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 email to rule-comments@sec.gov. Please include File Number SR–ISE–2018–24 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–ISE–2018–24. This file number should be included on the subject line if email 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 the 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–ISE–2018–24, and should be submitted on or before May 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 13

Eduardo A. Aleman,
Assistant Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**


**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the NYSE Arca Options Fee Schedule With Respect to the Options Regulatory Fee**

April 4, 2018.

Pursuant to Section 19(b)(1) 1 of the Securities Exchange Act of 1934 (the “Act”) 2 and Rule 19b–4 thereunder, 3 notice is hereby given that, on March 23, 2018, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 proposes to amend the NYSE Arca Options Fee Schedule (“Fee Schedule”) by modifying the description of the Options Regulatory Fee (“ORF”). The proposed rule change is available on the Exchange’s website at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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 self-regulatory organization 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 those 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.

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the firm that clears the transaction on its behalf are non-OTP Holders. The Exchange proposes to modify the Fee Schedule to make clear that it does not assess the ORF on outbound linkage trades. "Linkage trades" are tagged in the Exchange's system, so the Exchange can distinguish them from other trades. A customer order routed to another exchange results in two customer trades, one from the originating exchange and one from the recipient exchange. Charging ORF on both trades could result in double-billing of ORF for a single customer order, thus the Exchange will not assess ORF on outbound linkage trades in a linkage scenario.

To further streamline the Fee Schedule, the Exchange also proposes to delete superfluous and obsolete references to long-past effective dates. Specifically, the Exchange proposes to delete references to the effective dates of December 1, 2012 and February 3, 2014, which would add clarity and transparency to the Fee Schedule. In addition, the Exchange proposes to define the Options Regulatory Fee as the ORF and to utilize this shorthand reference in the description of this fee. The Exchange notes that the ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of OTP Holder Customer transactions, including performing routine surveillances and investigations, as well as policy, rulemaking, interpretive, and enforcement activities. The Exchange monitors the amount of revenue collected from the ORF to ensure that this revenue, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange believes that specifying that OCC files are used to determine the operation of the ORF, nor does it alter the per contract rate of the ORF. The Exchange believes that the ORF would add clarity and transparency to the Fee Schedule.

The Exchange believes it is reasonable, equitable and not unfairly discriminatory to opt to not to assess and collect the ORF when neither the executing firm nor the CMTA (clearing) firm is an OTP Holder because such entities are not members of the Exchange. Although the Exchange believes that its broad regulatory responsibilities would support applying the ORF to transactions that are executed (even if not ultimately cleared) by an OTP Holder, because its regulatory responsibilities are the same regardless of whether an OTP Holder executes a transaction or clears a transaction, at this time the Exchange imposes the ORF solely on transactions ultimately cleared by OTP Holders.

The Exchange believes that the ORF is equitable and not unfairly discriminatory because it is assessed to all OTP Holders on all their transactions that clear as customer at the OCC. The Exchange believes it is appropriate to assess the ORF only to transactions that clear as customer at the OCC because regulating OTP Holders' customer trading activity is more labor intensive.
and requires greater expenditure of human and technical resources than regulating OTP Holders' non-customer trading activity. The Exchange believes the ORF is designed to be fair by assessing fees to those OTP Holders that require more Exchange regulatory services based on the amount of customer options business they conduct.

The Exchange believes it is reasonable, equitable and nondiscriminatory to not impose the ORF on outbound linkage trades. Linkage trades are tagged in the Exchange's system, so the Exchange can distinguish them from other trades. A customer order routed to another exchange results in two customer trades, one from the originating exchange and one from the recipient exchange. Charging ORF on both trades could result in double-billing of ORF for a single customer order, thus the Exchange will not assess ORF on outbound linkage trades in a linkage scenario.

The Exchange believes that the proposal deleting outdated reference to long-past effective dates and removing the word "indirectly" is reasonable as it would streamline the Fee Schedule by removing superfluous language thereby making the Fee Schedule easier for market participants to navigate.

The ORF is designed to recover a material portion of the costs to the Exchange of the supervision and regulation of OTP Holder customer options business, including performing routine surveillances and investigations, as well as policy, rulemaking, interpretive, and enforcement activities. The Exchange monitors the amount of revenue collected from the ORF to ensure that this revenue, in combination with other regulatory fees and fines, does not exceed regulatory costs. The Exchange has designed the ORF to generate revenues that, when combined with all of the Exchange's other regulatory fees, would be less than or equal to the Exchange's regulatory costs, which is consistent with the view of the Securities and Exchange Commission ("Commission") that regulatory fees be used for regulatory purposes and not to support the Exchange's business side. In this regard, the Exchange believes that the ORF is reasonable.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not intended to

address any competitive issues but rather to provide more clarity and transparency regarding how the Exchange assesses and collects the ORF. The Exchange believes any burden on competition imposed by the proposed rule change is outweighed by the need to help the Exchange adequately fund its regulatory activities to ensure compliance with the Exchange Act.

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

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A) 15 of the Act and subparagraph (f)(2) of Rule 19b–4 16 thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) 17 of the Act to determine whether the proposed rule change 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 email to rule-comments@sec.gov. Please include File No. SR–NYSEArca–2018–19 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 No. SR–NYSEArca–2018–19. This file number should be included on the subject line if email 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 the 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 No. SR–NYSEArca–2018–19, and should be submitted on or before May 1, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 18

Eduardo A. Aleman, Assistant Secretary.

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SEcurities AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Chapter IV of the Exchange's Schedule of Fees

April 4, 2018.