

continued listing requirements and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If the Fund or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

This approval order is based on all of the Exchange's statements and representations, including those set forth above and in Amendment No. 2 to the proposed rule change.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Act<sup>52</sup> and Section 11A(a)(1)(C)(iii) of the Act<sup>53</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Solicitation of Comments on Amendment No. 2 to the Proposed Rule Change

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 2 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](mailto:rule-comments@sec.gov). Please include File Number SR-CboeBZX-2017-023 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-2017-023. 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-CboeBZX-2017-023, and should be submitted on or before May 4, 2018.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 2

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 2, prior to the thirtieth day after the date of publication of notice of the filing of Amendment No. 2 in the **Federal Register**. The Commission notes that Amendment No. 2 clarified the application of Exchange Rule 14.11(i) to the Fund's investments. Amendment No. 2 also provided other clarifications and additional information to the proposed rule change. The changes and additional information in Amendment No. 2 assisted the Commission in finding that the proposal is consistent with the Act. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>54</sup> to approve the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>55</sup> that the proposed rule change (SR-CboeBZX-2017-023), as modified by Amendment No. 2 be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>56</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2018-07670 Filed 4-12-18; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>54</sup> 15 U.S.C. 78s(b)(2).

<sup>55</sup> *Id.*

<sup>56</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83016; File No. SR-Phlx-2018-26]

### Self-Regulatory Organizations; Nasdaq PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Pricing Schedule

April 9, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 27, 2018, Nasdaq PHLX LLC ("Phlx" or "Exchange") 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 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 Sections VIII, X, and XI of the Exchange's Pricing Schedule, as described below.

The text of the proposed rule change is available on the Exchange's website at <http://nasdaqphlx.cchwallstreet.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 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 several sections of its Pricing Schedule to harmonize its colocation,

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>52</sup> 15 U.S.C. 78f(b)(5).

<sup>53</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

connectivity, and direct connectivity services and fees with the rules of Nasdaq BX, Inc. (“BX”). The Exchange also proposes to update or eliminate certain obsolete or extraneous language from its Pricing Schedule.

The Exchange, along with its sister exchanges, BX, The Nasdaq Stock Market LLC (“Nasdaq”), Nasdaq ISE, LLC (“Nasdaq ISE”), Nasdaq MRX, LLC (“Nasdaq MRX”), and Nasdaq GEMX, LLC (“Nasdaq GEMX”) (collectively, the “Nasdaq, Inc. Exchanges”), offer certain colocation, connectivity, and direct connectivity services to their customers on a shared basis, meaning that a customer may utilize these services to gain access to any or all of the Nasdaq, Inc. Exchanges. The Nasdaq, Inc. Exchanges only charge customers once for these shared services, even to the extent that customers use the services to connect to more than one of the Nasdaq, Inc. Exchanges.

The amendments that the Exchange proposes herein are intended principally to ensure that the shared services that the Exchange offers, and the fees that it charges for such services, are uniform across the Nasdaq, Inc. Exchanges’ rulebooks and reflect relevant changes that have been made already to the rules of BX. The amendments also update or remove certain language from the Exchange’s Pricing Schedule that refers to obsolete terms or expired time-limited programs or that is otherwise extraneous.

The first amendment that the Exchange proposes is to Section VIII of its Pricing Schedule, entitled “NASDAQ PSX FEES.” The Exchange proposes to amend the text under the heading “Testing Facilities” to eliminate extraneous provisions that were inadvertently and erroneously included in the Rule but have no intended meaning or purpose there. These provisions are subsections (b) and (c). Subsection (b) defines terms, specifically “Active Connection,” “Idle Connection,” and “Period of Inactivity,” that are not utilized elsewhere in the Rule. Subsection (c) lists exceptions to the testing fees and these exceptions are not applicable to the Exchange’s Test Facility. The Exchange proposes that existing subsection (d) be renumbered as new subsection (b). The Exchange also proposes that new subsection (b) delete reference to an obsolete waiver of installation fees for installations ordered prior to March 2014. Furthermore, the Exchange proposes to remove obsolete references to the Exchange having two testing environments—one located in Carteret, New Jersey and another located in Ashburn, Virginia—because the Ashburn environment has been

decommissioned. Lastly, the Exchange proposes to specify that connectivity to the Exchange’s testing facility will also provide for connectivity to the testing facilities of any or all of the other Nasdaq, Inc. Exchanges, including those of not only Nasdaq and BX, but also Nasdaq ISE, Nasdaq MRX, and Nasdaq GEMX.<sup>3</sup>

