

approval of the Exchange's proposal to adopt its Program for a one-year pilot term.³ The exemption was granted coterminous with the effectiveness of the pilot Program; both the pilot Program and exemption are scheduled to expire on September 30, 2019.⁴

³ See *id.*

⁴ On March 19, 2015, the Exchange requested an extension of the exemption for the Program. See letter from Martha Redding, Senior Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated March 19, 2015. The pilot period for the Program was extended until September 30, 2015. See Securities Exchange Act Release No. 74572 (Mar. 24, 2015), 80 FR 16705 (Mar. 30, 2015) (SR-NYSEArca-2015-22).

On September 17, 2015, the Exchange requested another extension of the exemption for the Program. See letter from Martha Redding, Senior Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated September 17, 2015. The pilot period for the Program was extended until March 31, 2016. See Securities Exchange Act Release Nos. 75994 (Sept. 28, 2015), 80 FR 59834 (Oct. 2, 2015) (SR-NYSEArca-2015-84) and 77236 (Feb. 25, 2016), 81 FR 10943 (Mar. 2, 2016) (SR-NYSEArca-2016-30). On March 17, 2016, the Exchange requested another extension of the exemption for the Program. See letter from Martha Redding, Senior Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated March 17, 2016. The pilot period for the Program was extended until August 31, 2016. See Securities Exchange Act Release No. 77425 (Mar. 23, 2016), 81 FR 17523 (Mar. 29, 2016) (SR-NYSEArca-2016-47). On August 8, 2016, the Exchange requested another extension of the exemption for the Program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated August 8, 2016. The pilot period for the Program was extended until December 31, 2016. See Securities Exchange Act Release No. 78601 (Aug. 17, 2016), 81 FR 57632 (Aug. 23, 2016) (SR-NYSEArca-2016-113). On November 28, 2016, the Exchange requested another extension of the exemption for the program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated November 28, 2016. The pilot period for the Program was extended until June 30, 2017. See Securities Exchange Act Release No. 79495 (Dec. 7, 2016), 81 FR 90033 (Dec. 13, 2016) (SR-NYSEArca-2016-157). On May 23, 2017, the Exchange requested another extension of the exemption for the program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, to Brent J. Fields, Secretary, Commission, dated May 23, 2017. The pilot period for the Program was extended until December 31, 2017. See Securities Exchange Act Release No. 80851 (June 2, 2017), 82 FR 26722 (June 8, 2017) (SR-NYSEArca-2017-63). On November 30, 2017, the Exchange requested another extension of the exemption to the program. See Letter from Martha Redding, Assistant Secretary, NYSE, to Brent J. Fields, Secretary, Commission, dated November 30, 2017. The pilot period for the Program was extended until June 30, 2018. See Securities Exchange Act Release No. 82289 (December 11, 2017), 82 FR 59677 (December 15, 2017) (SR-NYSEArca-2017-137). On June 14, 2018, the Exchange requested another extension of the exemption for the Program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, NYSE to Brent J. Fields, Secretary, Commission, dated June 14, 2018. The pilot period for the Program was extended until December 31, 2018. See Securities Exchange Act Release No. 83538 (June 28, 2018), 83 FR 31210 (July 3, 2018) (SR-NYSEArca-2018-46). On November 30, 2018, the Exchange requested another extension of the

The Exchange now seeks to extend the exemptions until October 31, 2019.⁵ The Exchange's request was made in conjunction with an immediately effective filing that extends the operation of the Program through the same date.⁶ In its request to extend the exemption, the Exchange notes that the participation in the Program has increased more recently with additional Retail Liquidity Providers. Accordingly, the Exchange has asked for additional time to both allow for additional opportunities for greater participation in the Program and allow for further assessment of the results of such participation. For this reason and the reasons stated in the Order originally granting the limited exemptions, the Commission finds that extending the exemption, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.

