recently approved Phlx's substantially similar proposal to list and trade Monday QQQ Expirations and Wednesday QQQ Expirations.[35] The Exchange has stated that waiver of the operative delay is consistent with the protection of investors and the public interest as it would encourage fair competition among exchanges by allowing the Exchange to compete effectively with Phlx by having the ability to list and trade the same Monday and Wednesday QQQ Expirations that Phlx is able to list and trade. For these reasons, the Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest, and will allow the Exchange to remain competitive with other exchanges. Accordingly, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.[36]

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule change should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov*. Please include File Number SR–NYSEAMER–2021–33 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–NYSEAMER–2021–33. 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–NYSEAMER–2021–33, and should be submitted on or before August 16, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[37]

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021–15819 Filed 7–23–21; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–92452; File No. SR–PEARL–2021–34]**

## Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the MIAX Pearl Equities Fee Schedule

July 20, 2021.

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 12, 2021, MIAX PEARL, LLC (''MIAX Pearl'' 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 is filing a proposal to amend the fee schedule applicable for MIAX Pearl Equities, an equities trading facility of the Exchange (the ''Fee Schedule'') [3] to update the Standard Rates table and the Liquidity Indicator Codes and Associated Fees table.

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 purpose of the proposed rule change is to amend the Exchange's Fee Schedule to (i) make conforming changes to the rates of certain liquidity indicator codes that remove liquidity in the Liquidity Indicator Codes and Associated Fees table; (ii) amend the Standard Rates table to increase the rebate for Non-Displayed Orders that Add Liquidity from $0.0022 to $0.0025; and (iii) adopt four Retail Order liquidity indicator codes and associated fees and rebates for each.

[35] *See* Securities Exchange Act Release No. 91614 (April 20, 2021), 86 FR 22082 (April 26, 2021) (SR–Phlx–2021–10).

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

[37] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 1901.

The Exchange initially filed this proposal on July 1, 2021 (SR–PEARL–2021–29) and withdrew such filing on July 12, 2021. The Exchange proposes to implement the fee change effective July 12, 2021.

Conforming Changes to Liquidity Indicator Codes That Remove Liquidity

On March 25, 2021, the Exchange filed its proposal to add liquidity indicator codes to its Fee Schedule.[4] Due to the technological changes associated with the proposed liquidity indicator codes, the Exchange noted that it would issue a trading alert publicly announcing the implementation date when the liquidity indicator codes would be available and that the Exchange anticipated the implementation date to be in either the second or third quarter of 2021.[5] In Fee Filing No. 1 the Exchange added new Section (1)(b) to the Fee Schedule, titled ''Liquidity Indicator Codes and Associated Fees,'' showing the liquidity indicator codes, the description of each, and the then current applicable fee or rebate. Specifically, in that filing the following liquidity indicator codes were described as follows:

- Liquidity indicator code RA would be applied to a Displayed order[6] that removes liquidity in Tape A securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code RA would be subject to the existing fee of $0.0028 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code RB would be applied to a Displayed order that removes liquidity in Tape B securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code RB would be subject to the existing fee of $0.0027 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code RC would be applied to a Displayed order that removes liquidity in Tape C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code RC would be subject to the existing fee of $0.0028 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code Ra would be applied to a Non-Displayed order that removes liquidity in Tape A securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Ra would be subject to the existing fee of $0.0028 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code Rb would be applied to a Non-Displayed order that removes liquidity in Tape B securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Rb would be subject to the existing fee of $0.0027 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code Rc would be applied to a Non-Displayed order that removes liquidity in Tape C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Rc would be subject to the existing fee of $0.0028 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

Subsequently, on March 31, 2021, the Exchange filed its proposal to universally decrease the fee to remove liquidity in Tapes A, B, and C securities priced at or above $1.00 to $0.0025 per share.[7] However, as the liquidity indicator codes had not yet been implemented on the Exchange, the Liquidity Indicator Codes and Associated Fees table was not updated accordingly. On May 27, 2021, the Exchange issued a Trader Alert indicating that new supporting documentation for Liquidity Indicator Codes was available and that the new codes were targeted for use in production on July 1, 2021.[8]

The Exchange now proposes to amend the Liquidity Indicator Codes and Associated Fees table for codes RA, RB, RC, Ra, Rb and Rc to reflect the take rate change associated with Fee Filing No. 2, which established the current fee of $0.0025 per share for orders in Tapes A, B, and C securities that remove liquidity in securities priced at or above $1.00.[9] The purpose of this change is to update the Liquidity Indicator Code and Associated Fees table to reflect the rate that is currently in effect and to provide greater clarity to Equity Members[10] as to which fee may ultimately be applied to their execution as the use of liquidity indicator codes was implemented on the Exchange on July 1, 2021.