Second, the Exchange proposes to amend Section X, which lists the schedule of fees that the Exchange charges for colocation services, to harmonize that schedule with BX Rule 7034. The proposed changes are as follows:

- The Exchange proposes to amend Section X(a), under the heading “Cabinet with Power,” to update the installation and monthly fees it charges to customers to rent powered cabinet space in its colocation facilities. The proposed changes are as follows: (i) For super high density cabinets, the Exchange proposes to decrease its installation fee from \$7,000 to \$4,500 and its monthly fee from \$13,000 to \$8,000; (ii) for high density cabinets, it proposes to decrease its monthly fee from \$7,000 to \$4,500; (iii) for medium-high density cabinets, it proposes to decrease its monthly fees from \$6,000 to \$3,500; (iv) for medium density cabinets, it proposes to decrease its monthly fees from \$5,000 to \$2,500; (v) for low density cabinets, it proposes to decrease its monthly fees from \$4,000 to \$2,000; and (vi) for half cabinets, it proposes to decrease its monthly fees from \$3,000 to \$2,000. These changes will render this subsection of the Pricing Schedule consistent with BX Rule 7034(a).

- The Exchange proposes to amend Section X(a) to remove the paragraph entitled “Temporary Fee Reduction for Cabinets with Power,” as this fee reduction program has expired.

- The Exchange proposes to amend Section X(a), under the heading “Multi-Firm Cabinet Charge,” to state that the additional charge is per cabinet, per firm, which will render this provision consistent with a corresponding provision in Nasdaq Rule 7034(a).

- The Exchange proposes to amend Section X(b), under the heading “External Telco/Inter-Cabinet Connectivity,” to update the monthly fees it charges for external telecommunications and inter-cabinet connectivity, as follows: (i) for a category 6 cable patch, a DS-3 connection, and a fiber connection, the Exchange proposes to increase its monthly fees from \$300 to \$350; and (ii)

<sup>3</sup> The Exchange proposes to amend Section VII.E of the Pricing Schedule to make a similar change.

for a POTS Line, the Exchange proposes to increase the monthly fee from \$0 to \$50. These changes will render this paragraph of the Pricing Schedule consistent with a corresponding paragraph in BX Rule 7034(b).

- The Exchange proposes to amend Section X(b), under the heading “Connectivity to Phlx,” to update the fees it charges for fiber connectivity to the Exchange, as follows: (i) For a 10Gb fiber connection to the Exchange, the Exchange proposes to increase the monthly fee from \$5,000 to \$10,000; (ii) for a 40Gb fiber connection to the Exchange, it proposes to increase the monthly fee from \$15,000 to \$20,000; (iii) for a 1Gb fiber connection to the Exchange, it proposes to increase the monthly fee from \$1,000 to \$2,500; (iv) for a 1Gb copper connection to the Exchange, it proposes to increase the monthly fee from \$1,000 to \$2,500; (v) the Exchange proposes to add a 1Gb Ultra fiber connection to the Exchange for an installation fee of \$1,500 and a monthly fee of \$2,500; and (vi) the Exchange proposes to remove obsolete language regarding an expired fee waiver program. These changes will render this paragraph of the Pricing Schedule consistent with corresponding paragraphs in BX Rule 7034(b). The Exchange also proposes an amendment to this provision to specify that connectivity to the Exchange will also provide for connectivity to any or all of the other Nasdaq, Inc. Exchanges, including not only to Nasdaq and BX, but also to Nasdaq ISE, LLC, Nasdaq MRX, LLC, and Nasdaq GEMX, LLC. This proposal mirrors existing language in Rule BX Rule 7034(b).

- The Exchange proposes to amend Section X(b) to add a new paragraph under a heading entitled “Connectivity to Third Party Services.” This proposed paragraph will provide for connectivity via colocation to market data feeds from other markets and exchanges,<sup>4</sup> Securities Information Processors (“SIPs”)<sup>5</sup> data, and other non-exchange services. The proposed connectivity and associated fees are as follows: (i) For a 10Gb Ultra fiber connection, the Exchange proposes to charge a \$1,500

<sup>4</sup> For example, Third Party Connectivity will support connectivity to the FINRA/Nasdaq Trade Reporting Facility, BZX and BYX Depth Feeds, and NYSE Feeds. A customer must separately subscribe to the third party services to which it connects with a Third Party Connectivity subscription.

