



July 1, 2021

Via Electronic Mail

Vanessa Countryman
Secretary
U.S. Securities and Exchange Commission
100 F. Street, N.E.
Washington, D.C. 20549-1090

Re: File No. SR-BOX-2021-06

Dear Ms. Countryman:

BOX Exchange LLC (“BOX” or “Exchange”) is responding to the recently submitted comment letter by IMC Chicago, LLC d/b/a IMC Financial Markets (“IMC”) and Susquehanna International Group, LLP (“SIG”)¹ on the above-referenced proposed rule change that would establish a rulebook for the Boston Security Token Exchange (“BSTX”) as a new facility of the Exchange (“BSTX Rulebook Proposal”).² The Commission’s comment period relating the BSTX Rulebook Proposal ended on June 23, 2021. Despite IMC and SIG submitting their Letter after the Commission’s deadline, the Exchange is nonetheless responding.

In their Letter, IMC and SIG state that “[a]bsent confirmation that BOX will ensure that all co-location participants will enjoy the same opportunity for order execution regardless of their location in the data center relative to the BSTX matching engine, it raises a concern of unfair discrimination and inappropriate burdens on competition under the Securities Exchange Act of 1934 (the ‘Exchange Act’).” If IMC and SIG had wanted to contact the Exchange and BSTX about BSTX’s plans for equidistant cabling prior to submitting a comment letter to the Commission, the Exchange and BSTX would have been glad to confirm to them that BSTX will provide for equidistant cabling arrangements to ensure that all co-located BSTX Participants are on a level playing field in connecting to the BSTX matching engine. For the avoidance of doubt, the Exchange and BSTX are submitting this response letter to publicly confirm that BSTX does plan to have such equidistant cabling arrangements within the area of the datacenter that it controls, and it will make technical details regarding those arrangements available to prospective BSTX Participants in certain specification documents after approval of BSTX as a new facility of the Exchange.

The Exchange believes it is also appropriate to use this opportunity to clarify several factual points for IMC and SIG regarding BSTX. IMC and SIG indicate that the reason for their Letter stems from their understanding of today’s operation of BOX Options Market LLC (“BOX

¹ See Letter from Andrew Stevens, General Counsel, IMC and Richard McDonald, Compliance Coordinator, SIG to Vanessa Countryman, Secretary, Commission, re: File No. SR-BOX-2021-06 (June 28, 2021) (“Letter”).

² See Securities Exchange Act Release No. 92017 (May 25, 2021), 86 FR 29634 (June 2, 2021).



Options”) as a facility of the Exchange. BOX Options is an entirely separate facility of the Exchange with a separate ownership structure from BSTX. The ownership structure for BSTX and its proposed governance arrangements are detailed in a separate rule filing by the Exchange with the Commission. In addition, BSTX will use separate data center operations from BOX Options and BSTX and BOX Options will have different technology providers as distinct facilities of the Exchange. For these reasons the operations of BOX Options should not be conflated by IMC and SIG with the proposed operations of BSTX.

* * *

The Exchange appreciates the opportunity to respond to the Letter from IMC and SIG. For the reasons stated in the BSTX Rulebook Proposal and this response, the Exchange firmly believes that the Proposal must be approved because it is consistent with the applicable requirements of the Exchange Act, including under Sections 6(b)(5) and (8).

Pease feel free to contact us with any questions at [REDACTED]

Sincerely,

A handwritten signature in black ink that reads "L.J. Fall". The signature is written in a cursive, slightly slanted style.

Lisa J. Fall
President
BOX Exchange LLC