

requirements; the proposed rule change merely change [sic] when they must start to comply with them.

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

The Exchange neither solicited nor received comments on the proposed rule change.

**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)(iii) of the Act<sup>20</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>21</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)<sup>22</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. In its filing, Cboe Options requested that the Commission waive the 30-day operative delay. The Exchange represented that it would like to migrate SPX options from the Hybrid 3.0 System to the Hybrid Trading System on April 30, 2018. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal is designed to modify the Hybrid Trading System rules to accommodate SPX options in a manner substantively similar to how they currently are listed and traded on Hybrid 3.0. In so doing, the proposal permits the Exchange to migrate the one product currently trading on Hybrid 3.0 onto the system it uses for all other options, and to do so in a way that minimizes disruption for traders that currently trade SPX on Hybrid 3.0 without raising novel issues. Accordingly, the Commission waives the 30-day operative delay and

designates the proposed rule change operative upon filing.<sup>23</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: (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 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-CBOE-2018-029 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-CBOE-2018-029. 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

<sup>23</sup> 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).

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-CBOE-2018-029, and should be submitted on or before May 18, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2018-08848 Filed 4-26-18; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-83093; File No. SR-CBOE-2018-031]

**Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Concerning the VIX Large Trade Discount Program**

April 23, 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 16, 2018, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") 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 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 the VIX Large Trade Discount program. The text of the proposed rule change is also available on the Exchange's website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, and at the Commission's Public Reference Room.

<sup>24</sup> 17 CFR 200.30-3(a)(12) and (59).

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

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

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>21</sup> 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 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>22</sup> 17 CFR 240.19b-4(f)(6)(iii).

## 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 its Fees Schedule. Specifically, the Exchange proposes to amend its VIX Large Trade Discount Program. By way of background the Exchange provides a discount in the form of a cap on transaction fees for Market-Maker, Broker-Dealer, Non-Trading Permit Holder Market-Maker, Professional/Voluntary Professional and Joint Back-Office (*i.e.*, "M", "B", "N", "W" and "J" origin codes) executions in VIX (the "VIX Large Trade Discount"). Particularly, regular transaction fees are currently only charged for up to 250,000 VIX options contracts per order for Market-Makers, Broker-Dealers, Non-Trading Permit Holder Market-Makers, Professional/Voluntary Professionals and Joint Back-Offices.<sup>3</sup> The Exchange proposes to amend the VIX Large Trade Discount Program to provide that regular transaction fees will only be charged for up to 175,000 VIX options contracts per order. The Exchange believes the proposed amendment will incentivize the sending of large VIX orders. The greater liquidity and trading volume that the proposed amended cap encourages would benefit all market participants trading VIX options.

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>4</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section

6(b)(5)<sup>5</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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 also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>6</sup> which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders.

The Exchange believes that lowering the VIX Large Trade Discount cap is reasonable because Market-Makers, Broker-Dealers, Non-Trading Permit Holder Market-Makers, Professional/Voluntary Professionals and Joint Back-Offices participants (*i.e.*, non-Customer, non-Firm market participants) will receive a further discount for very large trades that they would not otherwise receive, which promotes and encourages larger VIX executions on the Exchange. This change is equitable and not unfairly discriminatory because the amendment will apply to all non-Customer, non-Firm market participants whose large trades qualify for the discount in VIX. The Exchange notes that other VIX trading incentive programs already exist for Customer and Firm market participants.<sup>7</sup>

### 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 because, while the cap does not apply to Customers and Firms, other incentive programs already exist for those market participants with respect to VIX trading.<sup>8</sup> Additionally, the proposed change is designed to encourage increased VIX options volume, which provides greater trading opportunities for all market participants. The Exchange believes that the proposed rule change will not cause an unnecessary burden on intermarket

competition because VIX is only traded on Cboe Options. To the extent that the proposed changes make Cboe Options a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become Cboe Options market participants.

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

The Exchange neither solicited nor received comments on the proposed rule change.

