SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-83926; File No. SR-CboeBZX-2018-060)

August 23, 2018

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Amending the Fee Schedule to Eliminate Fee Code IX on Cboe BZX Exchange, Inc.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”), and Rule 19b-4 thereunder, notice is hereby given that on August 9, 2018, Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder, which renders it 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 Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the Exchange’s fee schedule applicable to its equities trading platform to eliminate fee code IX, which applies to orders routed to Investors Exchange LLC using the Exchange’s TRIM or TRIM2 routing strategies.

The text of the proposed rule change is available at the Exchange’s website at www.markets.cboe.com, at the principal office of the Exchange, and at the Commission’s Public

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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 parts of such statements.

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

1. Purpose

The purpose of the proposed rule change is to amend the Exchange’s fee schedule applicable to its equities trading platform (“BZX Equities”) to eliminate fee code IX, which applies to orders routed to Investors Exchange LLC (“IEX”) using the Exchange’s TRIM or TRIM2 routing strategies. Currently, the fee schedule provides that orders routed to IEX using the TRIM or TRIM2 routing strategies are charged a fee of $0.0010 per share under fee code IX. In May 2018, the Exchange removed IEX from the System routing table for its TRIM and TRIM2 routing strategies, which are designed to route to low cost away markets, due to

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5 IX is associated with order [sic] routed to IEX using TRIM or TRIM2 routing strategy.
6 TRIM and TRIM2 are both routing options under which an order checks the System for available shares and then is sent to destinations on the applicable System routing table. See Rule 11.13(b)(3)(G).
7 The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. See Rule 11.13(b)(3). Rule 11.13(b)(3) permits the Exchange to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice.
increased costs associated with routing to IEX. Since IEX is no longer considered as a potential routing destination for those strategies, the Exchange proposes to eliminate fee code IX. Orders routed to IEX using other routing strategies will not be impacted by this proposed rule change and will continue to be charged the same rates as in place today.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act\(^8\) in general, and furthers the objectives of Section 6(b)(5) of the Act\(^9\) in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed change to eliminate fee code IX is consistent with the public interest and the protection [sic] investors as this is a non-substantive change being made because the Exchange no longer routes to IEX using the routing strategies specified in that fee code. The Exchange had previously routed orders to IEX using the TRIM and TRIM2 order routing strategies, which are designed to route to low cost venues, but recently stopped doing so due to increased routing costs associated with trading on IEX. As such, the Exchange believes that updating the fee schedule to reflect that these two routing strategies are not available for routing to IEX will increase transparency around the operation of the Exchange to the benefit of Members and investors. Because the proposed changes apply only to a fee code that is no longer in use on the Exchange, the proposed rule change will have no impact on the

transaction fees actually assessed to Members.

(B) **Self-Regulatory Organization’s Statement on Burden on Competition**

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed rule change eliminates a fee code that is no longer in use by the Exchange due to the fact that IEX is no longer an eligible destination for the TRIM and TRIM2 routing strategies. As the proposed rule change only makes a non-substantive change to retire a fee code that is not currently in use, the Exchange believes that it will not cause any significant burden on competition.

(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**

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act\(^\text{10}\) and Rule 19b-4(f)(6) thereunder.\(^\text{11}\)


\(^\text{11}\) 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.
A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act\textsuperscript{12} normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)\textsuperscript{13} permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposed rule change may become operative immediately upon filing. The Exchange notes that waiver of the operative delay would allow it to immediately remove an outdated fee code from its fee schedule, the elimination of which would ensure that the fee schedule properly reflects the routing strategies currently available for routing to IEX. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed rule change is designed to increase transparency around the operation of the Exchange and the routing strategies that it provides. Accordingly, the Commission hereby waives the operative delay and designates the proposal operative upon filing.\textsuperscript{14}

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 change should be approved or disapproved.

\textsuperscript{12} 17 CFR 240.19b-4(f)(6).
\textsuperscript{13} 17 CFR 240.19b-4(f)(6)(iii).
\textsuperscript{14} For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal 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-CboeBZX-2018-060 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-CboeBZX-2018-060. 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 am and 3:00 pm. Copies of such filing will also 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-CboeBZX-2018-060 and should be submitted on or before [_______21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\textsuperscript{15}

Eduardo A. Aleman
Assistant Secretary

\footnotesize{\textsuperscript{15} 17 CFR 200.30-3(a)(12).}