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–CboeBZX–2022–035 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–2022–035. 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–2022–035 and should be submitted on or before August 3, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[80]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2022–14884 Filed 7–12–22; 8:45 am]

BILLING CODE 8011–01–P

[80] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95215; File No. SR–CboeBZX–2022–036]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule

July 7, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on July 1, 2022, Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') 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

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/*), 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.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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 Fee Schedule applicable to its equities trading platform (''BZX Equities'') by: (i) introducing a new Step-Up Tier 3 and (ii) modifying the criteria in Single MPID Investor Tier 1. The Exchange proposes to implement these changes effective July 1, 2022.

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 Exchange Act, to which market participants may direct their order flow. Based on publicly available information,[3] 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. For orders in securities priced below $1.00, the Exchange does not provide a rebate or assess a fee for orders that add liquidity and assesses a fee of 0.30% of total dollar value for orders that remove liquidity. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing, which provides Members with opportunities to qualify for higher rebates or lower fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental

[3] See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (June 27, 2022), available at *https://markets.cboe.com/us/equities/market_statistics/.*

incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying more stringent criteria.

Step-Up Tier 3

Pursuant to footnote 2 of the Fee Schedule, the Exchange currently offers two Step-Up Tiers that provide Members an opportunity to qualify for an enhanced rebate for liquidity adding orders that yield fee codes B,[4] V,[5] and Y[6] where they increase their relative liquidity each month over a predetermined baseline. The Exchange notes that Step-Up Tiers are designed to encourage Members that provide displayed liquidity on the Exchange to increase their order flow, which would benefit all Members by providing greater execution opportunities on the Exchange. Now the Exchange proposes to add an additional Step-Up Tier 3 to footnote 2 of the Fee Schedule. Proposed Step-Up Tier 3 is as follows:

- Proposed Step-Up Tier 3 offers an enhanced rebate of $0.0032 per share for qualifying orders (*i.e.,* orders yielding fee code B, V or Y) where an MPID (i) has a Step-Up ADAV[7] from May 2021 greater than or equal to 30,000,000 shares or MPID has a Step-Up Add TCV[8] from May 2021 greater than or equal to 0.30%; and (ii) MPID has an ADV[9] greater than or equal to 0.30% of the TCV[10] or MPID has an ADV greater than or equal to 35,000,000 shares.

The Exchange notes that the Step-Up tiers, including proposed Step-Up Tier 3, are designed to provide Members with additional opportunities to receive enhanced rebates 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. The proposed change is designed to give Members an additional opportunity to receive an enhanced rebate for orders meeting the applicable threshold. Furthermore, the proposed Step-Up Tier 3 is designed to increase the Members' provision of liquidity to the Exchange, which increases execution opportunities and provides for overall enhanced price discovery and price improvement opportunities on the Exchange. Increased overall order flow benefits all Members by contributing towards a robust and well-balanced market ecosystem.

Single MPID Investor Tier 1

The Single MPID Investor Tier set forth under footnote 4 of the Fee Schedule provides an enhanced rebate of $0.0032[11] or $0.0033[12] per share for qualifying orders which yield fee codes B,[13] V,[14] or Y.[15] The Exchange proposes to amend the criteria necessary to achieve Tier 1 under footnote 4 as described below. Currently, under Tier 1 a Member may receive an enhanced rebate where their MPID has: (i) a Step-Up ADV[16] as a percentage of TCV greater than or equal to 0.10% from May 2021 or the MPID has a Step-Up ADV greater than or equal to 8,000,000 shares from May 2021; and (ii) the MPID has an ADAV as a percentage of TCV greater than or equal to 0.55% or the MPID has an ADAV greater than or equal to 50,000,000 shares. The Exchange is proposing to amend the criteria under Tier 1 as follows:

- Proposed Single MPID Tier 1 offers an enhanced rebate of $0.0032 or $0.0033 per share for qualifying orders (*i.e.,* those yielding fee codes B, V or Y) where an MPID (i) has a Step-Up ADV as a percentage of TCV greater than or equal to 0.10% from May 2021 or has a Step-Up ADV of 10,000,000 (as compared to 8,000,000) from May 2021; and (ii) has an ADAV as a percentage of TCV greater than or equal to 0.50% (as compared to 0.55%); or MPID has an ADAV greater than or equal to 45,000,000 (as compared to 50,000,000).

