

system in accordance with Exchange Act Section 6(b)(5).

Further, the Exchange stated that waiver of the operative delay would be consistent with the protection of investors and the public interest because such waiver would allow the Exchange to immediately harmonize its supervision rule with the FINRA rule on which it is based without delay, thereby eliminating the possibility of a significant regulatory gap between the FINRA and Exchange rules, providing more uniform inspection standards across the securities industry, and helping to avoid confusion for Exchange Members that are also FINRA members. For these reasons, the Commission believes that waiver of the 30-day operative delay for this proposed rule change is consistent with the protection of investors and the public interest. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change operative upon filing.<sup>109</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 under Section 19(b)(2)(B)<sup>110</sup> of the Act 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 (<https://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-MIAX-2024-44 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.

<sup>109</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule change's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>110</sup> 15 U.S.C. 78s(b)(2)(B).

All submissions should refer to file number SR-MIAX-2024-44. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-MIAX-2024-44 and should be submitted on or before December 30, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>111</sup>

**Sherry R. Haywood,**

*Assistant Secretary.*

[FR Doc. 2024-28769 Filed 12-6-24; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meetings

**TIME AND DATE:** 2:00 p.m. on Thursday, December 12, 2024.

**PLACE:** The meeting will be held via remote means and/or at the Commission's headquarters, 100 F Street NE, Washington, DC 20549.

**STATUS:** This meeting will be closed to the public.

**MATTERS TO BE CONSIDERED:** Commissioners, Counsel to the Commissioners, the Secretary to the

<sup>111</sup> 17 CFR 200.30-3(a)(12).

Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

In the event that the time, date, or location of this meeting changes, an announcement of the change, along with the new time, date, and/or place of the meeting will be posted on the Commission's website at <https://www.sec.gov>.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (6), (7), (8), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(6), (a)(7), (a)(8), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matters at the closed meeting.

The subject matter of the closed meeting will consist of the following topics:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings;

Resolution of litigation claims; and

Other matters relating to examinations and enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting agenda items that may consist of adjudicatory, examination, litigation, or regulatory matters.

#### **CONTACT PERSON FOR MORE INFORMATION:**

For further information, please contact Vanessa A. Countryman from the Office of the Secretary at (202) 551-5400.

*Authority:* 5 U.S.C. 552b.

Dated: December 5, 2024.

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

[FR Doc. 2024-28987 Filed 12-5-24; 4:15 pm]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-101802; File No. SR-CboeBZX-2024-115]

### Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend its Fee Schedule Relating to Fee Codes and Volume Tiers

December 3, 2024.

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>

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

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

notice is hereby given that on November 20, 2024, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) 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

Cboe BZX Exchange, Inc. (the “Exchange” or “BZX”) proposes to amend its Fee Schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange’s website ([http://markets.cboe.com/us/equities/regulation/rule\\_filings/BZX/](http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/)), at the Exchange’s Office of the Secretary, 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

Effective November 1, 2024, the Exchange proposes to amend its Fee Schedule applicable to its equities trading platform by: (i) updating the criteria for BZX Add Volume Tier 3 and Add Volume Tier 5; (ii) removing the rebate and implementing a fee for fee code, AA; and (iii) removing fee code, BJ.<sup>3</sup>

The Exchange first notes that it operates in a highly competitive market in which market participants can

readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Securities Exchange Act of 1934 (the “Act”), to which market participants may direct their order flow. Based on publicly available information,<sup>4</sup> no single registered equities exchange has more than 16% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a “Maker-Taker” model whereby it pays rebates to members that add liquidity and assesses fees to those that remove liquidity. The Exchange’s Fee Schedule sets forth the standard rebates and rates applied per share for orders that provide and remove liquidity, respectively. Currently, for orders in securities priced at or above \$1.00, the Exchange provides a standard rebate of \$0.00160 per share for orders that add liquidity and assesses a fee of \$0.0030 per share for orders that remove liquidity.<sup>5</sup> For orders in securities priced below \$1.00, the Exchange does not provide a rebate for orders that add liquidity and assesses a fee of 0.30% of the total dollar value for orders that remove liquidity.<sup>6</sup> Additionally, in response to the competitive environment, the Exchange also offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

##### Add/Remove Volume Tiers

Under footnote 1 of the Fee Schedule, the Exchange offers various Add/Remove Volume Tiers. In particular, the Exchange offers nine Add/Remove Volume Tiers that each provide an enhanced rebate for Members’ qualifying orders yielding fee codes B,<sup>7</sup>

V,<sup>8</sup> and Y,<sup>9</sup> where a Member reaches a certain volume-based criteria offered in each tier.