Therefore, it is hereby ordered that, pursuant to Rule 612(c) of Regulation NMS, the Exchange is granted a limited exemption from Rule 612 of Regulation NMS that allows it to accept and rank orders priced equal to or greater than \$1.00 per share in increments of \$0.001, in connection with the operation of its Retail Liquidity Program, until October 31, 2019.

The limited and temporary exemption extended by this Order is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Securities Exchange Act of 1934. Responsibility for compliance with any applicable provisions of the Federal securities laws must rest with the persons relying on the exemptions that are the subject of this Order.

exemption for the Program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, NYSE to Brent J. Fields, Secretary, Commission, dated November 30, 2018. The pilot period for the Program was extended until June 30, 2019. See Securities Exchange Act Release No. 84773 (December 10, 2018), 83 FR 64419 (December 14, 2018) (SR-NYSEArca-2018-89). On June 19, 2019, the Exchange requested another extension of the exemption for the Program. See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, NYSE to Vanessa Countryman, Secretary, Commission, dated June 19, 2019. The pilot period for the Program was extended until September 30, 2019. See Securities Exchange Act Release No. 86198 (June 26, 2019), 84 FR 31648 (July 2, 2019) (SR-NYSEArca-2019-45).

⁵ See Letter from Martha Redding, Associate General Counsel and Assistant Secretary, NYSE to Vanessa Countryman, Secretary, Commission, dated September 26, 2019.

⁶ See SR-NYSEArca-2019-67.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Eduardo A. Aleman,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meetings

TIME AND DATE: 2:00 p.m. on Tuesday, October 8, 2019.

PLACE: The meeting will be held at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

STATUS: This meeting will be closed to the public.

MATTERS TO BE CONSIDERED:

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matters of the closed meeting will consist of the following topics:

- Institution and settlement of injunctive actions;
- Institution and settlement of administrative proceedings;
- Resolution of litigation claims;
- Regulatory matters regarding certain financial institutions; and
- Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

CONTACT PERSON FOR MORE INFORMATION:

For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

⁷ 17 CFR 200.30-3(a)(83).

Dated: October 1, 2019.

Vanessa A. Countryman,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-87143; File No. SR-
CboeEDGA-2019-014]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Suspension of and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change Amending the Fee Schedule Assessed on Members To Establish a Monthly Trading Rights Fee

September 27, 2019.

I. Introduction

On August 1, 2019, Cboe EDGA Exchange, Inc. (“EDGA” or the “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 (File Number SR-CboeEDGA-2019-014) to amend the EDGA fee schedule to establish a monthly Trading Rights Fee to be assessed on Members. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.³ The proposed rule change was published for comment in the **Federal Register** on August 20, 2019.⁴ The Commission has received one comment letter on the proposal, and one response letter from the Exchange.⁵ Under Section 19(b)(3)(C) of the Act,⁶ the Commission is hereby: (i) Temporarily suspending the proposed rule change; and (ii) instituting proceedings to determine whether to approve or disapprove the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to amend the Membership Fees section of the EDGA fee schedule to establish a monthly Trading Rights Fee, which would be assessed on Members that trade more than a specified volume in U.S. equities.⁷ Specifically, the Exchange proposes to charge Members a Trading Rights Fee of \$250 per month for the ability to trade on the Exchange.⁸ A Member would not be charged the monthly Trading Rights Fee if it qualifies for one of the following waivers: (1) The Member has a monthly ADV⁹ of less than 100,000 shares, or (2) a new Member is within the first three months of their membership.¹⁰

III. Suspension of the Proposed Rule Change

Pursuant to Section 19(b)(3)(C) of the Act,¹¹ at any time within 60 days of the date of filing of a proposed rule change pursuant to Section 19(b)(1) of the Act,¹² the Commission summarily may temporarily suspend the change in the rules of a self-regulatory organization (“SRO”) 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. As discussed below, the Commission believes a temporary suspension of the proposed rule change is necessary and appropriate to allow for additional analysis of the proposed rule change’s consistency with the Act and the rules thereunder.

