

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](mailto:rule-comments@sec.gov). Please include File Number SR-EMERALD-2019-11 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-EMERALD-2019-11. 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-EMERALD-2019-11 and should be submitted on or before April 10, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019-05215 Filed 3-19-19; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85319; File No. SR-CboeEDGA-2019-003]

### Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend the Fee Schedule Applicable to Members and Non-Members of the Exchange Pursuant to Exchange Rules 15.1(a) and (c)

March 14, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 1, 2019, Cboe EDGA Exchange, Inc. ("Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The 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 EDGA Exchange, Inc. (the "Exchange" or "EDGA") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule applicable to Members and non-Members of the Exchange pursuant to Exchange Rules 15.1(a) and (c). The text of the proposed rule change is attached as 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/edga/](http://markets.cboe.com/us/equities/regulation/rule_filings/edga/)), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

<sup>22</sup> 17 CFR 200.30-3(a)(12).

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

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

#### 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 add a second Add Volume Tier under footnote 7. The Exchange currently offers one Add Volume Tier, which provides a reduced fee of \$0.0026 per share for Members that add an ADAV<sup>3</sup> of greater than or equal to 0.10% of the TCV<sup>4</sup> for orders that add liquidity yielding fee codes 3,<sup>5</sup> 4,<sup>6</sup> B,<sup>7</sup> V,<sup>8</sup> or Y.<sup>9</sup> The Exchange now proposes to add a second Add Volume Tier, which will provide a reduced fee of \$0.0022 per share for Members that add an ADAV of greater than or equal to 0.45% of the TCV for orders that add liquidity yielding the applicable fee codes. The Exchange believes the proposed change will encourage Members to increase their liquidity on

<sup>3</sup> ADAV means average daily volume calculated as the number of shares added per day. ADAV is calculated on a monthly basis. See Exchange's fee schedule.

<sup>4</sup> 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. See Exchange's fee schedule.

<sup>5</sup> Fee code 3 is appended to displayed and non-displayed orders which add liquidity to pre and post market (Tape A or C) and are provided a rebate of \$0.0030 per share. Such orders are free for securities under \$1.00.

<sup>6</sup> Fee code 4 is appended to displayed and non-displayed orders which add liquidity to pre and post market (Tape B) and are provided a rebate of \$0.0030 per share. Such orders are free for securities under \$1.00.

<sup>7</sup> Fee code B is appended to displayed and non-displayed orders which add liquidity to Tape B and are provided a rebate of \$0.0030 per share. Such orders are free for securities under \$1.00.

<sup>8</sup> Fee code V is appended to displayed and non-displayed orders which add liquidity to Tape A and are provided a rebate of \$0.0030 per share. Such orders are free for securities under \$1.00.

<sup>9</sup> Fee code Y is appended to displayed and non-displayed orders which add liquidity Tape C and are provided a rebate of \$0.0030 per share for securities at or above \$1.00. Such orders are free for securities under \$1.00.

the Exchange and notes that other exchanges have similar volume tiers.<sup>10</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>11</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>12</sup> in particular, as 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. The Exchange also 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. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange.

The Exchange notes that volume-based discounts, such as Add Volume Tier 1 currently maintained on the Exchange, have been widely adopted by other exchanges 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 of an exchange's market quality; (ii) associated with 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. In particular, the Exchange believes the addition of a second Add Volume Tier under footnote 7 is reasonable because it provides Members an additional opportunity to receive a reduced rate for orders that add liquidity and is a reasonable means to encourage Members to increase their liquidity on the Exchange. The Exchange also notes that it is reasonable to offer incrementally increasing incentives in which the difficulty in achieving tier criteria also incrementally increases, which contributes to, and increases with, the continuous growth of the Exchange. The Exchange believes that the proposed additional tier deepens the Exchange's liquidity pool to the benefit of investors by encouraging more price competition and providing additional opportunities to trade. Additionally, the Exchange believes that the proposed tier represents an equitable allocation of reasonable dues, fees, and other charges because the

thresholds necessary to achieve the proposed Add Volume Tier 2 encourages Members to add additional liquidity to the Exchange. The Exchange further believes the proposed fee change is equitable and non-discriminatory because it applies uniformly to all Members that achieve the proposed Add Volume Tier 2 by executing a significant volume of liquidity providing orders on EDGA.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed changes represent a significant departure from previous pricing offered by the Exchange or from pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair competition. The Exchange believes that its proposal would not burden intramarket competition because the proposed rates would apply uniformly to all Members. The Exchange also notes that the proposed change discounts the fees for liquidity added to the Exchange, which is intended to draw additional liquidity to the Exchange to the benefit of all market participants.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

## 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<sup>13</sup> and paragraph (f) of Rule 19b-4<sup>14</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-CboeEDGA-2019-003 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-CboeEDGA-2019-003. 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-CboeEDGA-2019-003 and

<sup>10</sup> See e.g., Cboe BYX U.S. Equities Exchange Fee Schedule, Add/Remove Volume Tiers.