The Exchange now proposes to update the criteria for Add Volume Tier 3, as follows:

- The current Add Volume Tier 3 provides an enhanced rebate of \$0.0027 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, or Y), where a Member has an ADAV<sup>10</sup> as a percentage of TCV<sup>11</sup>  $\geq 0.30\%$  or a Member has an ADAV  $\geq 35,000,000$ .

Now, the Exchange proposes to amend the second prong of criteria in proposed Add Volume tier 3 by reducing the ADAV requirement. The proposed criteria are as follows:

- Proposed Add Volume Tier 3 provides an enhanced rebate of \$0.0027 per share in securities price at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, or Y), where a Member has an ADAV as percentage of TCV  $\geq 0.30\%$  or a Member has an ADAV  $\geq 30,000,000$  (as compared to 35,000,000).

In addition, the Exchange also proposes to update the criteria for Add Volume Tier 5, as follows:

- The current Add Volume Tier 5 provides an enhanced rebate of \$0.0029 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, or Y), where a Member has an ADAV as a percentage of TCV  $\geq 0.35\%$  or a Member has an ADAV  $\geq 40,000,000$ .

Now, the Exchange proposes to amend the second prong of criteria in proposed Add Volume Tier 5 by reducing the ADAV requirement. The proposed criteria are as follows:

- Proposed Add Volume Tier 5 provides an enhanced rebate of \$0.0029 per share in securities priced at or above \$1.00 to qualifying orders (*i.e.*, orders yielding fee codes B, V, or Y), where a Member has an ADAV as a percentage of TCV  $\geq 0.35\%$  or a Member has an ADAV  $\geq 35,000,000$  (as compared to 40,000,000).

with fee code, B, for securities priced below \$1.00 neither pay a fee nor receive a rebate.

<sup>8</sup> Fee code V is appended to displayed orders that add liquidity to BZX (Tape A). Orders appended with fee code, B, for securities priced below \$1.00 neither pay a fee nor receive a rebate.

<sup>9</sup> Fee code Y is appended to displayed orders that add liquidity to BZX (Tape C). Orders appended with fee code, B, for securities priced below \$1.00 neither pay a fee nor receive a rebate.

<sup>10</sup> ADAV means average daily added volume calculated as the number of shares added per day, calculated on a monthly basis.

<sup>11</sup> TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which fees apply.

<sup>3</sup> The Exchange initially filed the proposed fee change on November 1, 2024 (SR-CboeBZX-2024-110). On November 14, 2024, the Exchange withdrew SR-CboeBZX-2024-110 and submitted SR-CboeBZX-2024-114. On November 20, 2024, the Exchange withdrew SR-CboeBZX-2024-114, and submitted this filing.

<sup>4</sup> See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (June 21, 2024), available at [https://www.cboe.com/us/equities/market\\_statistics/](https://www.cboe.com/us/equities/market_statistics/).

<sup>5</sup> See BZX Equities Fee Schedule, Standard Rates, available at: .

<sup>6</sup> *Id.*

<sup>7</sup> Fee code B is appended to displayed orders that add liquidity to BZX (Tape B). Orders appended

The proposed amended ADAV requirements for Add Volume Tier 3 and Add Volume Tier 5 are intended to incentivize Members to earn an enhanced rebate by increasing their order flow to the Exchange, which further contributes to a deeper, more liquid market and provides even more execution opportunities for active market participants. Incentivizing an increase in liquidity adding volume through enhanced rebate opportunities encourages liquidity-adding Members to increase transactions and take execution opportunities provided by such increased liquidity, together providing for overall enhanced price discovery and price improvement opportunities on the Exchange. As such, increased overall order flow benefits all Members by contributing towards a robust and well-balanced market ecosystem. While the proposed criteria in Add Volume Tier 3 and Add Volume Tier 5 is less difficult to achieve than the current criteria, the revised criteria continue to remain commensurate with rebates (which remain unchanged) that will be paid to a Member satisfying the proposed criteria.