Amend the Standard Rate Rebate for Non-Displayed Orders That Add Liquidity

The Exchange proposes to amend the Standard Rates table and the Liquidity Indicator Codes and Associated Fees table to increase the rebate provided for Non-Displayed Orders that Add Liquidity from $0.0022 to $0.0025 per share in securities priced at or above $1.00.

- Liquidity indicator code Aa would be applied to a Non-Displayed Order that adds liquidity in Tape A securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Aa would receive a rebate of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code Ab would be applied to a Non-Displayed Order that adds liquidity in Tape B securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Ab would receive a rebate of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.
- Liquidity indicator code Ac would be applied to a Non-Displayed Order that adds liquidity in Tape C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Ac would receive a rebate of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

The purpose for this proposed change is for business and competitive reasons.

[4] *See* Securities Exchange Act Release No. 91496 (April 7, 2021), 86 FR 19303 (April 13, 2021) (SR–PEARL–2021–10) (''Fee Filing No. 1'').

[5] *See id.*

[6] The Exchange notes that, unlike orders that add liquidity, whether an order that removes liquidity is either Displayed or Non-Displayed does not impact the applicable rate. The Exchange proposes to provide separate liquidity indicator codes based on whether the order that removes liquidity was Displayed or Non-Displayed as a convenience to Equity Members.

[7] *See* Securities Exchange Act Release No. 91497 (April 7, 2021), 86 FR 19290 (April 13, 2021) (SR–PEARL–2021–15) (''Fee Filing No. 2''). The fee for orders that remove liquidity in Tapes A, B, and C securities priced below $1.00 were not changed.

[8] *See* Trader Alert, MIAX Pearl Equities—2nd Reminder: Mandatory Specification Updates (May 27, 2021) available at *https://www.miaxoptions.com/alerts/2021/05/27/miax-pearl-equities-2nd-reminder-mandatory-interface-specification-updates.*

[9] The rates to remove liquidity in Tapes A, B, and C securities priced below $1.00 remained unchanged. Therefore, liquidity indicator codes RA, RB, RC, Ra, Rb, and Rc reflect the correct rate.

[10] The term ''Equity Member'' is a Member authorized by the Exchange to transact business on MIAX Pearl Equities. *See* Exchange Rule 1901.

The Exchange believes that increasing the rebate for Adding Liquidity Non-Displayed Orders from $0.0022 to $0.0025 per share for securities priced at or above $1.00 will encourage market participants to enter Non-Displayed Orders that add liquidity, thereby increasing liquidity and execution opportunities on the Exchange.

New Retail Order Liquidity Codes

Additionally, the Exchange proposes to adopt four Retail Order liquidity indicator codes; AR, Ar, RR, and Rr, to the Liquidity Indicator Codes and Associated Fees table as described below. The purpose of this change is for business and competitive reasons. The Exchange notes that the use of liquidity indicator codes is not unique to the Exchange and are currently utilized and described in the fee schedules of other equity exchanges.[11] The Exchange believes that adoption of these liquidity indicator codes and associated fees and rebates will further incentivize Equity Members to submit these types of orders to the Exchange, which will result in greater liquidity on the Exchange, thereby increasing execution opportunities on the Exchange.

- Liquidity indicator code AR would be applied to a Displayed Retail Order[12] that adds liquidity in Tape A, B, and C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code AR would receive a rebate of $0.0037 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

The Exchange notes that the proposed rebate is comparable to, and competitive with, the rebate provided by at least one other exchange for Retail Orders in securities priced at or above $1.00 per share that add liquidity.[13]

- Liquidity indicator code Ar would be applied to a Non-Displayed Retail Order that adds liquidity in Tape A, B, and C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Ar would receive a rebate of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

The rate of $0.0025 is consistent with the proposed rate change to the Standard Rates table for Adding Liquidity Non-Displayed Orders as contained in this proposal.

- Liquidity indicator code RR would be applied to a Displayed Retail Order that removes liquidity in Tape A, B, and C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code RR would be subject to the fee of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

The rate of $0.0025 is the current fee in effect for orders that remove liquidity.[14]

- Liquidity indicator code Rr would be applied to a Non-Displayed Retail Order that removes liquidity in Tape A, B, and C securities. The Liquidity Indicator Code and Associated Fees table would specify that orders that yield liquidity indicator code Rr would be subject to the fee of $0.0025 per share in securities priced at or above $1.00 and 0.05% of the transaction's dollar value in securities priced below $1.00.

