

All submissions should refer to File Number SR-Phlx-2018-55. 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-2018-55 and should be submitted on or before September 6, 2018.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2018-17633 Filed 8-15-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83829; File No. SR-NYSEAMER-2018-22]

Self-Regulatory Organizations; NYSE American LLC; Notice of Withdrawal of a Proposed Rule Change To Amend Exchange Rule 7.35E Relating to the Auction Reference Price for a Trading Halt Auction Following a Regulatory Halt

August 10, 2018.

On May 15, 2018, NYSE American LLC ("Exchange" or "NYSE American")

filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend Exchange Rule 7.35E relating to the Auction Reference Price for a Trading Halt Auction following a regulatory halt. The proposed rule change was published for comment in the **Federal Register** on June 5, 2018.³ On July 18, 2018, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ The Commission has received one comment letter in response to the proposed rule change.⁶

On August 10, 2018, the Exchange withdrew the proposed rule change (SR-NYSEAmer-2018-22).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Brent J. Fields,

Secretary.

[FR Doc. 2018-17632 Filed 8-15-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83818; File No. SR-ISE-2018-56]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend Its Rules Related to Complex Orders

August 10, 2018.

On June 22, 2018, Nasdaq ISE, LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to add greater detail to its rules governing the trading of complex orders. The proposed rule change was published for comment in the **Federal Register** on July

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 83341 (May 30, 2018), 83 FR 26121 (Jun. 5, 2018) (Notice).

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 83668 (Jul. 18, 2018), 83 FR 35040 (Jul. 24, 2018).

⁶ See Letter from Duane Fiedler, to Secretary, Securities and Exchange Commission (Jun. 23, 2018).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

9, 2018.³ The Commission has received no comments regarding the proposal.

Section 19(b)(2) of the Act⁴ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is August 23, 2018.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designates October 5, 2018, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-ISE-2018-56).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Brent J. Fields,

Secretary.

[FR Doc. 2018-17626 Filed 8-15-18; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83820; File No. SR-IEX-2018-17]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Increase the Spread-Crossing Eligible Remove Fee to \$0.0009 Per Share for Executions at or Above \$1.00 That Remove Non-Displayed Liquidity

August 10, 2018.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³

³ See Securities Exchange Act Release No. 83576 (July 2, 2018), 83 FR 31783.

⁴ 15 U.S.C. 78s(b)(2).

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

¹² 17 CFR 200.30-3(a)(12).

notice is hereby given that, on (date), the Investors Exchange LLC (“IEX” or the “Exchange”) 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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),⁴ and Rule 19b–4 thereunder,⁵ Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to increase the Spread-Crossing Eligible Remove Fee to \$0.0009 per share for executions at or above \$1.00 that remove non-displayed liquidity. Changes to the Fee Schedule pursuant to this proposal are effective upon filing and will be operative on August 1, 2018.

The text of the proposed rule change is available at the Exchange’s website at www.iextrading.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

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

1. Purpose

The Exchange proposes to modify its Fee Schedule, pursuant to IEX Rule 15.110(a) and (c), to increase the Spread-Crossing Eligible Remove Fee to \$0.0009 per share for executions at or above \$1.00. The proposed change eliminates the pricing incentive for removing non-displayed liquidity at or above \$1.00 with a spread-crossing eligible order, as such execution will be subject to a fee of \$0.0009. On May 1, 2018, the Exchange filed an immediately effective rule filing to introduce a more deterministic fee of \$0.0003 per share for executions at or above \$1.00 that result from removing liquidity with an order that is executable at the far side of the NBBO after accounting for the order’s limit (if any), peg instruction (if any), market conditions, and all applicable rules and regulations (the “Spread-Crossing Eligible Remove Fee” incentive).⁶

As discussed in the rule filing to adopt the Spread-Crossing Eligible

Remove Fee,⁷ the intended purpose of the fee was to incentivize Members to route more orders to the Exchange that are executable at the far side of the NBBO by reducing the variability in fees to access liquidity on the Exchange. However, the Exchange has observed over time that the Spread-Crossing Eligible Remove Fee incentive has not served its intended purposes. Specifically, the Exchange has not seen any notable increase in spread-crossing orders⁸ entered on the Exchange since the operative date of the Spread-Crossing Eligible Remove Fee incentive on May 1, 2018. In fact, the average monthly percentage of the Exchange’s volume represented by executions resulting from spread-crossing orders decreased from 22.8% in May, to 21.6% in June of 2018. Accordingly, the Exchange is proposing to eliminate the Spread-Crossing Eligible Remove Fee incentive for interacting with resting non-displayed interest by increasing the fee to \$0.0009.⁹

As a result of the proposed change, the following fees will be increasing to \$0.0009 from \$0.0003 for executions at or above \$1.00 that result from removing non-displayed liquidity with a spread-crossing eligible order. All other fees shall remain unchanged.

