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 May 11, 2018, 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 to on [sic] the BOX Market LLC (“BOX”) options facility. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet website at http://boxexchange.com.

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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 Section VI.B (Port Fees) of the BOX Fee Schedule. Specifically, the Exchange proposes to amend the SOLA® Access Information Language (“SAIL”) Port Fees on the Exchange. Currently, Market Makers are assessed a monthly fee of $1,000 for all Ports. The Exchange proposes to rename the “Market Maker” Port to “Market Making” Port. The Exchange notes that the monthly $1000 flat fee will remain for all Market Making Ports on the Exchange. Additionally, the Exchange proposes to rename “Other Participants” to “Order Entry.” With this change, all SAIL Ports used solely for order entry purposes will be charged $500 per month per Port for Ports 1-5 and $150 per month per additional Port, regardless of account type.

2. **Statutory Basis**

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

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5 While Market Makers on BOX currently connect to at least 16 SAIL Market Making Ports to satisfy their quoting requirements, the Exchange notes that the total number of SAIL Market Making Ports used varies based on the Market Maker. The Exchange believes that charging a flat fee for all market making Ports is reasonable and appropriate as the Exchange does not want to disincentivize Market Makers from quoting on BOX, regardless of how many Market Making Ports the Market Makers use.
6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act, 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 that the proposed changes are reasonable, equitable and not unfairly discriminatory. The Exchange recently established Port Fees for Participants. BOX Market Makers currently connect to a minimum of sixteen (16) SAIL Ports and pay a flat monthly fee for these connections. The Exchange now proposes to clarify that the current flat fee of $1,000 per month is for Ports used for market making purposes (i.e. quoting) only. As discussed above, the number of SAIL Port connections for market making purposes vary based on the Market Maker. The Exchange recognizes that the various BOX Market Makers may not need the same number of SAIL Port connections due to different technology architecture and trading systems. As such, the Exchange proposes the current flat fee of $1,000 for all Marketing Making SAIL Ports as to not disincentivize Market Makers from quoting on BOX.

Further, the Exchange proposes to rename the “Other Participants” Port to “Order Entry” Port. The Exchange believes that this change provides clarity with respect to the types of SAIL Ports in use. With this change, all Participants will be charged $500 per month per Port for Ports 1-5 and $150 per month per additional Port. The Exchange believes that this proposed change is equitable and not unfairly discriminatory as the Order Entry Port fees are assessed to all Participants that use SAIL for order entry on BOX, regardless of account type. Lastly, the Exchange believes that the proposed change is reasonable and appropriate as other exchanges in

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6 15 U.S.C. 78f(b)(4) and (5).
the industry assess market making port fees separate from order entry port fees.\textsuperscript{8}

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. Unilateral action by BOX in establishing fees for services provided to its Participants and others using its facilities will not have an impact on competition. As a small Exchange in the already highly competitive environment for options trading, BOX does not have the market power necessary to set prices for services that are unreasonable or unfairly discriminatory in violation of the Exchange Act. BOX’s proposed fees, as described herein, are comparable to and generally lower than fees charged by other options exchanges for the same or similar services. Lastly, the Exchange believes the proposed change will not impose a burden on intramarket competition as the proposed fees are applicable to all Participants who connect to BOX.

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

\textsuperscript{8} See Miami International Securities Exchange LLC (“MIX”) Fee Schedule. MIAIX charges its Market Makers monthly MEI Port Fees based on Market Maker Class Assignment. Additionally, they assess all Members (Market Makers included) FIX Port fees which allows such Members to enter orders on the exchange. Members are assessed $550 per month for the 1st FIX Port, $350 per month per Port for FIX Ports 2 through 5 and $150 per month per Port for additional FIX Ports over 5. See also Nasdaq Options Market (“NOM”) Fee Schedule. NOM also charges its Market Makers monthly Quote Port Fees based on number of Ports. They also assess an Order Entry Port Fee of $650 per month per mnemonic that Market Makers may also use if entering orders on the Exchange. BOX notes that the SAIL Port is slightly different than the above ports, as both Market Makers and other BOX Participants may connect through the SAIL Port to enter orders on the Exchange.
Exchange Act\(^9\) and Rule 19b-4(f)(2) thereunder,\(^{10}\) 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-2018-16 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-BOX-2018-16. 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

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\(^{10}\) 17 CFR 240.19b-4(f)(2).
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.

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-BOX-2018-16, 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.\textsuperscript{11}

Brent J. Fields
Secretary

\textsuperscript{11} 17 CFR 200.30-3(a)(12).