

subject to Sections 55 through 65 of the Investment Company Act of 1940 (15 U.S.C. 80a–1 *et seq.*) (“1940 Act”). Certain companies may have to make a filing with the Commission before they are ready to elect to be regulated as a business development company.¹ A company that is excluded from the definition of “investment company” by Section 3(c)(1) because it has fewer than one hundred shareholders and is not making a public offering of its securities may lose such an exclusion solely because it proposes to make a public offering of securities as a business development company. Such company, under certain conditions, would not lose its exclusion if it notifies the Commission on Form N–6F of its intent to make an election to be regulated as a business development company. The company only has to file a Form N–6F once.

The Commission estimates that on average approximately 12 companies file these notifications each year. Each of those companies need only make a single filing of Form N–6F. The Commission further estimates that this information collection imposes burden of 0.5 hours, resulting in a total annual PRA burden of 6 hours. Based on the estimated wage rate, the total cost to the industry of the hour burden for complying with Form N–6F would be approximately \$2,070.

The collection of information under Form N–6F is mandatory. The information provided under the form is not kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

¹ A company might not be prepared to elect to be subject to Sections 55 through 65 of the 1940 Act because its capital structure or management compensation plan is not yet in compliance with the requirements of those sections.

Please direct your written comments to Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: August 31, 2017.

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–81504; File No. SR–BOX–2017–28]

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Establish Fees and Rebates for the Trading Floor on the BOX Market LLC (“BOX”) Options Facility

August 30, 2017.

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 August 21, 2017, BOX Options Exchange LLC (the “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 Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b–4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule to establish fees and rebates for the Trading Floor on the BOX Market LLC (“BOX”) options facility. While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on August 22, 2017. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public

Reference Room and also on the Exchange’s Internet Web site at <http://boxexchange.com>.

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 the Fee Schedule for trading on BOX to create a new fee and rebate structure for manual transactions initiated from the BOX Trading Floor. The Exchange recently adopted rules to allow for an open outcry Trading Floor.⁵

The Exchange represented in its filing with the Securities and Exchange Commission (“SEC” or the “Commission”) to establish the Trading Floor that, “the Exchange has not yet determined the fees for transactions executed on the Trading Floor. Prior to commencing trading on the Trading Floor, the Exchange will file proposed fees with the Commission.”⁶ As the Exchange intends to begin trading on the Trading Floor on August 22, 2017, it is submitting this filing to describe the fees that will be applicable to transactions presented on the Trading Floor.

Section I. Exchange Fees

The Exchange proposes to amend the language to the title of Section I. to differentiate between electronic transaction fees and manual transaction fees. Currently, the Exchange assesses Exchange Fees based on transaction types and account types. The Exchange proposes to add “Electronic Transaction” and remove “Exchange” to the title of Section I to distinguish that Section I fees only apply to transactions that are initiated electronically through

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b–4(f)(2).

⁵ See Securities Exchange Release No. 81292 (August 2, 2017), 82 FR 37144 (August 8, 2017)(Order Approving SR–BOX–2016–48 as modified by Amendment Nos. 1 and 2).

⁶ *Id.*

the Trading Host as opposed to transactions initiated and presented on the Trading Floor in open outcry (manual transactions).⁷ The Exchange also proposes to clarify that a Participant's electronic and manual transaction volume will be considered for purposes of calculating the volume thresholds within the fee schedule, including the Tiered Volume Rebates for Non-Auction Transactions (Section I.A.1), Primary Improvement Order fees (Section 1.B.1), and BOX Volume Rebate (Section I.B.2). Further, the Exchange proposes to make changes throughout the Fee Schedule to distinguish between electronic transaction and manual transaction fees.

Section II. Manual Transaction Fees

The Exchange then proposes to adopt a new section (Section II. Manual Transaction Fees) and renumber the subsequent sections accordingly. As discussed above, manual transactions are transactions initiated and presented on the Trading Floor in open outcry, as opposed to those initiated electronically. Manual transactions consist of Qualified Open Outcry ("QOO") Orders.⁸ A QOO Order must be entered as a two-sided order, an initiating side and a contra-side, and the QOO Order fees, rebates and applicable fee and rebate caps will apply to both sides of the order.