The Exchange asserts that the proposed Trading Rights Fee “is reasonable because it will assist in funding the overall regulation and maintenance of the Exchange” and will contribute to “ensuring that adequate resources are devoted to regulation.”¹³ The Exchange also believes the

proposed fee is reasonable because it “represents a modest charge” applied to firms that “have chosen to become members of the Exchange,” and such firms consume more regulatory resources and “benefit from the Exchange’s regulatory efforts by having access to a well-regulated market.”¹⁴ The Exchange notes that its Regulatory Services Agreement (“RSA”) costs, which cover regulatory services in connection with market and financial surveillance, examinations, investigations, and disciplinary procedure, have increased 18.9%, while the Exchange’s overall regulatory costs have grown 115.1%, from 2016 to 2019.¹⁵ The Exchange also asserts that the proposed Trading Rights Fee is reasonable because the “cost of this membership fee is generally less than the analogous membership fees of other markets” and that a number of national securities exchanges currently charge similar Trading Rights fees to assist in funding their regulatory efforts.¹⁶

The Exchange states that it believes the proposed Trading Rights Fee is equitable and not unfairly discriminatory because it will apply equally to all Members that do not qualify for a waiver.¹⁷ The Exchange further asserts that the proposed fee is equitable and not unfairly discriminatory because it will “contribute to a portion of the costs incurred by the Exchange in providing its Members with an efficient and well-regulated market, which benefits all Members.”¹⁸

In regard to the proposed waivers pursuant to which Members would not be charged the Trading Rights Fee, the Exchange states that it believes that such waivers are reasonable.¹⁹ Specifically, the Exchange states that the proposed waiver for Members that trade less than a monthly ADV of 100,000 shares is reasonable because it would allow such smaller Members to continue to trade at a lower cost.²⁰ In addition, the Exchange states the waiver is reasonable because such firms consume fewer regulatory resources.²¹ The Exchange also asserts that the proposed ADV threshold of 100,000 is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ See Securities Exchange Act Release No. 86684 (August 14, 2019), 84 FR 43242 (“Notice”).

⁵ See Letters from: Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, dated September 12, 2019 (“SIFMA Letter”); Adrian Griffiths, Assistant General Counsel, Cboe, dated September 25, 2019 (“Exchange Response Letter”). Comment letters are available on the Commission’s website at: <https://www.sec.gov/comments/sr-cboeedga-2019-014/sr-cboeedga2019014.htm>.

⁶ 15 U.S.C. 78s(b)(3)(C).

⁷ See Notice, *supra* note 4, at 43242. The Commission notes that the Exchange’s affiliates, Cboe BYX Exchange, Inc., Cboe BZX Exchange, Inc., and Cboe EDGX Exchange, Inc., each also filed a proposed rule change to amend their fee schedules to establish a monthly Trading Rights Fee to be assessed on Members: CboeBYX-2019-013, CboeBZX-2019-072, and CboeEDGX-2019-050, respectively.

⁸ See *id.*

⁹ See *id.* “ADV” means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis. See *id.* at n.5.

¹⁰ See *id.* at 43242. For any month in which a firm is approved for Membership with the Exchange, the monthly Trading Rights Fee would be pro-rated in accordance with the date on which Membership is approved. See *id.* at 43243.

¹¹ 15 U.S.C. 78s(b)(3)(C).

¹² 15 U.S.C. 78s(b)(1).

¹³ See Notice, *supra* note 4, at 43243–44.

¹⁴ See *id.* at 43244.

¹⁵ See *id.*

¹⁶ See *id.* The Exchange notes, for example, that the Exchange’s proposed Trading Rights Fee of \$250 a month is “substantially lower” than the monthly \$1,250 Trading Rights Fee that Nasdaq assesses on its members. *Id.*

¹⁷ See *id.* at 43244.

¹⁸ See *id.*

¹⁹ See *id.* The Exchange also asserts that the waivers are equitable and not unfairly discriminatory in the Notice. See *id.*

²⁰ See *id.*

²¹ See *id.*