#### Fee Codes

The Exchange also proposes to modify the rebate for fee code, AA. The proposed changes are as follows:

- For securities priced above \$1.00,<sup>12</sup> fee code AA is appended to orders that are routed to EDGA using the ALLB<sup>13</sup> routing strategy. Currently, orders appended with fee code AA receive a rebate of \$0.0016.

The Exchange now proposes to amend fee code, AA, as follows:

- For securities priced above \$1.00, fee code AA will continue to be appended to orders that are routed to EDGA using the ALLB routing strategy. However, orders appended with fee code AA will now pay a fee of \$0.0030. The Exchange does not propose to add a fee or rebate for removing liquidity for securities priced below \$1.00.

The Exchange also proposes to remove fee code, BJ. For securities priced above \$1.00,<sup>14</sup> fee code BJ is currently appended to orders that are

routed to EDGA using the TRIM<sup>15</sup> or SLIM<sup>16</sup> routing strategies. Currently, orders appended with fee code, BJ, receive a rebate of \$0.0016. However, effective November 1, 2024,<sup>17</sup> EDGA will be transitioning from an inverted fee model<sup>18</sup> to a maker taker fee model.<sup>19</sup> As such, orders that remove liquidity from EDGA will pay a remove fee, rather than receive a rebate. Because Members typically utilize routing options TRIM and SLIM, and fee code BJ, to seek low-cost executions, it does not make sense to maintain fee code, BJ, as Members would not expect to pay a fee for removing liquidity from EDGA. Therefore, the Exchange proposes to discontinue this fee code, as it is no longer necessary, and BZX does not desire to charge such orders a fee for removing liquidity from EDGA.

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with 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>20</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>21</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

<sup>15</sup> TRIM is a routing strategy under which an order checks EDGA for available shares if so instructed by the entering User, and then is sent to destinations on the applicable System routing table. See generally Rule 11.13(b)(3)(G).

<sup>16</sup> SLIM is a routing strategy under which an order checks EDGA for available shares if so instructed by the entering User, and then is sent to destinations on the applicable System routing table. See generally Rule 11.13(b)(3)(G).

<sup>17</sup> See SR–CboeEDGA–2024–042; see also, SR–CboeEDGA–2024–045.

<sup>18</sup> The inverted fee model is a pricing structure in which a market, such as an exchange, charges its participants a fee to provide liquidity in securities, and provides a rebate to participants that remove liquidity in securities. See SEC Market Structure Advisory Committee, Memorandum on “Maker-Taker Fees on Equities Exchanges,” October 20, 2015, available at: <https://www.sec.gov/spotlight/emsac/memo-maker-taker-fees-on-equities-exchanges.pdf>.

<sup>19</sup> The maker-taker fee model is a pricing structure in which a market, such as an exchange, generally pays its members a per share rebate to provide (*i.e.*, “make”) liquidity in securities and assesses on them a fee to remove (*i.e.*, “take”) liquidity. *Id.*

<sup>20</sup> 15 U.S.C. 78f(b).

<sup>21</sup> 15 U.S.C. 78f(b)(5).

system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>22</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers as well as Section 6(b)(4)<sup>23</sup> as 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.

As described above, the Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The Exchange believes that its proposal to adjust the criteria to Add Volume Tier 3 and Add Volume Tier 5 reflects a competitive pricing structure designed to incentivize current levels of liquidity provision, as well as encourage Members to add even more volume on the Exchange, by offering Members an enhanced rebated for reaching a reduced ADAV volume threshold Tier 3, 30,000,000 compared to 35,000,000; Tier 5: 40,000,000 compared to 45,000,000). In turn, such liquidity provision will help contribute to a deeper and more liquid market, which benefits all market participants and provides greater execution opportunities on the Exchange.

Additionally, the Exchange notes that relative volume-based incentives and discounts have been widely adopted by exchanges,<sup>24</sup> including the Exchange,<sup>25</sup> and are reasonable, equitable and non-discriminatory because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to (i) the value to an exchange’s market quality and (ii) associated higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. Competing equity exchanges offer similar tiered pricing structures, including schedules of rebates and fees that apply based upon members achieving certain volume and/or growth thresholds, as well as assess similar fees or rebates for similar types of orders, to that of the Exchange.