Similar to the fees assessed for electronic transactions, the Exchange proposes to assess fees for manual transactions based on account type. For Public Customers, the Exchange proposes to assess a \$0.00 per contract fee for manual transactions in Penny and Non-Penny Pilot Classes. For Professional Customers, Broker Dealers and Market Makers, the Exchange proposes to assess a \$0.25 per contract fee for manual transactions in Penny and Non-Penny Pilot classes.

The Exchange proposes to add an additional account type, Broker Dealer Facilitating a Public Customer, which will apply to any manual transaction executed using the open outcry process, where the Broker Dealer and the Public Customer both clear through the same clearing firm and the Broker Dealer clears in the customer range. The Exchange proposes to assess a \$0.00 per contract fee for Broker Dealers Facilitating a Public Customer in Penny

and Non-Penny Pilot Classes. For example, if a Floor Broker presents a QOO Order on the Trading Floor where the initiating side is a Public Customer and the contra side is the Broker Dealer guaranteeing the full size of the order, the Public Customer will be assessed a \$0.00 per contract fee on the initiating side and the Broker Dealer will be assessed a \$0.00 per contract fee for the contra-side.

The Exchange then proposes to establish a QOO Order fee cap for Broker Dealers of \$75,000 per month per Broker Dealer. Again, the Exchange notes that both sides of the paired QOO Order will count towards reaching the fee cap for each Broker Dealer.

The Exchange then proposes to add Section II.B., QOO Orders Executed Against Orders on the BOX Book. Specifically, the Exchange proposes that the initiating side of a QOO Order executing against an order on the BOX Book will be treated as a manual transaction for purposes of the Fee Schedule and will be subject to the fees and rebates in proposed Section II (Manual Transaction Fees). The corresponding order on the BOX Book will be treated as an electronic transaction and continue to be subject to the fees in Section I (Electronic Transaction Fees).

The Exchange proposes to adopt Section II.C., QOO Order Rebate. BOX Floor Brokers will receive a \$0.05 per contract rebate for all QOO Orders presented to the Trading Floor for both sides of the QOO Order. However, the rebate will not apply to Public Customer manual executions; or Broker Dealer manual executions where the Broker Dealer is facilitating a Public Customer. The total monthly rebate for Broker Dealer executions will be capped at \$30,000 per month per Broker Dealer.

For example, Broker Dealer A submits a 200 contract buy order to a Floor Broker B, and the Floor Broker B pairs that initiating order with Broker Dealer C's 200 contract sell order to create a QOO Order that will be presented on the Trading Floor in open outcry. During open outcry, Floor Broker D offers to sell 50 contracts on behalf of Broker Dealer E. The 200 contract QOO Order is then submitted to the Exchange for execution through the BOG.

Following the allocation of the initiating side of the QOO Order:

- Broker Dealer A would be assessed a \$0.25 fee and Floor Broker B would receive a \$0.05 rebate on the initiating 200 contracts.
- Broker Dealer C would be assessed a \$0.25 fee and Floor Broker B would receive a \$0.05 rebate on its 150 contra side contracts that receive allocation.

- Broker Dealer E would be assessed a \$0.25 fee and Floor Broker D would receive a \$0.05 rebate on its 50 contra side contracts that received allocation.

To continue on this example, if Floor Broker D offered to sell 50 contracts on behalf of Public Customer F instead of Broker Dealer E. Public Customer F would be assessed no fees and Floor Broker D would receive no rebates on its 50 contra side contracts that received allocation. On a monthly basis, these QOO Order fees for Broker Dealer A, Broker Dealer C, and Broker Dealer E would each be capped at \$75,000; and the QOO Order Rebate for Floor Brokers B and D would be capped at \$30,000 per Broker Dealer.

Proposed Section IV. Complex Order Transaction Fees

The Exchange proposes to amend proposed Section IV (Complex Order Transaction Fees) to clarify that transaction fees and credits set forth in this section will not apply to (i) Complex Order Electronic transactions executed through the Auction Mechanisms⁹ which will be subject to Sections I (Electronic Transaction Fees) and proposed Section III (Liquidity Fees and Credits) and (ii) Complex Order Manual Transactions which will be subject to proposed Section II (Manual Transaction Fees).