The rate of $0.0025 is the current fee in effect for orders that remove liquidity.[15] The Exchange also proposes to add the above Retail Order liquidity indicator codes to the Standard Rates table. Specifically, liquidity indicator code AR would be added to the ''Adding Liquidity Displayed Order'' column and liquidity indicator code Ar would be added to the ''Adding Liquidity Non-Displayed Order'' column. Liquidity indicator codes RR and Rr would be added to the ''Removing Liquidity'' column of the Standard Rates table.

2. Statutory Basis

The Exchange believes that its proposal to amend its Fee Schedule is consistent with Section 6(b) of the Act[16] in general, and furthers the objectives of Section 6(b)(4) of the Act[17] in particular, in that it is an equitable allocation of reasonable fees and other charges among its Equity Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5)[18] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, and 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, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange operates in a highly fragmented and competitive market in which market participants can readily direct their 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 sixteen registered equities exchanges, and there are a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 16% of the total market share of executed volume of equities trading.[19] Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents less than 1% of the overall market share. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to Removing Liquidity and Retail Orders that Add and Remove Liquidity. The Exchange believes the proposed rule change to be a reasonable and competitive pricing structure designed to incentivize market participants to add aggressively priced Retail Orders and direct their order flow to the Exchange, which the Exchange believes would promote price discovery and price formation, provide more trading opportunities and tighter spreads, and deepen liquidity, thereby enhancing market quality to the benefit of all Equity Members and investors.

[11] The use of liquidity indicator codes is not novel and liquidity indicator codes are currently utilized by other equity exchanges. For example, see the fee schedules of the Investors Exchange LLC (''IEX'') available at *https://iextrading.com/trading/fees/;* and MEMX LLC (''MEMX'') available at *https://info.memxtrading.com/fee-schedule/*.

[12] A ''Retail Order'' is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. *See* Exchange Rule 2626(a)(2).

[13] *See* the MEMX LLC, (''MEMX'') Fee Schedule, effective June 1, 2021, on its public website available at *https://info.memxtrading.com/fee-schedule/* which establishes a rebate rate of $0.0037 for Retail Orders that add liquidity in Tape A securities priced at or above $1.00.

[14] *See* Securities Exchange Act Release No. 91497 (April 7, 2021), 86 FR 19290 (April 13, 2021) (SR–PEARL–2021–15).

[15] *See id.*

[16] 15 U.S.C. 78f(b).

[17] 15 U.S.C. 78f(b)(4).

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

[19] Market share percentage calculated as of June 24, 2021. The Exchange receives and processes data made available through consolidated data feeds.

The Exchange notes that the use of liquidity indicator codes is not unique to the Exchange and are currently utilized and described in the fee schedules of other equity exchanges.[20] Further, the Exchange also believes its proposal is not unfairly discriminatory because the proposed changes will apply equally to all Equity Members.

Conforming Changes to Liquidity Indicator Codes That Remove Liquidity

As set forth above, the Exchange filed Fee Filing No. 1 to adopt liquidity indicator codes and included the then-current rates. Subsequently, in Fee Filing No. 2, the Exchange reduced the fee for orders in Tapes A, B, and C securities that remove liquidity in securities priced at or above $1.00 to $0.0025 per share. Liquidity indicator codes RA, RB, RC, Ra, Rb, and Rc are appended to orders that remove liquidity. The Exchange believes its proposal to update the Liquidity Indicator Codes and Associated Fees table to reflect the current rate of $0.0025 per share for securities priced at or above $1.00 with liquidity indicator codes RA, RB, RC, Ra, Rb, or Rc is equitable and reasonable because it updates the liquidity indicator code table to reflect the established rate that is currently in effect and will apply equally to all Equity Members of the Exchange.

Amend the Standard Rate Rebate for Non-Displayed Orders That Add Liquidity

The Exchange's proposal to increase the rebate provided for orders that add liquidity in securities priced at or above $1.00 from $0.0022 to $0.0025 per share is reasonable and equitably allocated among all Equity Members of the Exchange. Liquidity indicator codes Aa, Ab, and Ac are appended to orders that add liquidity. The Exchange believes that the proposed increase to $0.0025 per share is reasonable in that it represent [sic] a modest increase ($0.003) [sic] from the current rebate for such executions ($0.0022 per share). The Exchange believes that this change is a reasonable means by which to incentivize Equity Members to submit Non-Displayed Orders that add liquidity to the benefit of all market participants. The Exchange believes its proposal is equitable and not unfairly discriminatory as it will apply to all Equity Members equally. Additionally, the Exchange believes its proposed change is reasonable as it is competitive and in line with rebates offered for similar orders on at least one other exchange.[21]

