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–OCC–2023–005 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–OCC–2023–005. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of OCC and on OCC's website at *https://www.theocc.com/Company-Information/Documents-and-Archives/By-Laws-and-Rules48T.*

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–OCC–2023–005 and should be submitted on or before July 18, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2023–13560 Filed 6–26–23; 8:45 am]

BILLING CODE 8011–01–P

[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–97783; File No. SR–CboeEDGX–2023–041]

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Automated Price Improvement Auction Rules

June 21, 2023.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on June 13, 2023, Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''''EDGX'''') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(6) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'') proposes to amend its automated price improvement auction rules. 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/options/regulation/rule_filings/edgx/*), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

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

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

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

1. Purpose

The Exchange proposes to amend Rule 21.19 (Automated Price Improvement Mechanism (''AIM'' or ''AIM Auction'')) and Rule 21.22 (Complex Automated Improvement Mechanism (''C–AIM'' or ''C–AIM Auction'')) to modify the stop price requirements for auto-match orders submitted to AIM and C–AIM, respectively.

By way of background, Rules 21.19 and 21.22 contain the requirements applicable to the execution of orders using AIM and C–AIM, respectively. The AIM and C–AIM auctions are electronic auctions intended to provide an Agency Order with the opportunity to receive price improvement (over the National Best Bid or Offer (''NBBO'') in AIM, or the synthetic best bid or offer (''SBBO'') on the Exchange in C–AIM. Upon submitting an Agency Order into an AIM or C–AIM auction, the initiating Member (''Initiating Member'') must also submit a contra-side second order (''Initiating Order'') for the same size as the Agency Order. The Initiating Order guarantees that the Agency Order will receive an execution at no worse than the auction price (*i.e.,* acts as a stop). During an AIM or C–AIM Auction, market participants submit responses to trade against the Agency Order. At the end of an auction, depending on the contra-side interest available, the contra order may be allocated a certain percentage of the Agency Order.[5]

An Initiating Member may initiate an AIM or C–AIM auction provided that the Agency Order is in a class and of sufficient size as determined by the Exchange. Further, there are requirements regarding the price at which the Initiating Order must stop the entire Agency Order, set forth in Rule 21.19(b) for AIM Auctions and Rule 21.22(b) for C–AIM Auctions. Requirements for the stop price depend on the order submitted, but in general, the stop price must be either better than the then-current NBBO (SBBO) or, in some cases, at or better than the NBBO (SBBO).[6]

Further, under Rules 21.19(b)(4) and 21.22(b)(4), an Initiating Member, in entering the contra-side order, must either (1) specify a single price at which

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(6).

[5] *See generally* Rules 21.19(e) and 21.22(e).

[6] *See generally* Rules 21.19(b) and 21.22(b).

it seeks to execute the Agency Order against the Initiating Order, or (2) specify an initial stop price and instruction to automatically match the price and size of all AIM or C–AIM responses and other contra-side trading interest (''auto-match'') at each price up to a designated limit price or at all prices that improve the stop price. Currently, the System will reject or cancel both an Agency Order and Initiating Order submitted to an AIM or C–AIM Auction that does meet the eligibility requirements set forth in Rules 21.19(a) and 21.22(a), and the stop price requirements set forth in Rules 21.19(b) and 21.22(b).

The Exchange now proposes to amend Rule 21.19(b)(4) to state that, notwithstanding Rule 21.19(b)(1) through (3), if the initial stop price is worse than the then-current NBO (NBB) and auto-match was selected, the System changes the initial stop price for the Agency Order to be the then-current NBO (NBB) (or one minimum increment better than the then-current NBO (NBB) if the Agency Order is subject to the requirements set forth in Rules 21.19(b)(1)(A) or (b)(2). Similarly, the Exchange proposes to amend Rule 21.22(b)(4) to state that, notwithstanding Rule 21.22(b)(1) through (3), if the initial stop price is worse than the then-current SBO (SBB) and auto-match was selected, the System changes the initial stop price for the Agency Order to be the then-current SBO (SBB) (or one minimum increment better than the then-current SBO (SBB) if the Agency Order is subject to the requirements set forth in Rules 21.22(b)(1)(A), (b)(2), or (b)(3)(A). Under the proposed changes, the starting price (*i.e.,* stop price) of the auction would match the NBBO (for AIM Auctions) or SBBO (for C–AIM Auctions) at the time of auction commencement. The proposed changes would apply to all AIM and C–AIM users that select auto-match.