Proposed Section IX. Participant Fees

The Exchange proposes to establish distinct Participant fees for its Floor Participants. The proposed Floor Participant Permit fees will be in addition to the Participant Fees already in place; a one-time \$2,500 Initiation Fee, and a monthly \$1,500 Participant Fee. The Exchange proposes to establish a Floor Market Maker fee of \$5,500 per month, a Floor Broker fee of \$500 per month and a Badge fee of \$100 per month.¹⁰ The Exchange notes that the Floor Market Maker fee and Floor Broker fee entitles the Participant to three registered permits on the BOX Trading Floor. Further, Badge fees will be paid by each Participant (Floor Market Maker or Floor Broker) for any

⁹ BOX's auction mechanisms include the Price Improvement Period ("PIP"), Complex Order Price Improvement Period ("COPIP"), Facilitation Auction and Solicitation Auction.

¹⁰ A Floor Market Maker is an Options Participant of the Exchange located on the Trading Floor who has received permission from the Exchange to trade in options for his own account. A Floor Broker is an individual who is registered with the Exchange for the purpose, while on the Trading Floor, of accepting and handling options orders. A Floor Broker must be registered as an Options Participant prior to registering as a Floor Broker. The Exchange notes that the Floor Market Maker fee and the Floor Broker Dealer fee will be paid by the Floor Market Maker or Floor Broker Dealer entities, respectively.

⁷ See BOX Rule 100(a)(66). Electronic transactions are those initiated electronically, as opposed to transactions initiated and presented on the Trading Floor in open outcry.

⁸ See BOX Rule 7600. The QOO Order must be entered as a two-sided order when it is submitted to the Exchange for execution through the BOX Order Gateway ("BOG").

registered on-floor person employed by or associated with the Participant. Lastly, the Exchange notes that the Badge fee is not imposed on permit holders. The Exchange believes these Floor Participant Fees are competitive with similar fees at other option exchanges.¹¹

Finally, the Exchange proposes to make a number of non-substantive changes to the Fee Schedule. First, the Exchange proposes to renumber the footnotes throughout the Fee Schedule. Second, the Exchange proposes to amend Section III (Complex Order Transaction Fees) with regard to Market Maker executed volume on BOX. Currently, the Fee Schedule states, "All Complex Order transactions will count toward a Market Maker's monthly executed volume on BOX in Section I.B." The Exchange proposes to correct the reference to Section I.A.1, as Section I.B is not accurate. Finally, the Exchange proposes to amend proposed Section III (Liquidity Fees and Credits) to clarify that a PIP Order or COPIP Order that executes against an Unrelated on the BOX Book shall be treated as a Non-Auction Transaction and deemed exempt from the Liquidity Fees and Credits in Section III.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,¹² in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

Manual Transaction Fees

The Exchange believes the proposed fees for Manual Transactions on the Trading Floor are reasonable. Furthermore, several other competing exchanges have open outcry trading floors and market participants can readily direct order flow to any these venues if they deem BOX's manual transaction fees to be excessive.¹³

¹¹ For similar Trading Floor Permits for Floor Market Makers, Chicago Board Options Exchange ("CBOE") charges \$5,000; NASDAQ PHLX LLC ("PHLX") charges \$4,500; NYSE Arca ("Arca") charges up to \$6,000; and NYSE American ("American") charges up to \$10,000. For Floor Brokers, CBOE charges \$9,000 per month; PHLX charges \$3,000 per month; Arca charges \$500 per month; and American charges \$500 per month.

¹² 15 U.S.C. 78f(b)(4) and (5).

¹³ See CBOE Fee Schedule; PHLX Pricing Schedule; Arca Options Fees and Charges; and American Options Fee Schedule.

The Exchange believes the \$0.25 fee for Professional Customer, Broker Dealer, and Market Maker QOO Orders is reasonable. The proposed fees for these Manual transactions have been designed to be comparable to the fees that such orders would be charged at competing venues.¹⁴ Further, the Exchange believes that charging Professionals, Broker Dealers and Market Makers the same fee for all Manual Transactions is not unfairly discriminatory as the fees for QOO Orders are the same for Professionals, Broker Dealers and Market Makers.

