SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-84323; File No. SR-BOX-2018-33)

October 1, 2018

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule on the BOX Options Market LLC Facility to Revise Certain Qualification Thresholds and Fees in Sections I.B.1, Primary Improvement Order, and I.B.2, BOX Volume Rebate

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 20, 2018, BOX 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 on the BOX Market LLC ("BOX") options facility. Changes to the fee schedule pursuant to this proposal will be effective upon filing. 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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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).

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 on BOX. Specifically, the Exchange proposes to revise certain qualification thresholds and fees in Sections I.B.1 of the BOX Fee Schedule, Primary Improvement Order and I.B.2 of the BOX Fee Schedule, the BOX Volume Rebate ("BVR").

Primary Improvement Order

Under the tiered fee schedule for Primary Improvement Orders, the Exchange assesses a per contract execution fee to all Primary Improvement Order executions where the corresponding PIP or COPIP Order is from the account of a Public Customer. Percentage thresholds are calculated on a monthly basis by totaling the Initiating Participant's Primary Improvement Order volume submitted to BOX, relative to the total national Customer volume in multiply-listed options classes. The current tiered fee schedule for Primary Improvement Orders is as follows:

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Fee (All Account Types)
1	0.000% - 0.079%	$0.25
2	0.080% - 0.159%	$0.20
3	0.160% - 0.499%	$0.12
4	0.500% and Above	$0.02

The Exchange proposes to adjust the percentage thresholds in Tiers 1 through 4. Additionally, the Exchange proposes to decrease the fees associated with Tiers 2 and 3 from $0.20 to $0.12 and $0.12 to $0.07, respectively. The new tiered fee schedule for Primary Improvement Orders will be as follows:

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Fee (All Account Types)
1	0.000% - 0.049%	$0.25
2	0.050% - 0.129%	$0.12
3	0.130% - 0.449%	$0.07
4	0.450% and Above	$0.02

BVR

Next, the Exchange proposes to adjust certain percentage thresholds and fees within the BVR. Under the BVR, the Exchange offers a tiered per contract rebate for all Public Customer PIP Orders and COPIP Orders of 250 and under contracts that do not trade solely with their contra order. Percentage thresholds are calculated on a monthly basis by totaling the Participant's PIP and COPIP volume submitted to BOX, relative to the total national Customer volume in multiply-listed options classes. The current fee schedule for all Public Customer PIP and COPIP Order of 250 and under contracts that do not trade solely with their contra order is as follows:

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Rebate (All Account Types)	
		PIP	*COPIP*
1	0.000% to 0.159%	($0.00)	($0.00)
2	0.160% to 0.339%	($0.02)	($0.02)
3	0.340% to 0.499%	($0.04)	($0.04)
4	0.500% and Above	($0.11)	($0.08)

The Exchange proposes to adjust the percentage thresholds in Tiers 1 through 4. Additionally, the Exchange proposes to increase the per contract rebates in Tier 2, Tier 3 and Tier 4. Specifically, the Exchange proposes to increase the per contract rebate for Tier 2 to $0.05 from $0.02 for PIP and COPIP Orders. Further, the Exchange proposes to increase the rebates in Tier 3 to $0.08 from $0.04 for PIP and COPIP Orders. Lastly, the Exchange is proposing to increase the per contract rebate for COPIP Orders in Tier 4 to $0.11 from $0.08. The new fee schedule for all Public Customer PIP and COPIP Orders of 250 and under contracts that do not trade solely with their contra order will be as follows:

Tier	Percentage Thresholds of National Customer Volume in Multiply-Listed Options Classes (Monthly)	Per Contract Rebate (All Account Types)	
		PIP	*COPIP*
1	0.000% to 0.049%	($0.00)	($0.00)
2	0.050% to 0.299%	($0.05)	($0.05)
3	0.300% to 0.449%	($0.08)	($0.08)
4	0.450% and Above	($0.11)	($0.11)

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.