The Exchange believes that its proposal to update the criteria for Add Volume Tier 3 and Add Volume Tier 5

<sup>22</sup> *Id.*

<sup>23</sup> 15 U.S.C. 78f(b)(4).

<sup>24</sup> See *e.g.*, EDGX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

<sup>25</sup> See *e.g.*, BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

<sup>12</sup> The Exchange notes for securities priced below \$1.00, there is no fee or rebate for removing liquidity from EDGA using the ALLB routing strategy.

<sup>13</sup> ALLB is a routing option under which an order checks the System for available shares and is then sent to Cboe BZX Exchange, Inc., Cboe EDGA Exchange, Inc., and/or Cboe EDGX Exchange, Inc., in accordance with the System routing table. If shares remain unexecuted after routing, they are posted on the BZX Book, unless otherwise instructed by the User. See Rule 11.13(b)(3)(O).

<sup>14</sup> For securities priced below \$1.00, there is no fee or rebate.

is reasonable as the proposed criteria does not represent a significant departure from the criteria currently offered in the Fee Schedule. The Exchange also believes that the proposal represents an equitable allocation of fees and rebates and is not unfairly discriminatory because all Members will be eligible for the proposed Add Volume Tier 3 and Add Volume Tier 5 and have the opportunity to meet the tiers' criteria and receive the corresponding enhanced rebate if such criteria is met. Without having a view of activity on other markets and off-exchange venues, the Exchange has no way of knowing whether this proposed rule change would definitively result in any Members qualifying for proposed Add Volume Tier 3 and Add Volume Tier 5. While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, based on the prior month's volume, the Exchange anticipates that at least one Member will be able to satisfy the proposed Add Volume Tier 3 and Add Volume Tier 5. The Exchange also notes that proposed changes will not adversely impact any Member's ability to qualify for enhanced rebates offered under other tiers. Should a Member not meet the proposed new criteria, the Member will merely not receive that corresponding enhanced rebate.

Adjusting fee code AA and removing fee code, BJ, is necessary to reflect the transition of EDGA to a maker-taker fee model, effective November 1, 2024. Prior to the November 1, 2024, orders entered onto BZX, that were appended with fee code, AA, and were routed to EDGA using routing option ALLB, received a rebate of \$0.0016 for removing liquidity from the EDGA Book for securities priced at or above \$1.00. However, given EDGA's transition to a maker-taker fee model, orders that remove liquidity will now need to pay a liquidity removal fee, rather than receive a rebate. Accordingly, removal of the current \$0.0016 rebate associated with fee code, AA, and implementation of a \$0.0030 remove fee is appropriate and consistent with the economics of a maker-taker model, as well as the expectations of Members that remove liquidity from EDGA (*i.e.*, Members would expect to pay a fee to remove liquidity). Moreover, the proposed fee is not unfairly discriminatory because it applies to all Members equally, in that all Members will pay the same fee for orders routed to EDGA using the ALLB routing strategy, and appended with fee code, AA.

The Exchange also believes that its removal of fee code, BJ, is reasonable, equitable, and not unfairly

discriminatory as it does not change the fees or rebates assessed by the Exchange, but rather updates the BZX Fee Schedule to remove a fee code that the Exchange no longer desires to, nor is required to, offer to its Members. Therefore, the proposed rule change is reasonably designed to update the Fee Schedule to accurately reflect the Exchange's current product offerings and is designed to reduce any potential confusion regarding the routing of orders with fee code, BJ, from BZX to EDGA. Furthermore, as noted above, orders appended with fee code, BJ, entered onto BZX and routed to EDGA using the routing option TRIM or SLIM, previously received a rebate of \$0.0016 for removing liquidity from the EDGA Book. However, effective November 1, 2024, EDGA transitioned from an inverted fee model to a maker taker fee model. As such, orders that remove liquidity from EDGA will pay a remove fee, rather than receive a rebate. Because Members typically utilize routing options TRIM and SLIM, and fee code BJ, to seek low-cost executions, it does not make sense to maintain the BJ fee code, as Members utilizing this fee code would not expect to pay a fee for removing liquidity from EDGA. Therefore, the Exchange proposes to discontinue this fee code, as it is no longer necessary, and BZX does not desire to charge such orders a fee for removing liquidity from EDGA.

#### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange does not believe that the proposed changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Rather, as discussed above, the Exchange believes that the proposed modifications to Add Volume Tier 3 and Add Volume Tier 5 would encourage the submission of additional order flow to a public exchange, thereby promoting market depth, execution incentives and enhanced execution opportunities, as well as price discovery and transparency for all Members. Additionally, the proposed changes to Add Volume Tier 3 and Add Volume Tier 5 do not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the Exchange's proposal to modify the criteria for Add Volume Tier 3 and Add Volume Tier applies to all Members equally. All Members will be eligible for the modified tier and have a reasonable opportunity to meet the proposed tier's reduced criteria and receive the enhanced rebate on their qualifying

orders if such criteria is met. In addition, the Exchange does not believe the proposed changes to Add Volume Tier 3 and Add Volume Tier 5 burden competition, but rather, enhance competition as these changes are intended to increase the competitiveness of BZX by amending existing pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange, providing for additional execution opportunities for market participants and improved price transparency. Greater overall order flow, trading opportunities, and pricing transparency benefits all market participants on the Exchange by enhancing market quality and continuing to encourage Members to send orders, thereby contributing towards a robust and well-balanced market ecosystem.

Furthermore, the Exchange believes the proposed changes to Add Volume Tier 3 and Add Volume Tier 5 do not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 16% of the market share.<sup>26</sup> Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."<sup>27</sup> The fact that this market is competitive has

<sup>26</sup> *Supra* note 3.

<sup>27</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

also long been recognized by the courts. In *NetCoalition v. Securities and Exchange Commission*, the D.C. Circuit stated as follows: “[n]o one disputes that competition for order flow is ‘fierce.’ . . . As the SEC explained, ‘[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution’; [and] ‘no exchange can afford to take its market share percentages for granted’ because ‘no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers’ . . . .”<sup>28</sup> Accordingly, the Exchange does not believe its proposed fee changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange does not believe that the proposed adjustment to the AA fee will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Given EDGA’s transition to a maker-taker fee model, orders that remove liquidity will now need to pay a liquidity removal fee, rather than receive a rebate. Accordingly, removing the current \$0.0016 rebate associated with fee code, AA, and implementing a \$0.0030 remove fee is appropriate and consistent with the economics of a maker-taker model, as well as the expectations of Members that remove liquidity from EDGA (*i.e.*, Members would expect to pay a fee to remove liquidity). Moreover, the proposed fee is not unfairly discriminatory because it applies to all Members equally, in that all Members will pay the same fee for orders routed to EDGA using the ALLB routing strategy, and appended with fee code, AA.

The Exchange also believes that its removal of fee code, BJ, is reasonable, equitable, and not unfairly discriminatory as it does not change the fees or rebates assessed by the Exchange, but rather updates the BZX Fee Schedule to remove a fee code that the Exchange no longer desires to, nor is required to, offer to its Members. Therefore, the proposed rule change is reasonably designed to update the Fee Schedule to accurately reflect the Exchange’s current product offerings and is designed to reduce any potential confusion regarding the routing of orders with fee code, BJ, from BZX to EDGA. Furthermore, as noted above,

orders appended with fee code, BJ, entered onto BZX and routed to EDGA using the routing option TRIM or SLIM, previously received a rebate of \$0.0016 for removing liquidity from the EDGA Book. However, effective November 1, 2024, EDGA transitioned from an inverted fee model to a maker taker fee model. As such, orders that remove liquidity from EDGA will pay a remove fee, rather than receive a rebate. Because Members typically utilize routing options TRIM and SLIM, and fee code BJ, to seek low-cost executions, it does not make sense to maintain the BJ fee code, as Members utilizing this fee code would not expect to pay a fee for removing liquidity from EDGA. Therefore, the Exchange proposes to discontinue this fee code, as it is no longer necessary, and BZX does not desire to charge such orders a fee for removing liquidity from EDGA.

#### *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>29</sup> and paragraph (f) of Rule 19b-4<sup>30</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 (<https://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-2024-115 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-2024-115. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-CboeBZX-2024-115 and should be submitted on or before December 30, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

**Sherry R. Haywood,**  
*Assistant Secretary.*

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<sup>28</sup> *NetCoalition v. SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

<sup>29</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>30</sup> 17 CFR 240.19b-4(f).

<sup>31</sup> 17 CFR 200.30-3(a)(12).