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(4).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f).

should be submitted on or before April 10, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019-05218 Filed 3-19-19; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85313; File No. SR-MRX-2019-05]

### Self-Regulatory Organizations; Nasdaq MRX, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to PIM Fees and Rebates

March 14, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 7, 2019, Nasdaq MRX, LLC (“MRX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the Pricing Schedule at Options 7, Section 3, entitled “Regular Order Fees and Rebates.”

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaqmrxcchwallstreet.com/>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

forth in sections A, B, and C below, of the most significant aspects of such statements.

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

##### 1. Purpose

The Exchange proposes to amend the Pricing Schedule at Options 7, Section 3, entitled “Regular Order Fees and Rebates” at Table 2 to (1) lower PIM Fees for Crossing Orders<sup>3</sup> for both Penny and Non-Penny Symbols provided certain criteria is met; and (2) increase the PIM rebate in Non-Penny Symbols Fees for Responses to Crossing Orders provided certain criteria is met. The Exchange will describe each amendment below.

##### PIM Fees for Crossing Orders

Today, MRX assesses an originating PIM Fee for Crossing Orders in Penny and Non-Penny Symbols of \$0.20 per contract for Market Maker,<sup>4</sup> Non-Nasdaq MRX Market Maker,<sup>5</sup> Firm Proprietary,<sup>6</sup> Broker-Dealer,<sup>7</sup> and Professional Customer<sup>8</sup> orders, and \$0.00 per contract for Priority Customer Orders.<sup>9</sup> MRX assesses a contra-side PIM Fee for Crossing Orders in all symbols of \$0.05 per contract. MRX proposes to offer market participants an opportunity to lower the contra-side Fee for Crossing Orders. Members that execute 10,000 PIM originating contracts or greater, per day, within a month will be assessed a contra-side Fee for Crossing Orders of

<sup>3</sup> A “Crossing Order” is an order executed in the Exchange’s Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism (“PIM”) or submitted as a Qualified Contingent Cross order. For purposes of this Pricing Schedule, orders executed in the Block Order Mechanism are also considered Crossing Orders.

<sup>4</sup> A “Market Maker” is a market maker as defined in Nasdaq MRX Rule 100(a)(30). Market Maker fees discussed in this section also apply to Market Maker orders sent to the Exchange by Electronic Access Members.

<sup>5</sup> A “Non-Nasdaq MRX Market Maker” is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

<sup>6</sup> A “Firm Proprietary” order is an order submitted by a Member for its own proprietary account.

<sup>7</sup> A “Broker-Dealer” order is an order submitted by a Member for a broker-dealer account that is not its own proprietary account.

<sup>8</sup> A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

<sup>9</sup> A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in Nasdaq MRX Rule 100(a)(37A).

\$0.02 per contract instead of the \$0.05 per contract fee.

The Exchange assesses Fees for Responses to Crossing Order of \$0.50 per contract in Penny Symbols and \$1.10 per contract in Non-Penny Symbols. These fees are not being amended with this proposal.

##### PIM Rebate

Today, MRX pays a rebate to an originating Priority Customer PIM Order that executes with a response (an order or quote), other than the PIM contra-side order, of \$0.40 per contract in Penny Symbols and \$1.00 per contract in Non-Penny Symbols. MRX proposes to offer market participants an opportunity to increase the PIM rebate for an originating Priority Customer PIM Order. Members that execute 10,000 PIM originating contracts or greater, per day, within a month will receive a rebate of \$1.05 per contract in Non-Penny Symbols instead of \$1.00 per contract.

The Exchange believes that this proposal will encourage Members to send additional PIM orders to MRX and cause the origination of PIM auctions. In turn the increased liquidity that may be obtained on MRX in PIM auctions will allow MRX Members the ability to interact with these orders by responding to PIM auctions.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>10</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>11</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that the proposed changes will attract PIM order flow to MRX, which will create trading opportunities on MRX which benefits all Members.

The Exchange believes that its proposal to assess contra-side PIM Orders a reduced Fee for Crossing Orders in both Penny and Non-Penny Symbols of \$0.02 per contract provided a Member executes 10,000 PIM originating contracts or greater, per day, within a month is reasonable because the Exchange proposes to encourage these market participants to submit a greater amount of order flow to the MRX PIM auction. The Exchange’s proposal

<sup>15</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(4) and (5).