Fee codes	Description	Fee
IN	Removes non-displayed liquidity with a spread-crossing eligible order	\$0.0009
IQN	Removes non-displayed liquidity during periods of quote instability with a spread-crossing eligible order	¹⁰ 0.0009

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6(b)¹¹ of the Act in general, and furthers the objectives of Sections 6(b)(4)¹² of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange believes that the proposed fee change is reasonable, fair and equitable, and non-discriminatory. The Exchange believes the proposal to eliminate the Spread-Crossing Eligible Remove Fee incentive

is reasonable because, as discussed above, the fee incentive has not been successful in achieving its intended purpose of incentivizing Members to route more orders to the Exchange that are executable at the far side of the NBBO. The Exchange has limited resources available to it to devote to the operation of pricing incentives and as such, it is reasonable and equitable for the Exchange to reallocate those resources away from programs that are ineffective. The proposed change is also equitable and not unfairly discriminatory because the Spread-Crossing Eligible Remove Fee incentive

for executions against resting non-displayed interest will be eliminated for all Members, as the increased fee will be charged to all Members that remove non-displayed liquidity with a spread-crossing eligible order.

The Exchange notes that as proposed, spread-crossing orders that remove displayed liquidity will be charged a lower fee than if such orders had removed non-displayed liquidity. However, the Exchange believes the proposal remains reasonable, equitable, and not unfairly discriminatory because spread-crossing orders may interact with non-displayed interest resting

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b–4.

⁶ See Securities Exchange Act Release No. 83147 (May 1, 2018), 83 FR 20118 (May 7, 2018) (SR–IEX–2018–9) [sic].

⁷ *Id.*

⁸ The Exchange defines “spread-crossing eligible order” as a buy order that is executable at the NBO or a sell order that is executable at the NBB after

accounting for the order’s limit (if any), peg instruction (if any), market conditions, and all applicable rules and regulations. See the Investors Exchange Fee Schedule, available on the Exchange public website.

⁹ Consistent with the Exchange’s existing Fee Schedule, the fee for executions below \$1.00 will be 0.30% of the total dollar value of the transaction.

¹⁰ The Exchange notes that, consistent with the existing Fee Schedule, executions with Fee Code Q

that exceed the CQRF Threshold are subject to the Crumbling Quote Remove Fee identified in the Fee Code Modifiers table. Executions with Fee Code Q that do not exceed the CQRF Threshold are subject to the fees identified in the Fee Codes and Associated Fees table. See the Investors Exchange Fee Schedule, available on the Exchange public website.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(4).

within the spread, thereby receiving price improvement equal to the delta between the execution price and the far side quotation (*i.e.*, the difference between the trade price and the NBO (NBB) for buy (sell) orders). Accordingly, the Exchange believes that spread-crossing orders removing non-displayed liquidity receive a significant benefit in the form of potential price improvement, and are thus not subject to unfairly discriminatory fees.

Moreover, the Exchange notes that the proposed fee for spread-crossing eligible orders that remove liquidity is identical to the fee assessed by the Exchange prior to the introduction of the Spread-Crossing Eligible Remove Fee, pursuant to the IEX Fee Schedule that was filed with the Commission pursuant to the Act.¹³ Thus, the Exchange believe the proposed change does not present any unique or novel issues under the Act that have not already been considered by the Commission.

The Exchange further believes the proposed increase in the Spread-Crossing Remove Fee to \$0.0009 from \$0.0003 is reasonable in that is within the range of transaction fees currently charged by the Exchange,¹⁴ and continues to be substantially lower than the fee for removing liquidity on competing exchanges with a “maker-taker” fee structure (*i.e.*, that provide a rebate to liquidity adders and charge liquidity removers).¹⁵

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. With regard to intra-market competition, the Exchange notes that the increased fee will be charged to all Members that remove non-displayed liquidity with a

spread-crossing eligible order, and thus there will be no competitive burdens placed on Members as a result of the proposed change. With regard to 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. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and alternative trading systems. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

Moreover, trading venues are free to adjust their fees and credits in response to any changes that the Exchange makes to its fees and credits. If any of the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

Written comments were neither solicited nor 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) of the Act¹⁶ and paragraph (f) of Rule 19b-4¹⁷ 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. Please include File Number SR-IEX-2018-17 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-IEX-2018-17. 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. All submissions should refer to File Number SR-IEX-2018-17 and should be submitted on or before September 6, 2018.

¹³ See Securities Exchange Act Release No. 80453 (April 13, 2017), 82 FR 18503 (April 19, 2017) (SR-IEX-2016-09).

¹⁴ For example, the proposed Spread-Crossing Remove Fee is equal to the Non-Displayed Match Fee. See the Investors Exchange Fee Schedule, available on the Exchange public website.