This change is designed to address situations where the NBBO or SBBO changes within the time that the User sends the order to the Exchange and the Exchange receives it, which may cause AIM and C–AIM orders to be cancelled. For example, assume a Member submits to AIM Auction an Agency Order to buy and an Initiating Order with a starting price of 1.25 and an auto-match limit of 1.10, and the then-current NBBO is 1.00–1.25. While in transit, the NBBO changes to 0.90–1.10. Under the current rules, the orders would be rejected, as the starting price (initial stop price) of 1.25 is now outside the current NBBO (even though the firm has designated an auto-match limit of 1.10, which is equal to the NBBO at the time the Exchange receives the order). Under the proposed rule, the orders would be accepted, and the auction starting price will be 1.10 (due to the NBBO change), and the auction would proceed pursuant to the remainder of the Rule.

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.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] 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)[9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed rule change will promote just and equitable principles of trade and protect investors. In particular, the Exchange believes that its proposal to allow an order with an initial stop price inferior to the then-current NBBO or SBBO to be submitted to AIM or C–AIM Auction if auto-match is selected will provide Agency Orders with additional opportunities for price improvement and execution. Specifically, the changes are designed to stop orders from being rejected from AIM and C–AIM Auctions in situations where an order may have an initial stop price that is inferior to the then-current NBBO or SBBO, despite the fact that the Initiating Member has, through its auto-match selection, demonstrated a willingness to execute against the Agency Order at a price that matches or improves upon the then-current NBBO or SBBO, as applicable. The Exchange believes the changes are consistent with the intended result of the stop price requirement, as the Initiating Member is effectively guaranteeing that the Agency Order will receive an execution at no worse than the auction price, which is at or better than the NBBO at the time the auction begins, via the auto-match mechanism.[10] As such, the Exchange believes the changes will preserve the quality of the auctions, while providing increased execution and price improvement opportunities for Agency Orders, which helps to perfect the mechanism of a free and open market and, in general, helps to protect investors and the public interest.[11]

The Exchange notes that the AIM and C–AIM Auctions generally deliver meaningful opportunities for price improvement to orders and provide an efficient manner of access to liquidity for customers. The Exchange believes that the proposed changes to these auctions will permit more Agency Orders to receive such meaningful opportunities, as intended, and ensure they are not inadvertently penalized by being rejected rather than auctioned if markets move during the order submission process, which ultimately benefits investors.

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. The Exchange does not believe the proposed rule change will impose any burden on intramarket competition because it will apply uniformly to all Agency Orders submitted into AIM and C–AIM Auctions and to all Members. Additionally, the Exchange notes that participation in the AIM and C–AIM auctions is completely voluntary. The Exchange believes all market participants may benefit from any additional liquidity, execution opportunities, and price improvement in the AIM and C–AIM Auctions that may result from the proposed rule change.

The Exchange does not believe the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act, as the proposed rule change relates to price requirements for an Exchange-specific auction mechanism and will continue to require auctions to start at

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(5).

[9] *Id.*

[10] Note, the proposed rule change continues to provide price improvement assurances for those for buy (sell) Agency Orders submitted for AIM Auction processing with less than 50 standard option contracts (or 500 mini-option contracts) and NBBO width of $0.01, pursuant to Rule 21.19(b)(1)(A), which remains unchanged.

[11] *See* supra note 10.

prices at or better than the NBBO at the start of the auction.[12]

Finally, the Exchange notes that it operates in a highly competitive market, and members have numerous alternative venues they may participate on and direct their order flow, including other options exchanges that have implemented similar electronic price improvement mechanisms with auto-match pricing. Participants can readily choose to send their orders to other exchanges if they deem those other venues to be more favorable.

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

Because the foregoing proposed rule change does not:

A. significantly affect the protection of investors or the public interest;

B. impose any significant burden on competition; and

C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act[13] and Rule 19b–4(f)(6)[14] 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 (*https://www.sec.gov/rules/sro.shtml*); or

• Send an email to *rule-comments@sec.gov.* Please include file number SR–CboeEDGX–2023–041 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–CboeEDGX–2023–041. 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–CboeEDGX–2023–041 and should be submitted on or before July 18, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

J. Matthew DeLesDernier,

Deputy Secretary.

[FR Doc. 2023–13559 Filed 6–26–23; 8:45 am]

BILLING CODE 8011–01–P

[12] *See* supra note 10.

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 17 CFR 240.19b–4(f)(6).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–97769; File No. SR–PEARL–2023–26]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Remove Additional Separate Maker Rebates in Non-Penny Classes From the MIAX Pearl Options Fee Schedule

June 20, 2023.

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 June 9, 2023, MIAX PEARL, LLC (''MIAX Pearl'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend the MIAX Pearl Options Fee Schedule (the ''Fee Schedule'').

The text of the proposed rule change is available on the Exchange's website at *http://www.miaxoptions.com/rule-filings/pearl* at MIAX Pearl's principal office, and at the Commission's Public Reference Room.

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

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

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

1. Purpose

The Exchange proposes to remove the additional separate rebates from Section

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

[2] 17 CFR 240.19b–4.