<sup>5</sup> The SIPs link the U.S. markets by processing and consolidating all protected bid/ask quotes and trades from every registered exchange trading venue and FINRA into a single data feed, and they disseminate and calculate critical regulatory information, including the National Best Bid and Offer, Limit Up Limit Down price bands, short sale restrictions and regulatory halts.

installation fee and an ongoing monthly fee of \$5,000; (ii) for a 1Gb Ultra fiber connection, it proposes to charge a \$1,500 installation fee and an ongoing monthly fee of \$2,000; and (iii) for a 1Gb Ultra or a 10Gb Ultra connection for UTP only, it proposes to charge a \$100 installation fee and an ongoing monthly fee of \$100. All of the foregoing fees will be waived for two connections per client to UTP SIP feeds only (UQDF and UTRF). The Exchange notes that the proposed paragraph parallels BX Rule 7034(b).

- The Exchange proposes to amend Section X(b), under the heading “Market Data Connectivity,” to add prefatory language that exists in the analogous portion of BX Rule 7034(b). The language merely notes that the Market Data feeds listed in the provision are delivered to the Nasdaq Data Center via a fiber optic network. Additionally, the Exchange proposes to re-categorize and update the names of the certain CBOE/Bats/Direct Edge data feeds because the names listed in the current Pricing Schedule are obsolete. Similarly, the Exchange proposes to delete a \$1,000 installation fee that presently applies to the Direct Edge feeds because the Direct Edge feeds are now offerings of CBOE, along with the BZX and BYX feeds. Going forward, a single, one-time \$1,000 installation fee will apply to subscribers to any or all of the CBOE data feeds. Finally, the Exchange proposes to delete from the asterisked footnote to this paragraph the word “telco” from the phrase “Pricing is for telco connectivity only.” These proposals will render this paragraph consistent with corresponding text in BX and Nasdaq Rules 7034(b).

- The Exchange proposes to amend Section X(b) to add a new paragraph that will provide for multicast market data feeds from other markets to be delivered to the Nasdaq Data Center via wireless microwave or millimeter wave networks. The Exchange notes that Nasdaq already provides such data feeds to its customers. The proposed data feeds, and their corresponding installation and monthly fees, are as follows: (i) NYSE Equities (Arca Integrated), for an installation fee of \$5,000 and a monthly fee of \$10,000; (ii) NYSE Equities (NYSE Integrated), for an installation fee of \$5,000 and a monthly fee of \$10,000; (iii) BATS Multicast PITCH (BZX and BYZ), for an installation fee of \$2,500 and a monthly fee of \$7,500; (iv) Direct EDGE Depth of Book (EDGA, EDGX), for an installation fee of \$2,500 and a monthly fee of \$7,500; (v) CME Multicast Total (including CME Equities Futures Data, CME Fixed Income Futures Data, and

CME Metal Futures Data), for an installation fee of \$5,000 and a monthly fee of \$23,500; (vi) CME Equities Futures Data Only, for a \$5,000 installation fee and a monthly fee of \$10,000; (vii) CME Fixed Income Futures Data Only, for a \$5,000 installation fee and a monthly fee of \$10,000; and (viii) CME Metals Futures Data Only, for a \$5,000 installation fee and a monthly fee of \$3,500.<sup>6</sup> As to the monthly fee for these services, the proposal provides that subscribers will receive discounts based upon the number of subscriptions they maintain.<sup>7</sup> The Exchange proposes to add this paragraph to render this paragraph of Section X(b) consistent with corresponding paragraphs in BX Rule 7034(b).

- The Exchange proposes to amend Section X(d), under the heading “Additional Charges/Services,” to update the installation fee it charges for super high density cabinet kits. Specifically, the Exchange proposes to decrease the fee from \$7,000 to \$4,500. The Exchange also proposes to amend the installation fee for Copper Patch Cords that is set forth in this paragraph from \$4.50 + “\$1.50” per “meter” to \$4.50 + “\$0.50” per “foot.” These changes will render this paragraph of the Schedule of Fees consistent with the corresponding paragraph in BX Rule 7034(d).

Third, the Exchange proposes to amend Section XI of the Exchange’s Pricing Schedule, entitled “Direct Connectivity to Phlx.” This Section of the Pricing Schedule describes the means by which customers may connect directly to the Exchange’s main or satellite data centers via a third party vendor’s telecommunications circuit. The proposed changes to this Section are as follows:

- The Exchange proposes to update the structure of Chapter XI so that it will parallel the structure of BX Rule 7051. Specifically, the Exchange proposes to

place the existing text of Section XI into a subsection (a), to be entitled “Direct Circuit Connection to Phlx.” It also proposes to add two additional subsections, as described below.