New Retail Order Liquidity Codes

The Exchange's proposal to adopt four new Retail Order liquidity indicator codes is reasonable and not unfairly discriminatory as it will apply to all Equity Members equally. The Exchange notes that the use of liquidity indicator codes is not novel and that liquidity indicator codes are used by other equity exchanges.[22]

The Exchange's [sic] believes its proposal to establish a rebate of $0.0037 for a Retail Displayed Order that adds liquidity for securities priced at or above $1.00 is reasonable as it is competitive and in line with the rebate offered for similar Retail Orders on at least one other exchange.[23]

The Exchange's proposal to establish a rebate of $0.0025 for orders with a liquidity indicator code of Ar, Retail Non-Displayed Orders that add liquidity, is reasonable as this rate is consistent with the proposed rate change contained herein for Liquidity Adding Non-Displayed Orders. The Exchange believes its proposed change is reasonable as it is competitive and in line with rebates offered for similar orders on at least one other exchange.[24]

The Exchange believes its proposal to adopt liquidity indicator codes for Retail Displayed Orders that remove liquidity (RR) and for Retail Non-Displayed Orders that remove liquidity (Rr) is reasonable and not unfairly discriminatory as the use of liquidity indicator codes is used on other equity exchanges.[25]

The Exchange believes its proposal to establish a fee of $0.0025 for Retail Displayed Orders that remove liquidity (RR) and for Retail Non-Displayed Orders that remove liquidity (Rr) is reasonable and not unfairly discriminatory as it applies equally to all Equity Members of the Exchange. Additionally, the rate of $0.0025 for orders that remove liquidity in securities priced at or above $1.00 was established by the Exchange in a previous filing[26] and adopting a fee in the same amount for similar orders is reasonable and not unfairly discriminatory and promotes consistency and uniformity in the Exchange's Fee Schedule.

The Exchange believes its proposal provides for the equitable allocation of reasonable dues and fees and is not unfairly discriminatory. For the reasons discussed above, the Exchange submits that the proposal satisfies the requirements of Sections 6(b)(4) and 6(b)(5) of the Act in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities and is not designed to unfairly discriminate between customers, issuers, brokers, or dealers. As described more fully below in the Exchange's statement regarding the burden on competition, the Exchange believes that its transaction pricing is subject to significant competitive forces, and that the proposed fees and rebates described herein are appropriate to address such forces.

The Exchange believes the Liquidity Indicator Codes and Associated Fees table will make the Fee Schedule clearer and eliminate the potential for confusion in regard to fees charged and rebates earned, thereby removing impediments to, and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. Further, as noted above, this practice is consistent with the pricing practices of other exchanges.[27]

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

The Exchange does not believe that the proposed change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed change would encourage the submission of additional order flow to the Exchange, thereby promoting market depth, enhanced execution opportunities, as well as price discovery and transparency for all Equity Members. Furthermore, the Exchange believes that the proposed changes would allow the Exchange to continue to compete with other routing and execution venues by providing competitive pricing for transactions in Adding Liquidity Non-Displayed Orders

[20] The use of liquidity indicator codes is not novel and liquidity indicator codes are currently utilized by other equity exchanges. For example, see the fee schedules of the Investors Exchange LLC (''IEX'') *available at https://iextrading.com/trading/fees/; and* MEMX LLC (''MEMX'') *available at https://info.memxtrading.com/fee-schedule/.*

[21] *See* the MEMX LLC, (''MEMX'') Fee Schedule, effective June 1, 2021, on its public website available at *https://info.memxtrading.com/fee-schedule/* which establishes a rebate rate of $0.0020 for non-displayed volume that adds liquidity in Tape A securities priced at or above $1.00; and a rebate of $0.0025 for non-displayed Midpoint Peg Orders that add liquidity in Tape A securities priced at or above $1.00.

[22] *See supra* note 11.

[23] *See supra* note 13.

[24] *See* the MEMX LLC, (''MEMX'') Fee Schedule, effective June 1, 2021, on its public website available at *https://info.memxtrading.com/fee-schedule/* which establishes a fee of $0.00265 for orders that remove volume from the exchange.

[25] *See supra* note 11.

[26] *See supra* note 7.

[27] *See supra* note 11.

and also Retail Orders, thereby making it a desirable destination. As a result, the Exchange believes that the proposed change furthers the goal in adopting Regulation NMS of fostering competition among orders, which promotes ''more efficient pricing of individual stocks for all types of orders, large and small.'' [28]

Intramarket Competition

The Exchange believes that the proposed changes would incentivize market participants to direct order flow to the Exchange. Greater liquidity benefits all Equity Members by providing more trading opportunities and encourages Equity Members to send orders to the Exchange, thereby contributing to robust levels of liquidity, which benefits all Equity Members. The proposed fees and rebates for Retail Orders and the proposed rebate for Adding Liquidity Non-Displayed Orders would be available to all similarly situated market participants, and, as such, the proposed change would not impose a disparate burden on competition among market participants on the Exchange.