The Exchange believes that Members who strive to achieve the proposed amended Single MPID Tier 1 criteria continue to be incentivized to increase the overall amount of liquidity provided on the Exchange, both add and remove volume, thereby contributing to a deeper and more liquid market and providing more execution opportunities to market participants. Incentivizing an increase in both liquidity adding volume and liquidity removing volume, through revised criteria and enhanced rebate opportunities, encourages liquidity adding Members on the Exchange to contribute to a deeper, more liquid market and to increase transactions and take execution opportunities provided by such increased activity, 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.

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.[17] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[18] 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[19] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange notes that volume-based rebates such as those proposed herein have been widely adopted by exchanges,[20] including the Exchange,[21] and are equitable 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

[4] Orders yielding Fee Code "B" are displayed orders adding liquidity to BZX (Tape B).

[5] Orders yielding Fee Code "V" are displayed orders adding liquidity to BZX (Tape A).

[6] Orders yielding Fee Cody "Y" are displayed orders adding liquidity to BZX (Tape C).

[7] "Step-Up ADAV" means ADAV in the relevant baseline month subtracted from current ADAV. ADAV means average daily added volume calculated as the number of shares added per day and is calculated on a monthly basis.

[8] "Step-Up Add TCV" means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV.

[9] "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day. ADV is calculated on a monthly basis.

[10] "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 the fees apply.

[11] An enhanced rebate of $0.0032 per share is paid to MPIDs who satisfy the criteria in Tier 1 in Tape B securities.

[12] An enhanced rebate of $0.0033 per share is paid to MPIDs who satisfy the criteria in Tier 1 in Tape A or Tape C securities.

[13] *Supra* note 4.

[14] *Supra* note 4 [sic].

[15] *Supra* note 6.

[16] "Step-Up ADV" means ADV in the relevant baseline month subtracted from current day ADV.

[17] 15 U.S.C. 78f(b).

[18] 15 U.S.C. 78f(b)(5).

[19] *Id.*

[20] *See* EDGX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

[21] *See* BZX Equities Fee Schedule, Footnote 1, Add/Remove Volume Tiers.

levels or liquidity provision and/or growth patterns. The Exchange believes the proposed Step-Up Tier 3 is reasonable, fair and equitable, and not unfairly discriminatory because the proposed Tier provides an additional opportunity for all Members to receive an enhanced rebate by achieving the proposed threshold. Furthermore, the Exchange believes that the proposed Step-Up Tier 3 is reasonable as it serves to incentivize Members to increase their displayed liquidity adding volume on the Exchange. Additionally, the Exchange believes that the proposed amendments to Single MPID Tier 1 are a reasonable means to encourage Members to increase their relative add and remove liquidity on the Exchange each month over a predetermined baseline by offering Members an enhanced rebate, albeit with slightly modified criteria. Greater add volume order flow may provide for deeper, more liquid markets and execution opportunities at improved prices, and greater remove volume order flow may increase transactions on the Exchange, which the Exchange believes incentivizes liquidity providers to submit additional liquidity and execution opportunities. An overall increase in activity deepens the Exchange's liquidity pool, offers additional cost savings, supports the quality of price discovery, promotes market transparency and improves market quality, for all investors.

