promote a competitive process around Retail Order executions such that retail investors would continue to receive better rebates on the Exchange than comparable non-retail orders in order to encourage entry of Retail Orders to the Exchange. Accordingly, the Exchange believes the proposed increased standard rebate for executions of Added Displayed Retail Volume is equitably allocated and not unfairly discriminatory.

rebates ranging from \$0.0033–\$0.0038 per share, depending on the applicable tier, for retail orders in securities priced at or above \$1.00 per share that add displayed liquidity; the Cboe EDGX Exchange, Inc. (“Cboe EDGX”) equities trading fee schedule on its public website (available at https://markets.cboe.com/us/equities/membership/fee_schedule/edgx/), which reflects rebates ranging from \$0.0032–\$0.0037 per share, depending on the applicable tier, for retail orders in securities priced at or above \$1.00 per share that add liquidity.

¹⁵ *Id.*

¹⁶ 15 U.S.C. 78f(b)(5).

Increased Standard Fee for Removed Volume

The Exchange believes the proposed increased standard fee for executions of Removed Volume is reasonable, equitable and consistent with the Act because it is designed to generate additional revenue to offset some of the costs associated with the proposed increased standard rebates for executions of Added Displayed Volume and Added Displayed Retail Volume in a manner that is consistent with the Exchange’s overall pricing philosophy of encouraging added displayed liquidity. The Exchange further believes this proposed standard fee is reasonable and appropriate because it represents a modest increase from the current fee and remains lower than or comparable to, and competitive with, the fees charged by other exchanges for executions of orders in securities priced at or above \$1.00 per share that remove liquidity.¹⁷ The Exchange further believes that this proposed standard fee is equitably allocated and not unfairly discriminatory because it will apply equally to all Members.

Adoption of Standard Fee for Routed Removed Sub-Dollar Volume

The Exchange believes the proposed adoption of a standard fee of 0.30% of the total dollar value of executions of Routed Removed Sub-Dollar Volume is reasonable, equitable and consistent with the Act because it is designed to generate additional revenue to offset some of the costs associated with the proposed increased standard rebates for executions of Added Displayed Volume and Added Displayed Retail Volume, as well as to recoup some of the Exchange’s costs associated with handling such orders, including the costs of operating the Exchange’s affiliated routing broker-dealer and the applicable fees charged by the away market for removing liquidity, as the current pricing structure would require the Exchange to absorb all such costs, in a manner that is consistent with the Exchange’s overall pricing philosophy of encouraging added displayed liquidity. The Exchange further believes this proposed standard fee is reasonable

¹⁷ See, *e.g.*, the Cboe EDGX equities trading fee schedule on its public website (available at https://markets.cboe.com/us/equities/membership/fee_schedule/edgx/), which reflects a standard fee of \$0.0027 per share to remove liquidity in securities priced at or above \$1.00 per share; The Nasdaq Stock Market LLC (“Nasdaq”) trading fee schedule on its public website (available at <http://www.nasdaqtrader.com/trader.aspx?id=pricelisttrading2>), which reflects a standard fee of \$0.0030 per share to remove liquidity in securities priced at or above \$1.00 per share.

and appropriate because it is identical to the fees charged by several other exchanges for executions of orders in securities priced below \$1.00 per share that are routed to and executed on an away market and that remove liquidity from the market to which they are routed.¹⁸ The Exchange further believes that this proposed standard fee is equitably allocated and not unfairly discriminatory because it will apply equally to all Members that choose to use the Exchange's routing services.

The Exchange also notes that the proposal does not include different fees or rebates that depend on the amount of orders submitted to, and/or transactions routed or executed on or through, the Exchange or its affiliated routing broker-dealer. Accordingly, the Exchange believes the proposed pricing changes are reasonable, equitable, and non-discriminatory as such changes are applicable to all Members, regardless of the overall volume of a Member's routing or trading activities on or through the Exchange or its affiliated broker-dealer.

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. Instead, as discussed above, the Exchange believes that the proposed changes would encourage the submission of additional order flow to the Exchange, thereby promoting market depth, enhanced execution opportunities, as well as price discovery and transparency for all Members. Furthermore, the Exchange believes that the proposed changes would allow the Exchange to continue to compete with other routing and execution venues by providing competitive pricing for transactions in Added Displayed Volume, Added

Displayed Retail Volume, Removed Volume, and Routed Removed Sub-Dollar Volume, thereby making it a desirable destination venue for its customers. As a result, the Exchange believes that the proposed change furthers 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."¹⁹

Intramarket Competition

The Exchange believes that the proposed changes would continue to incentivize market participants to direct order flow to the Exchange. Greater liquidity benefits all Members by providing more trading opportunities and encourages Members to send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all Members. The proposed fees and rebates for transactions in Added Displayed Volume, Added Displayed Retail Volume, Removed Volume, and Routed Removed Sub-Dollar Volume 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 such, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange operates in a highly competitive market with respect to execution and routing services. Members have numerous alternative venues that they may participate on and direct their order flow to, including 15 other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than approximately 15% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities trading venue possesses significant pricing power in the execution of order flow. Moreover, 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 new or different pricing structures being introduced into the market.