The Exchange does not believe its adoption of new liquidity indicator codes for Retail Orders will impose any burden on intramarket competition. The use of liquidity indicator codes is not new or novel as liquidity indicator codes are used on other equity exchanges.[29] Additionally, the use of liquidity indicator codes is applied equally to all Equity Members and provides additional specificity to the fee schedule so that Equity Members may connect an execution to the applicable fee or rebate.

As such, the Exchange believes the proposed changes would not impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Intermarket Competition

The Exchange believes its proposal will benefit competition as the Exchange operates in a highly competitive market. Equity Members have numerous alternative venues that they may participate on and direct their order flow to, including fifteen other equities exchanges and numerous alternative trading systems and other off-exchange venues. As noted above, no single registered equities exchange currently has more than 16% of the total market share of executed volume of equities trading. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. Moreover, the Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow in response to new or different pricing structures being introduced to the market. Accordingly, competitive forces constrain the Exchange's transaction fees and rebates generally, including with respect to Retail Orders and Adding Liquidity Non-Displayed Orders, as market participants can readily choose to send their orders to other exchanges and off-exchange venues if they deem fee levels at those other venues to be more favorable. As described above, the proposed changes are competitive proposals through which the Exchange is seeking to encourage certain order flow to the Exchange and to promote market quality through pricing incentives that are similar in structure and purpose to pricing programs at other Exchanges.[30] Accordingly, the Exchange believes the proposal would not burden, but rather promote, intermarket competition by enabling it to better compete with other exchanges that offer similar incentives to market participants that enhance market quality.

Additionally, 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.'' [31] 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: ''[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 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 possess a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers' . . .''.[32] Accordingly, the Exchange does not believe its proposed pricing changes impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

*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)(ii) of the Act,[33] and Rule 19b–4(f)(2) [34] 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 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.* Please include File Number SR–PEARL–2021–34 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–PEARL–2021–34. This file number should be included on the subject line if email is used. To help the

[28] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 47396 (June 29, 2005).

[29] *See supra* note 11.

[30] *See supra* notes 21, 23, and 24.

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

[32] *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–NYSE–2006–21)).

[33] 15 U.S.C. 78s(b)(3)(A)(ii).

[34] 17 CFR 240.19b–4(f)(2).

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–PEARL–2021–34, and should be submitted on or before August 16, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[35]

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

[FR Doc. 2021–15814 Filed 7–23–21; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34–92445; File No. SR–CboeEDGX–2021–033]**

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

July 20, 2021.

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 13, 2021, Cboe EDGX Exchange, Inc. (''Exchange'' or ''EDGX'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The 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 EDGX Exchange, Inc. (the ''Exchange'' or ''EDGX'' or ''EDGX Equities'') 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/options/regulation/rule_filings/edgx/*), 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

The Exchange proposes to amend its Fee Schedule applicable to its equities trading platform (''EDGX Equities'') to (1) modify the standard rate for securities priced at or above $1.00 that remove liquidity, (2) remove certain fee codes in connection with internalization, (3) adopt a new tier under each of the Growth Tiers, the Non-Displayed Step-Up Volume Tier, and the Remove Volume Tiers, and, as a result, define the term ''Step-Up ADAV'', and (4) eliminate a Remove Volume Tier and a Retail Volume Tier.[3]

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,[4] 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 $0.00280 per share for orders that remove liquidity. For orders in securities priced below $1.00, the Exchange provides a standard rebate of $0.00009 per share 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 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.

Standard Rate: Securities at or Above $1.00 That Remove Liquidity

As stated above, the Exchange currently assesses a standard rate of $0.00280 per share for orders that remove liquidity in securities priced at $1.00 or more. The Exchange proposes to amend the standard rate for orders that remove liquidity in securities priced at $1.00 or more from a fee of $0.00280 per share to $0.00285 per share and reflects this change in the Fee Codes and Associated Fee where applicable (*i.e.,* corresponding to

[35] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] The Exchange initially filed the proposed fee changes July 1, 2021 (SR–CboeEDGX–2021–031). On July 13, 2021 the Exchange withdrew that filing and submitted this proposal.

[4] *See* Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (June 23, 2021), available at *https://markets.cboe.com/us/equities/market_statistics/.*