The Exchange further believes that the proposed Step-Up Tier 3 and proposed changes to Single MPID Tier 1 represent an equitable allocation of reasonable dues, fees, and other charges because the threshold necessary to achieve the tiers encourages Members to add increased liquidity to the Exchange and the Exchange believes the proposed and current enhanced rebates, respectively, are commensurate with the proposed thresholds. 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 Step-Up Tier 3 and Single MPID Tier 1 enhanced rebates and will have the opportunity to meet the tiers' criteria and receive the corresponding enhanced rebate for each tier 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 these proposed changes would definitely result in any Members qualifying for the proposed Step-Up Tier 3 or Single MPID Tier 1. While the Exchange has no way of predicting with certainty how the proposed changes will impact Member activity, the Exchange anticipates one Member will be able to compete for and reach the criteria under proposed Step-Up Tier 3 and anticipates three Members may be able to compete for and reach the proposed amended criteria under Single MPID Tier 1. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for reduced fees or 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.

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.

Particularly, the proposed Step-Up Tier 3 and proposed amendments to Single MPID Tier 1 do not impose a burden on intramarket competition that is not in furtherance of the Act in that each tier will be eligible to all Members equally in that all Members have the opportunity to submit orders in an attempt to satisfy the proposed amended criteria and receive the enhanced rebates associated with each tier. Furthermore, the Exchange believes that the criteria under proposed Step-Up Tier 3 and the proposed amended criteria under Single MPID Tier 1 will continue to incentivize Members to submit additional liquidity to the Exchange and to increase their order flow on the Exchange generally, thereby contributing to a deeper and more liquid market and promoting price discovery and market quality on the Exchange to the benefit of all market participants and enhancing the attractiveness of the Exchange as a trading venue, which the Exchange believes, in turn, would continue to encourage market participants to direct additional order flow to the Exchange. Greater liquidity benefits all Members by providing more trading opportunities and encourages Members to send additional orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all market participants.

The Exchange believes the proposed Step-Up Tier 3 and proposed amendments to Single MPID Tier 1 do not impose a burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed changes represent a significant departure from pricing currently offered by the Exchange or pricing offered by other equities exchanges. Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. 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.[22] 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.'' [23] The fact that this market is competitive has 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'. . .''.[24]

[22] *Supra* note 3.

[23] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

[24] NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release

Continued

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 [25] and paragraph (f) of Rule 19b–4 [26] 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-CboeBZX–2022–036 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–2022–036. 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–2022–036 and should be submitted on or before August 3, 2022.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[27]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2022–14875 Filed 7–12–22; 8:45 am]

BILLING CODE 8011–01–P

No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

[25] 15 U.S.C. 78s(b)(3)(A).

[26] 17 CFR 240.19b–4(f).

[27] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–95216; File No. SR–NASDAQ–2022–038]

Self-Regulatory Organizations; The Nasdaq Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Implementation Date of Its Post-Trade Risk Management Product to Q4 2022

July 7, 2022.

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 June 30, 2022, The Nasdaq Stock Market LLC (''Nasdaq'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 extend the implementation date of its Post-Trade Risk Management product to Q4 2022.

The text of the proposed rule change is available on the Exchange's website at *https://listingcenter.nasdaq.com/rulebook/nasdaq/rules,* 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

Nasdaq is filing this proposal to extend the implementation date of its Post-Trade Risk Management tool to Q4 2022.

Nasdaq proposed to enhance its connectivity, surveillance and risk management services by launching three re-platformed products: (i) WorkX, (ii) Real-Time Stats and (iii) Post-Trade Risk Management. These changes were filed by Nasdaq on April 20, 2021 and published in the **Federal Register** on May 7, 2021.[3]

Nasdaq initially proposed that WorkX and Real-Time Stats would launch on April 12, 2021 and Post-Trade Risk Management would launch no later than Q3 2021.[4] Due to re-prioritization in the Nasdaq product pipeline, on September 14, 2021, Nasdaq proposed to delay the implementation date of Post-Trade Risk Management until Q1 2022.[5] Nasdaq subsequently proposed to delay the implementation date from Q1 2022 to

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 91744 (May 3, 2021), 86 FR 24685 (May 7, 2021) (NASDAQ–2021–025) (''Proposal'').

[4] *See* Proposal *supra* n. 3 at 24685.

[5] *See* Securities Exchange Act Release No. 93125 (September 24, 2021), 86 FR 54255 (September 30, 2021) (SR–NASDAQ–2021–073).