The Exchange believes it is equitable and not unfairly discriminatory that Public Customers be charged lower fees for Manual transactions than Professional Customers, Broker Dealers and Market Makers on BOX. The securities markets generally, and BOX in particular, have historically aimed to improve markets for investors and develop various features within the market structure for customer benefit. As such, the Exchange believes that not assessing a fee for Public Customer Manual transactions are appropriate, equitable and not unfairly discriminatory. The Exchange believes it promotes the best interests of investors to have lower transaction costs for Public Customers, and having no fee for QOO Orders will attract Public Customer order flow to the BOX Trading Floor.

The Exchange believes that not charging a Broker Dealer facilitating a Public Customer is reasonable because it will encourage Broker Dealers to facilitate Public Customer orders through the Trading Floor and increase participation in open outcry, which will in turn promote increased executions on the Exchange which will benefit all BOX Participants. As stated above, BOX's market model and fees are generally intended to benefit retail customers by providing incentives for Participants to submit their customer order flow to BOX.¹⁵ Further, the

¹⁴ For manual transactions, CBOE charges Broker Dealers \$0.25 and charges Market Makers between \$0.23 and \$0.03, depending on their volume thresholds based on total national Market Maker volume. CBOE does not charge public customers for manual transactions. On Phlx, Broker Dealers and Professionals are charged \$0.25 for floor transactions while Market Makers are charged \$0.35. Similar to CBOE, Phlx does not charge public customers for their floor transactions. On Arca, Broker Dealers, Professional Customers and Market Makers are charged \$0.25 for their manual executions, while public customers are not charged. Lastly, on American for manual transactions, Broker Dealers and Professional Customers are charged \$0.25, Market Makers are charged \$0.20, and public customers are not charged.

¹⁵ See BOX Fee Schedule, current Section II.A. (Liquidity Fees and Credits for PIP and COPIP Transactions.)

Exchange believes this proposal is reasonable and appropriate; as it is in line other exchanges with open outcry trading floors.¹⁶

In addition, the proposed change is equitable and not unfairly discriminatory because it is open to all Broker Dealers on an equal basis. Further, the BOX Trading Floor will provide the opportunity for all market participants to compete for these customer orders, as there are no limitations regarding the number of Market Makers or Floor Brokers that can participate and compete for a QOO Order in open outcry.

Finally, the Exchange believes that the proposed difference between what a Broker Dealer facilitating a Public Customer will pay, compared to what a responder to the QOO Order will pay is reasonable, equitable and not unfairly discriminatory. As stated above, this difference is in-line with the credits and fees at competing exchanges. The Exchange believes that this differential is reasonable because responders are willing to pay a higher fee for liquidity discovery. Further, the Broker Dealer is guaranteeing the execution when submitting the QOO Order to floor, compared to the other Floor Participants who have no obligation to respond.

The Exchange believes that the QOO Order fee cap for Broker Dealers is reasonable and appropriate. The proposed fee cap of \$75,000 per month per Broker Dealer is the same amount as another fee cap at a competing exchange with an open outcry trading floor.¹⁷ Further, the Exchange believes that this proposed fee cap is equitable and not unfairly discriminatory because it provides incentives for Broker Dealers to submit floor transactions on the Exchange, which brings increased liquidity and order flow to the floor for the benefit of all market participants. Lastly, the Exchange believes that applying this fee cap to only Broker Dealers is reasonable and appropriate as another exchange in the industry has a similar cap.¹⁸ The Exchange believes

¹⁶ See NYSE Arca Fee Schedule. Arca does not charge fees for manual executions for Firm Facilitation and Broker Dealers facilitating a Customer. Additionally, the Exchange notes that it is proposing a similar definition for "Broker Dealers facilitating a Customer" as defined in Arca's Fee Schedule. See also NASDAQ PHLX LLC ("PHLX") Fee Schedule. PHLX does not charge fees for a transaction in which a Broker-Dealer facilitates a Customer order.

¹⁷ See Phlx Pricing Schedule. Phlx subjects Firms to a maximum fee of \$75,000 per month for floor transactions.

¹⁸ See American Fee Schedule Section I.I (Firm Month Fee Cap). American has a monthly Firm Fee Cap for Manual transactions of \$100,000. Firms are defined as "a Broker Dealer that is not registered as

that to attract orders from Broker Dealers, via a Floor Broker, the rates must be competitive with rates at other trading floors.