- The Exchange proposes to amend the text of Chapter XI (as reorganized in proposed subsection (a) and re-titled “Direct Circuit Connection to Phlx”) so that it is fully consistent with BX Rule 7051(a) in terms of both the direct circuit connections that it offers to its customers as well as the associated fees that it charges for such connections. The proposed changes are as follows: (i) For 10Gb direct circuit connections to Phlx, the Exchange proposes to increase the installation fee from \$1,000 to \$1,500 and the monthly fee from \$5,000 to \$7,500; (ii) for 1Gb direct circuit connections to Phlx, the Exchange proposes to increase the installation fee from \$1,000 to \$1,500 and the monthly fee from \$1,000 to \$2,500; (iii) the Exchange proposes to add a 1Gb Ultra direct circuit connection for an installation fee of \$1,500 and a monthly fee of \$2,500; and (iv) the Exchange proposes to specify that direct circuit connectivity to the Exchange will also provide for direct circuit connectivity to any or all of the other Nasdaq, Inc. Exchanges, including not only Nasdaq and BX, but also Nasdaq ISE, Nasdaq MRX, and Nasdaq GEMX.

- The Exchange proposes to add a new subsection (b) to Section XI, entitled “Direct Circuit Connection to Third Party Services.” Through this subsection, which is an analogue to BX Rule 7051(b), the Exchange will offer its customers direct circuit connections to third party services, including the same third party services to which it proposes to connect customers through colocation, as set forth in proposed Section X(b) (described above). Specifically, the Exchange proposes to offer the following services and charge the following fees for them: (i) A 10Gb Ultra direct circuit connection for an installation fee of \$1,500 and a monthly fee of \$5,000; (ii) a 1Gb Ultra direct circuit connection for an installation fee of \$1,500 and a monthly fee of \$2,000; (iii) a 1Gb Ultra or 10Gb Ultra direct circuit connection (for UTP only) for an installation fee of \$100 and a monthly fee of \$100; (iv) an optional cable router for a \$925 installation fee; and (v) a monthly fee of \$150 per “U” of cabinet space rented.<sup>8</sup> For direct circuit connectivity to UTP SIP feeds only, the installation and monthly fees will be

<sup>6</sup> The Exchange proposes to charge subscribers to any or all of the CME Data Feeds a single \$5,000 installation fee. In other words, a subscriber to the CME Fixed Income Futures Data Feed and the CME Metals Futures Data Feed will only pay a single \$5,000 installation fee for access to both feeds.

<sup>7</sup> The proposed Rule paragraph provides that subscribers with three to five microwave or millimeter wave wireless subscriptions under Section X(b) will receive a 5% discount on all such subscriptions. Meanwhile, subscribers with six to ten microwave or millimeter wave wireless subscriptions under Section X(b) will receive a 10% discount on all such subscriptions. Subscribers with eleven to fourteen microwave or millimeter wave wireless subscriptions under Section X(b) will receive a 15% discount on all such subscriptions. Finally, subscribers with fifteen or more microwave or millimeter wave wireless subscriptions under Section X(b) will receive a 20% discount on all such subscriptions.

<sup>8</sup> These fees will be based on a height unit of approximately 1.75 inches high, commonly called a “U” space and a maximum power of 125 Watts per U space.

waived for the first two connections per client.

The Exchange proposes to add a new subsection (c) to Section XI, entitled “Point of Presence (POP) Connectivity.” This subsection, which is an analogue to BX Rule 7051(c), provides for customers to connect directly to the Exchange through a “Point of Presence” or “POP” that is located at one of the Exchange’s satellite data centers, rather than in the Exchange’s main data center. Each such POP, in turn, has a fully redundant connection to the Exchange’s primary data center. The proposed services and associated fees are as follows: (i) The Exchange proposes to offer a 10Gb POP connection to Phlx for an installation fee of \$1,500 and a monthly fee of \$7,500; (ii) it proposes to offer a 1Gb Ultra POP connection to Phlx for an installation fee of \$1,500 and a monthly fee of \$2,500; and (iii) the Exchange proposes to state that the POP connectivity provided under this subsection also provides POP connectivity to any or all of the other Nasdaq, Inc. Exchanges.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>10</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that its proposals to update its schedule of shared connectivity, direct circuit connectivity, and colocation services that it provides in concert with its sister Nasdaq, Inc. Exchanges, and for which the Nasdaq, Inc. Exchanges charge a single fee, is reasonable because the proposals will ensure that the Exchange’s Pricing Schedule, as it applies to such services and fees, will be consistent with the applicable schedules and rules of the other Nasdaq, Inc. Exchanges. The Exchange also notes that the proposals will provide consistencies across the Nasdaq, Inc. Exchanges for the same services. The proposed amendments to the Exchange’s Pricing Schedule reflect changes and updates that have been made already to the BX Rules. For example, each of the proposed changes to the Exchange’s connectivity, direct connectivity, and colocation fees will

harmonize the Exchange’s fees with those of BX.

