

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-81850; File No. SR-BOX-2017-31)

October 11, 2017

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule to Update Certain Fees Assessed Under Section VI.A (Connectivity Fees)

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 September 29, 2017, BOX Options Exchange LLC (the “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 Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule [sic] to amend the Fee Schedule to update certain fees assessed under Section VI.A (Connectivity Fees). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on October 2, 2017. The text of the proposed rule change is available from the principal office of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet website at <http://boxexchange.com>.

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 Fee Schedule for trading on BOX to update the connectivity fees that are assessed on market participants.

Section VI.A. of the BOX Fee Schedule "Connectivity Fees", was created to detail the fees applicable to market participants who connect to the BOX market network at Point of Presence ("PoP") sites. These sites are owned and operated by third-party external vendors, and the fees listed in this section are meant to encompass the fees that could be charged based on each market participant's particular configuration. BOX does not assess Connectivity Fees; these fees are assessed by the datacenters and are billed directly to the market participant. Connectivity fees can include one-time set-up fees and monthly fees charged by the third-party vendor in exchange for the services provided to the market participant.

The Exchange proposes to update the fees applicable for the datacenters where market participants may connect to the BOX network: NY4, owned and operated by Equinix; and 65

Broadway, owned and operated by 365 Main; and the connectivity fees applicable, depending upon connection type. Market participants are currently assessed the following fees when connecting to the BOX network:

<i>Connection Type</i>	NY4		65 Broadway	
	One-time set-up	Monthly	One-time set-up	Monthly
POTS	\$100	\$25	\$50	\$25
Ethernet	N/A	N/A	\$250	\$175
T1	\$500	\$100	\$250	\$175
Cat 5/6	\$500	\$245	\$250	\$175
COAX	\$500	\$245	\$250	\$200
Single & Multi Mode Fiber	\$500	\$350	\$500	\$250
Extended Cross Connect	\$1000	\$750	\$500	\$400
Intra-Customer Cross Connect	\$500	\$0	N/A	N/A

The Exchange proposes to remove the Extended Cross Connection Type for NY4 datacenter. Additionally, the Exchange proposes to amend the T1 monthly fee at NY4 from \$100 to \$245. As such, the fees will be as follows:

<i>Connection Type</i>	NY4		65 Broadway	
	One-time set-up	Monthly	One-time set-up	Monthly
POTS	\$100	\$25	\$50	\$25
Ethernet	N/A	N/A	\$250	\$175
T1	\$500	\$245	\$250	\$175
Cat 5/6	\$500	\$245	\$250	\$175
COAX	\$500	\$245	\$250	\$200
Single & Multi Mode Fiber	\$500	\$350	\$500	\$250
Extended Cross Connect	N/A	N/A	\$500	\$400
Intra-Customer Cross Connect	\$500	\$0	N/A	N/A

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section

6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes it is reasonable, equitable and not unfairly discriminatory to state that connectivity fees are assessed on all market participants that establish connections to BOX through a third-party and that these fees will be billed directly to the market participant. The Exchange believes that the proposed amendments to Section VI.A. of the Fee Schedule are reasonable as they simply reflect the fee changes made by the datacenters, changes which the Exchange has no control over.

Further, the Exchange believes that the proposed Connectivity Fees constitute an equitable allocation of fees, and are not unfairly discriminatory, as all similarly situated market participants are charged the same amount depending on the services they receive.

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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed amendments to the Fee Schedule will not impose a burden on competition among various Exchange Participants. The proposed change is designed to provide greater specificity and clarity within the Fee Schedule and does not place any Participants at a disadvantage compared to other Participants. Further, the Exchange does not believe this rule change will have an impact on intermarket competition.

⁵ 15 U.S.C. 78f(b)(4) and (5).

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

No written comments were either solicited or received.

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 Exchange Act⁶ and Rule 19b-4(f)(2) thereunder,⁷ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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 e-mail to rule-comments@sec.gov. Please include File Number SR-BOX-2017-31 on the subject line.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

⁷ 17 CFR 240.19b-4(f)(2).

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-BOX-2017-31. This file number should be included on the subject line if e-mail 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-BOX-2017-31, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Eduardo A. Aleman
Assistant Secretary

⁸ 17 CFR 200.30-3(a)(12).