Further, the Exchange believes that applying the cap to only Broker Dealers is equitable and not unfairly discriminatory to Public Customers and Broker Dealers facilitating a Public Customer because these Participants are not charged any fees for their manual transactions. Additionally, the Exchange believes it is equitable and not unfairly discriminatory to not apply a fee cap on Floor Market Maker manual transactions. Market Makers do not need the same incentives as Broker Dealers to submit order flow to the BOX Trading Floor. Broker Dealers require a Floor Broker to represent their trading interest on the Trading Floor as compared to a Market Maker that could directly transact such orders on the Trading Floor.

QOO Order Rebate

The Exchange believes that the proposed \$0.05 QOO Order Rebate for Floor Brokers is reasonable, equitable and not unfairly discriminatory. The Exchange notes that it does not offer a front-end for order entry on the Trading Floor, unlike some competing exchanges. As such, the Exchange believes it is necessary from a competitive standpoint to offer this rebate to the executing Floor Broker on a QOO order. A similar flat rebate is offered to Floor Brokers on a competing exchange.¹⁹ Similar to the Floor Broker Rebate for Executed QCC Transactions, the proposed QOO Order rebate is applied to both sides of the paired order and is directed to the Floor Broker and not to the Participant who is assessed the QOO Order fee. In other words, the NYSE Floor Broker Rebate is applied to the Floor Broker who executes the QCC Order for another NYSE Member, even though that Member is assessed the \$0.20 fee per contract. Finally, the rebate is only applied when the Floor Broker executes the QCC Order manually on the NYSE Arca trading

floor. No rebate is given when the QCC Order is executed electronically.²⁰

The Exchange notes that Participants have two possible means of bringing orders to the Exchange's Trading Floor for possible execution: (1) They can invest in the technology, systems and personnel to participate on the Trading Floor and deliver the order to the Exchange matching engines for validation and execution; or (2) they can utilize the services of another Participant acting as a Floor Broker. The Exchange believes that offering the rebate will allow Floor Brokers to price their services at a level that would enable them to attract QOO order flow from participants who would otherwise utilize the front-end order entry mechanism offered by the Exchange's competitors instead of incurring the cost in time and resources to install and develop their own internal systems to deliver QOO orders directly to the Exchange system.

Further, the Exchange believes that to the extent Floor Brokers are able to attract QOO orders; they will gain important information that would allow them to solicit the parties to the QOO orders for participation in other trades. This will in turn, benefit other Exchange participants through additional liquidity on the Trading Floor that could occur as a result.

The Exchange believes it is equitable and not unfairly discriminatory to only apply the rebate to Floor Brokers and not to Floor Market Makers. As stated above, Floor Market Makers only represent their own interest on the Trading Floor and therefore do not need a similar incentive. Further, the Exchange believes it is equitable and not unfairly discriminatory to not apply the rebate to Public Customers or Broker Dealers where the Broker Dealer is facilitating a Public Customer, as these executions are not assessed a fee for their QOO Orders. The Exchange also believes that the \$30,000 rebate cap for Broker Dealer executions is equitable and not unfairly discriminatory as Broker Dealer QOO Order execution fees are capped at \$75,000 per month and other QOO Order fees are not.

QOO Orders Executed on the BOX Book

The Exchange believes that treating the initiating side of the QOO Order that executes against an order on the BOX Book as a manual transaction for purposes of the Fee Schedule and subject to Section II (Manual

Transaction Fees), and treating the corresponding order on the BOX Book as an electronic transaction subject to Section I (Electronic Transaction Fees) is reasonable, equitable and not unfairly discriminatory. For example, the Exchange believes this proposal is reasonable and appropriate as it has adopted a similar methodology for Complex Orders that execute against orders on the BOX Book.²¹ Further, the Exchange believes that this proposed change is equitable and not unfairly discriminatory as it will reduce investor confusion with respect to the applicable QOO Order fees and rebates. Further, the Exchange believes that this proposal is consistent with what a Participant submitting an order on the Trading Floor would expect to pay, which will allow the Participant to more accurately forecast their floor based transaction fees.

Complex Order Transaction Fees

The Exchange believes that the proposed changes to Proposed Section IV (Complex Order Transaction Fees) are reasonable, equitable and not unfairly discriminatory as the changes are simply clarifying how Manual Complex Orders on the Trading Floor will be charged or credited as opposed to electronic Complex Orders. The Exchange notes that the Exchange currently differentiates between Complex Orders executed on the Exchange versus Complex Orders executed within BOX's Auction Mechanisms. The Exchange is simply clarifying that Manual Complex Orders presented on the Trading Floor will be subject to a different section of the BOX Fee Schedule, specifically proposed Section II (Manual Transaction Fees).