The Exchange believes that the foregoing proposals provide for the equitable allocation of fees because the connectivity and colocation services to which these fees apply are shared services for which customers pay once, regardless of whether the customers choose to use these services to connect only to Phlx or also to any or all of the other Nasdaq, Inc. Exchanges. Moreover, the other Nasdaq, Inc. Exchanges already offer these shared services to their customers and do so at the same prices that the Exchange now proposes to charge. As such, the proposals will ensure that the fees that the Exchanges charges its customers for shared services are the same fees that the other Nasdaq, Inc. Exchanges charge their customers (including their customers who are also Phlx Members) for the same shared services. In other words, the proposals would ensure that a customer of the Exchange that wishes to, say, purchase direct connectivity to all of the Nasdaq, Inc. Exchanges will not pay more to do so through Phlx than it would pay if it purchased that same connectivity from Nasdaq, and vice versa.

The proposed fees and fee changes, moreover, are equitably allocated because the proposals align these fees with the costs that the Exchange incurs to provide the shared services, including the costs of developing, installing, maintaining, and upgrading equipment and systems relating to connectivity and colocation services. Finally, the proposed fees are equitably allocated because all member firms that subscribe to a particular connectivity option under the amended Rules will be assessed the same fee.

The proposals, similarly, are not unfairly discriminatory because the shared services they entail will be available to all similarly situated clients, while the fees and fee changes they entail will apply uniformly to such clients to the extent that they choose to utilize the shared services.

The Exchange’s proposal to eliminate the \$1,000 installation fee that presently applies to the Direct Edge feeds is reasonable because the Direct Edge feeds are now offerings of CBOE, along with the BZX and BYX feeds. The Exchange believes it is equitable, going forward, to charge a single, one-time \$1,000 installation fee to subscribers to any or all of the CBOE data feeds, including the BZX Depth, BYX Depth, EDGA Depth, and EDGX Depth feeds. This proposal is not unfairly discriminatory because it will apply to all similarly situated customers of the CBOE data feeds.

Lastly, the Exchange’s other proposals—to eliminate certain language from the Exchange’s Pricing Schedule that is extraneous, eliminate references to expired fee reduction or waiver programs, and update references to third party data feeds to reflect their current names—are consistent with Section 6(b) of the Act,<sup>11</sup> in general, and further the objectives of Section 6(b)(5) of the Act,<sup>12</sup> in particular, in that they are designed to promote just and equitable principles of trade, 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. These proposals are non-controversial because maintaining a current and accurate Pricing Schedule serves the interests of the public and investors and because the proposals will not impact competition or limit access to or availability of the Exchange or its systems. The proposals also reflect changes that BX has already made to its rulebook.

## 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.

In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may connect to third parties instead of directly connecting to the Exchange, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

In this instance, the proposed changes to the charges assessed for colocation, connectivity, and direct circuit connectivity are consistent with the fees already assessed by other Nasdaq, Inc. Exchanges for the same shared services. The Exchange does not believe that the proposed changes will impair the ability

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

of members or competing order execution venues to maintain their competitive standing in the financial markets.

Furthermore, the Exchange does not expect that its proposals to eliminate or replace expired or obsolete language from its Rulebook or to eliminate an obsolete \$1,000 Direct Edge installation fee will have any impact 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<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>15</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>16</sup> 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 requested that the Commission waive the 30-day operative delay so that the proposed rule change may become operative upon filing. The Commission notes that the proposal updates the Exchange's rules to reflect current and accurate information with respect to the Exchange's services and fees. The Commission also notes that the proposal harmonizes the Exchange's services and fees with those of the other Nasdaq, Inc. Exchanges, and that BX recently made similar changes to its rules.<sup>17</sup> Therefore,

the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.<sup>18</sup>

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 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 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](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2018-26 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-Phlx-2018-26. 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-Phlx-2018-26, and should be submitted on or before May 4, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

[FR Doc. 2018-07672 Filed 4-12-18; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-83015; File No. SR-CboeEDGX-2018-010]**

### **Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on the Exchange's Equity Options Platform**

April 9, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 2, 2018, Cboe EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) 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.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> See Securities Exchange Act Release No. 82628 (February 5, 2018), 83 FR 5818 (February 9, 2018) (SR-BX-2018-006).

<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>19</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).