¹⁵ See *e.g.*, the New York Stock Exchange (“NYSE”) trading fee schedule on its public website reflects fees to “take” liquidity ranging from \$0.0024–\$0.0030 depending on the type of market participant, order and execution; the Nasdaq Stock Market (“Nasdaq”) trading fee schedule on its public website reflects fees to “remove” liquidity ranging from \$0.0025–\$0.0030 per share for shares executed in continuous trading at or above \$1.00 or 0.30% of total dollar volume for shares executed below \$1.00; the Cboe BZX Exchange (“Cboe BZX”) trading fee schedule on its public website reflects fees for “removing” liquidity ranging from \$0.0025–\$0.0030, for shares executed in continuous trading at or above \$1.00 or 0.30% of total dollar volume for shares executed below \$1.00.

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f).

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

Brent J. Fields,
Secretary.

[FR Doc. 2018-17628 Filed 8-15-18; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-83824; File No. SR-NASDAQ-2018-063]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange’s Pricing at Chapter XV, Section 2 Entitled “Nasdaq Options Market—Fees and Rebates”

August 10, 2018.

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 July 31, 2018, The Nasdaq Stock Market LLC (“Nasdaq” or “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 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 Exchange’s pricing at Chapter XV, Section 2 entitled “Nasdaq Options Market—Fees and Rebates,” which governs pricing for Nasdaq Participants using The Nasdaq Options Market LLC (“NOM”), Nasdaq’s facility for executing and routing standardized equity and index options. The Exchange proposes to amend an incentive offered today related to its subsidy program, the Market Access and Routing Subsidy or “MARS.”

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments become operative on August 1, 2018.

The text of the proposed rule change is available on the Exchange’s website at <http://nasdaq.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

NOM proposes to amend the Exchange’s pricing at Chapter XV, Section 2 entitled “Nasdaq Options Market—Fees and Rebates.” Specifically, the Exchange proposes to amend an incentive in note “d” offered to NOM Participants that qualify for any MARS Payment Tier in Chapter XV, Section 2(6) related to the MARS subsidy program. MARS pays a subsidy to NOM Participants that provide certain order routing functionalities to other NOM Participants and/or use such functionalities themselves.³

Background on MARS

Today, to qualify for MARS, a NOM Participant’s routing system (hereinafter “System”) is required to meet certain criteria.⁴

MARS Payments are made to NOM Participants that have System Eligibility and have routed the requisite number of Eligible Contracts daily in a month (“Average Daily Volume”), which were executed on NOM.⁵ Today, NOM Participants that have System Eligibility and have executed the requisite number of Eligible Contracts in a month will be paid the following rebates:⁶

Tiers	Average Daily Volume (“ADV”)	MARS payment (penny)	MARS payment (non-penny)
1	2,000	\$0.07	\$0.15
2	5,000	0.09	0.20
3	10,000	0.11	0.30
4	20,000	0.15	0.50
5	45,000	0.17	0.60

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Generally, under MARS, the Exchange pays participating NOM Participants to subsidize their costs of providing routing services to route orders to NOM. The Exchange believes that the proposed amendment to MARS will continue to attract higher volumes of electronic equity and ETF options volume to the Exchange from non-NOM Participants as well as NOM Participants. The order routing functionalities permit NOM Participants to provide access and connectivity to other Participants as well as utilize such access for themselves. The Exchange notes that one NOM Participant is eligible for payments under MARS, while another NOM Participant might potentially be liable for transaction charges associated with the execution of the order, because those orders were delivered to the Exchange through a NOM

Participant’s connection to the Exchange and that Participant qualified for the MARS Payment.

⁴ Specifically the Participant’s System is required to: (1) Enable the electronic routing of orders to all of the U.S. options exchanges, including NOM; (2) provide current consolidated market data from the U.S. options exchanges; and (3) be capable of interfacing with NOM’s API to access current NOM match engine functionality. The Participant’s System would also need to cause NOM to be one of the top three default destination exchanges for (a) individually executed marketable orders if NOM is at the national best bid or offer (“NBBO”), regardless of size or time, or (b) orders that establish a new NBBO on NOM’s Order Book, but allow any user to manually override NOM as a default destination on an order-by-order basis. Any NOM Participant is permitted to avail itself of this arrangement, provided that its order routing functionality incorporates the features described herein and the Participant satisfies NOM that it

appears to be robust and reliable. Participants remain solely responsible for implementing and operating its System.

⁵ For the purpose of qualifying for the MARS Payment, Eligible Contracts may include Firm, Non-NOM Market Maker, Broker-Dealer, or Joint Back Office or “JBO” equity option orders that add liquidity and are electronically delivered and executed. Eligible Contracts do not include Mini Option orders.

⁶ The specified MARS Payments are paid on all executed Eligible Contracts that add liquidity, which are routed to NOM through a participating NOM Participant’s System and meet the requisite Eligible Contracts ADV. No payments are made with respect to orders that are routed to NOM, but not executed. Also, a Participant is not entitled to receive any other revenue from the Exchange for the use of its System specifically with respect to orders routed to NOM.