Participant Fees

The Exchange's proposed Trading Floor Permit fees of \$5,500 per month for Floor Market Makers, \$500 per month for Floor Brokers and \$100 per month for any Badge Fees are reasonable and appropriate. Specifically, the proposed fees are competitive with similar participant fees at other options exchanges with open outcry trading floors.²²

The Exchange believes that it is equitable and not unfairly discriminatory to charge Floor Market Makers more per month than Floor Brokers. Floor Market Makers benefit from the access they have to interact with orders which are made available in open outcry on the Trading Floor. As

a dealer-specialist or Market Maker that is an ATP Holder on the Exchange." The Exchange notes that American has in place a \$0.01 incremental service fee that is applied once a Firm has reached the monthly cap. The Exchange is not proposing a similar service fee at this time. *See also* Arca Fee Schedule (Firm and Broker Dealer Monthly Fee Cap).

¹⁹ *See* NYSE Arca, Qualified Contingent Cross ("QCC") Transactions Fees and Rebate. The Floor Broker Rebate for Executed Orders is a flat rebate and is applied to both sides of the QCC Order except when a Customer is on both sides of the QCC transaction.

²⁰ BOX notes that while QCC Orders are also offered on the Exchange, only QOO Orders are allowed to be presented to the BOX Trading Floor for open outcry.

²¹ *See* Securities Exchange Release No. 77568 (April 8, 2016), 81 FR 22151 (April 14, 2016).

²² *See supra* note 11.

stated above, these market participants may choose to conduct their business on the Trading Floor, unlike Floor Brokers, who have a business model that is naturally tied to the physical trading space. The Exchange offers Market Makers a choice on how to conduct business, only electronic or floor and electronic. The Exchange believes that it is equitable and not unfairly discriminatory to assess Floor Market Makers the higher monthly fee because they have the benefit of trading on both if they so choose.

Lastly, the Exchange believes the monthly Badge Fee of \$100 is reasonable as it is in line with other similar fees at a competing exchange.²³ Further, the Exchange believes that the monthly Badge Fee is equitable and not unfairly discriminatory because the Badge Fee will be assessed uniformly to each person authorized by the BOX Participant, regardless of Participant type.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges. Because competitors are free to modify their own fees in response, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is limited. For the reasons discussed above, the Exchange believes that the proposed changes do not impose an undue burden on competition.

The Exchange does not believe that assessing no fee on Broker Dealers facilitating Public Customer will burden competition by creating such a disparity between the fees that an initiating Broker Dealer pays and the fees a competitive responder pays that would result in certain Participants being unable to compete with initiators. In fact, the Exchange believes that the proposed fees will not impair these Participants from adding liquidity and

competing in open outcry on the Trading Floor and will help promote competition by providing incentives for market participants to submit customer order flow to the BOX Trading Floor and thus, create a greater opportunity for customer executions.

Further, the Exchange does not believe that offering a rebate to Floor Brokers will impose an undue burden [sic] on intra-market competition because all Floor Brokers are eligible to transaction [sic] QOO Orders and receive a rebate. Further, the Exchange believes that the rebate will promote competition by allowing Floor Brokers to competitively price their services and for the Exchange to remain competitive with other exchanges that offer front-end order entry on their trading floors.

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

No written comments were either solicited or 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 Exchange Act²⁴ and Rule 19b-4(f)(2) thereunder,²⁵ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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-BOX-2017-28 on the subject line.

²⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁵ 17 CFR 240.19b-4(f)(2).

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-BOX-2017-28. 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 Web site (<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 Web site 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 such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-2017-28, and should be submitted on or before September 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017-18798 Filed 9-5-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Commission will host the SEC-NYU Dialogue on Securities Markets—Exchange-Traded Products (ETPs) on Friday, September 8, 2017 beginning at

²⁶ 17 CFR 200.30-3(a)(12).

²³ See CBOE Fees Schedule and NYSE Arca Fee Schedule. CBOE charges a \$120 (Floor Manager) or \$60 (Clerks) badge fees for their Floor Participants. NYSE Arca charges \$50 per badge.