Additionally, market participants can readily select between various providers of routing services with different product offerings and different pricing. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to Added Displayed Volume, Added Displayed Retail Volume, Removed Volume, and Routed Removed Sub-Dollar Volume, and market participants can readily choose to send their orders to other exchange and off-exchange venues for execution and/or routing services if they deem fee levels or product offerings at those other venues to be more favorable. As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage certain order flow to be sent to the Exchange.

Additionally, 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."²⁰ The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition v. SEC*, 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'. . . ."²¹ 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.

²⁰ *Id.*

²¹ *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–NYSE–2006–21)).

¹⁸ See, e.g., the Cboe EDGX equities trading fee schedule on its public website (available at https://markets.cboe.com/us/equities/membership/fee_schedule/edgx/), which reflects a standard fee of 0.30% of the total dollar value of executions of routed orders in securities priced below \$1.00 per share that remove liquidity from the destination venue; the Cboe EDGA Exchange, Inc. equities trading fee schedule on its public website (available at https://markets.cboe.com/us/equities/membership/fee_schedule/edga/), which reflects a standard fee of 0.30% of the total dollar value of executions of routed orders in securities priced below \$1.00 per share that remove liquidity from the destination venue; the Nasdaq equities trading fee schedule on its public website (available at <http://www.nasdaqtrader.com/trader.aspx?id=pricelisttrading2>), which reflects a standard fee of 0.30% of the total dollar value of executions of routed orders in securities priced below \$1.00 per share that remove liquidity from the destination venue.

¹⁹ See *supra* note 11.

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)(ii) of the Act²² and Rule 19b-4(f)(2)²³ 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 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. Please include File Number SR-MEMX-2021-02 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-MEMX-2021-02. 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-MEMX-2021-02, and should be submitted on or before March 10, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

J. Matthew DeLesDernier,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-91098; File No. SR-DTC-2021-001]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Add New Fees for DTC's Money Market Instrument Program

February 10, 2021.

Pursuant to 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 February 1, 2021, The Depository Trust Company ("DTC") 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 DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(2) thereunder.⁴ The Commission is publishing this notice to

solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to amend the Guide to the DTC Fee Schedule⁵ ("Fee Guide") to add new fees within the Corporate Actions section,⁶ and specifically as that section relates to the DTC's Money Market Instrument program ("MMI Program"),⁷ as described in greater detail below.⁸

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(1) Purpose

The proposed rule change would amend the Fee Guide to add new fees within the Corporate Actions section,⁹ and specifically as that section relates to the MMI Program, as described below.

⁵ Available at <http://www.dtcc.com/-/media/Files/Downloads/legal/fee-guides/dtcfeeguide.pdf>.

⁶ See *id.* at 6-8.

⁷ Pursuant to the Rules, the term "MMI Program" means the Program for transactions in MMI Securities, as provided in Rule 9(C) and as specified in the Procedures. See Rule 1, *supra* note 1. Pursuant to the Rules, the term "MMI Securities" means an Eligible Security described in the second paragraph of Section 1 of Rule 5, that would, upon a determination of eligibility by the Corporation, be assigned an Acronym by DTC. *Id.* Under the Rules, MMI Securities are processed differently than other Securities. See Rule 9(C), *supra* note 1; and DTC Operational Arrangements (Necessary for Securities to Become and Remain Eligible for DTC Services), at 3, available at <http://www.dtcc.com/-/media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>. The Procedures applicable to settlement processing of MMI Securities are set forth in the DTC Settlement Service Guide ("Settlement Guide"), available at <http://www.dtcc.com/-/media/Files/Downloads/legal/service-guides/Settlement.pdf>.

⁸ Each capitalized term not otherwise defined herein has its respective meaning as set forth in the Rules, By-Laws and Organization Certificate of DTC (the "Rules"), available at http://dtcc.com/-/media/Files/Downloads/legal/rules/dtc_rules.pdf.

⁹ See *supra* note 5.

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(2).

²² 15 U.S.C. 78s(b)(3)(A)(ii).

²³ 17 CFR 240.19b-4(f)(2).