## 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) of the Act<sup>9</sup> and paragraph (f) of Rule 19b-4<sup>10</sup> thereunder. 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 will 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-CBOE-2018-031 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-CBOE-2018-031. 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

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

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> See Cboe Options Fees Schedule, Customer Large Trade Discount program and the Cboe Options Clearing Trading Permit Holder Proprietary Products Sliding Scale.

<sup>8</sup> *Id.*

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

<sup>3</sup> The discount applies to transaction fees only. Other fees, such as the Index License Surcharge, are not discounted.

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

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-CBOE-2018-031 and should be submitted on or before May 18, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83092; File No. SR-PEARL-2018-11]

### Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 602, Continuing Market Maker Registration

April 23, 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 April 13, 2018, MIAX PEARL, LLC ("MIAX PEARL" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III 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 is filing a proposal to amend MIAX PEARL Rule 602, Continuing Market Maker Registration, to modify the Market Maker<sup>3</sup> series registration process utilized by the Exchange.

The text of the proposed rule change is available on the Exchange's website at <http://www.miaxoptions.com/rule-filings/pearl> at MIAX PEARL's principal office, 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 MIAX PEARL Rule 602, Continuing Market Maker Registration, to modify the Market Maker series registration process utilized by the Exchange. The Exchange believes this proposal would simplify and enhance the efficiency of the Market Maker series registration process, for both Market Makers and the Exchange. Other option exchanges generally have comparable Market Maker series registration processes.<sup>4</sup>

<sup>3</sup> The term "Market Maker" or "MM" means a Member registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VI of the Exchange rules. See Exchange Rule 100.

<sup>4</sup> See, e.g., Cboe BZX Exchange, Inc. ("BZX Options") Rules 22.3(a), (b) (Market Maker Registration); see also Nasdaq PHLX, LLC ("Phlx") Rule 3212(b) (Registration as a Market Maker); Nasdaq Options Market ("NOM"), Chapter VII (Market Participants), Section 3(a), (b) (Continuing Market Maker Registration); NYSE American, LLC

#### Current Registration Process

Once a Member<sup>5</sup> has qualified as a Market Maker, such Market Maker may seek registration in individual series of options pursuant to Rule 602. Specifically, Rule 602(b) provides that "[a] Market Maker may become registered in a series by entering a registration request via an Exchange approved electronic interface with the Exchange's Systems by 9:00 a.m. Eastern Time. Registration shall become effective on the day the registration request is entered."<sup>6</sup>

#### Proposed Registration Process

The Exchange proposes to amend MIAX PEARL Rule 602(b) to modify the process by which a Market Maker becomes registered in a series. Specifically, the Exchange proposes to amend the rule text to state that registration may be requested by either utilizing the currently approved MIAX Express Order ("MEO")<sup>7</sup> interface, which requires series registration to be submitted prior to 9:00 a.m. Eastern Time of the current trading day, which registration request shall be submitted for every requested trading day, or an additional Exchange approved electronic interface, which requires series registration to be submitted prior to 6:00 p.m. Eastern Time of the business day immediately preceding the next trading day, which registration request shall persist until it is withdrawn. A Market Maker can withdraw a registration request by utilizing the same tool as it used to submit such request.

The purpose of this proposed change is to accommodate an additional Exchange approved electronic interface that the Exchange intends to make available to Market Makers for series registration, which additional electronic interface has a different submission deadline than the existing approved electronic interface, and which additional electronic interface allows the registration request to persist until a new request is submitted (whereas the existing electronic interface does not allow the registration request to persist—it requires a Market Maker to

("NYSE American"), Rule 923NY (Appointment of Market Makers).

<sup>5</sup> The term "Member" means an individual or organization that is registered with the Exchange pursuant to Chapter II of the Rules for purposes of trading on the Exchange as an "Electronic Exchange Member" or "Market Maker." Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>6</sup> See Exchange Rule 602(b).

<sup>7</sup> The term "MEO Interface" means a binary order interface used for submitting certain order types (as set forth in Rule 516) to the MIAX PEARL System. See Exchange Rule 100.

<sup>11</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.