BOX believes it is reasonable, equitable and not unfairly discriminatory to adjust the volume based thresholds and fees within the BOX Fee Schedule. The volume thresholds with their tiered fees and rebates are meant to incentivize Participants to direct order flow to the Exchange to obtain the benefit of the lower fee or higher rebate, which in turn benefits all market participants by increasing liquidity on the Exchange.

The Exchange believes the proposed amendments to the Primary Improvement Order volume based thresholds are reasonable, equitable and not unfairly discriminatory. The proposed changes to the thresholds in Tiers 1 through 4 are equitable and not unfairly discriminatory as they are available to all BOX Participants that initiate Auction Transactions on the behalf of Public Customers, and Participants may choose whether or not to take advantage of the percentage thresholds and their applicable discounted fees. Further, the Exchange believes that the proposed changes to the thresholds in Tiers 1 through 4 are reasonable and competitive as they are intended to allow more Participants to qualify for the higher tiers, which the Exchange believes will incentivize Participants to direct order flow to the Exchange, in turn benefiting all market participants on the Exchange. The Exchange believes that the proposed amendments to

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[5] 15 U.S.C. 78f(b)(4) and (5).

the fees associated with Tiers 2 and 3[6] are reasonable and appropriate, as this Tiered Fee Schedule is in place to provide incentives to BOX Participants to submit their Public Customer Orders into the PIP for potential price improvement. These reduced fees combined with the lower threshold levels are meant to incentivize more Participants to submit Price Improvement Orders to the Exchange, which the Exchange believes will further incentivize Participants to direct order flow to the Exchange, in turn benefiting all market participants on the Exchange. The Exchange believes that the proposed thresholds and fees remain competitive when compared to the auction transaction fees on other exchanges.[7]

The Exchange also believes the proposed amendments to the BVR in Section I.B.2 of the BOX Fee Schedule are reasonable, equitable and not unfairly discriminatory. The BVR was adopted to attract Public Customer order flow to the Exchange by offering these Participants incentives to submit their Public Customer PIP and COPIP Orders to the Exchange and the Exchange believes it is appropriate to now amend the BVR. The Exchange believes it is equitable and not unfairly discriminatory to amend the BVR, as all Participants have the ability to qualify for a rebate, and rebates are provided equally to qualifying Participants. Other exchanges employ similar incentive programs;[8] and the Exchange believes that the proposed changes to the volume thresholds and fees are reasonable and competitive when compared to incentive structures at other exchanges. Finally, the Exchange believes it is reasonable and appropriate to continue to provide incentives for Public Customers, which will result in greater

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6 The Exchange notes that the fees in Tiers 1 and 4 are not being changed.

7 Comparative fees at other exchanges range from $0.02 to $0.20. See Section IV of the Phlx Pricing Schedule entitled "PIXL Pricing"; Nasdaq ISE LLC ("ISE") Schedule of Fees, Section I. Regular Order Fees and Rebates "Select Symbols."

8 See Section B of the Nasdaq Phlx LLC Pricing Schedule entitled "Customer Rebate Program" and Cboe Exchange Inc. ("Cboe") Volume Incentive Program (VIP).

liquidity and ultimately benefit all Participants trading on the Exchange.

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 is simply proposing to amend certain percentage thresholds and fees for Auction Transaction fees and rebates in the BOX Fee Schedule. The Exchange believes that the volume based rebates and fees increase intermarket and intramarket competition by incenting Participants to direct their order flow to the exchange, which benefits all participants by providing more trading opportunities and improves competition on the Exchange.

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 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.

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9 15 U.S.C. 78s(b)(3)(A)(ii).

10 17 CFR 240.19b-4(f)(2).

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-2018-33 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-2018-33. 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, D.C. 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-2018-33, 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.[11]

Eduardo A. Aleman
Assistant Secretary

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[11] 17 CFR 200.30-3(a)(12).