

Exchange believes these measures will reduce the risks of manipulative or other improper activity in connection with CVRs.

The proposed modification to the issuer qualification requirements of Section 703.18 is designed to protect investors and the public interest, as it conforms those requirements to changes in the initial listing requirements for common stocks of operating companies pursuant to amendments to Section 102 that have been implemented since the adoption of Section 703.18. The issuer requirements under Section 703.18 are those applied to the initial listing of common stocks of operating companies and, as such, the Exchange believes that they are sufficiently rigorous to be used in connection with the listing of CVRs. The Exchange further believes that issuers that meek [sic] the Exchange's issuer qualification requirements are likely to be substantial companies capable of meeting their financial obligations under the terms of a listed CVR. The Exchange also notes that it will continue to require issuers of listed CVRs to have at least \$100 million in total assets at the time of original listing.

The proposal to amend the continued listing requirements of Section 703.18 to provide that a listed CVR will be delisted if its issuer ceases to be listed on a national securities exchange is designed to protect investors and the public interest, as it ensures that issuers whose CVR s are listed on the Exchange will meet the qualitative and quantitative standards for listing on a national securities exchange on a continuous basis.

The updated reference to the Exchange's legal entity name and additional introductory language are simply factual corrections and have no substantive impact.

#### *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. The proposed amendment to Section 703.18 will increase competition by providing an additional listing venue for Event-Based CVRs. The amendment to the issuer qualification requirements in Section 703.18 simply conforms those requirements to modifications to the initial listing requirements for common stocks of operating companies and does not impose any burden on competition. The amendment to the continued listing requirements in 703.18 is being proposed to ensure the ongoing suitability for listing of the issuers of

CVRs and does not impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

#### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2019-14 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-NYSE-2019-14. 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-NYSE-2019-14, and should be submitted on or before June 5, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Eduardo A. Aleman,**

*Deputy Secretary.*

[FR Doc. 2019-09961 Filed 5-14-19; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-85817; File No. SR-CBOE-2019-026]

### **Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Adopt Reduced Subscription Fees for Academics for the Sale of Historical Cboe Open-Close Volume Data**

May 9, 2019.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 25, 2019, Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") 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.

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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

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

## I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe Exchange, Inc. (the "Exchange" or "Cboe Options") proposes to amend its fee schedule to adopt reduced subscription fees for academics for the sale of Historical Cboe Open-Close volume data. 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://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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 the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to amend its Cboe LiveVol, LLC ("Cboe LiveVol") Price List to adopt reduced subscription fees for academics for the sale of historical Cboe Open-Close volume data. In 2015, former Cboe Holdings (now Cboe Global Markets) acquired LiveVol, Inc, a market data services and trading analytics platform. In 2016, Cboe LiveVol launched its website, Cboe LiveVol DataShop<sup>3</sup> ("DataShop"), which offers clients, both Trading Permit Holders ("TPHs") and non-TPHs, a range of market data sets, including historical data, and subscription options. Specifically, Open-Close Data is a Cboe proprietary data set offered on DataShop that consists of the volume summary (*i.e.* contracts traded) for each Exchange-listed option. Open-Close Data summarizes Cboe Options volume by origin (customer and firm orders only), original order size and the opening or closing position of the order. Customers may purchase Daily Open-

Close Data on a monthly subscription basis or Historical Open-Close Data on an ad hoc request basis. The Exchange seeks only to amend the price per year for Historical Open-Close Data for academic purchasers. Currently, Historical Open-Close Data is available to all customers at the same price and in the same manner. The current charge for Historical Open-Close Data covering all of the Exchange's securities ((Equities, Indexes & ETF's) is \$7,200 per year for requests for one to four years of data, and a 50% discount beginning with the fifth year of data (*i.e.* Cboe LiveVol charges \$7,200 for each of the first four years of data and \$3,600 for data the fifth year and on).

The Exchange now proposes to charge qualifying academic purchasers \$1,500 per year for Historical Open-Close Data covering all of the Exchange's securities. As proposed, the 50% discount beginning with the fifth year of data is not applicable to academic pricing. The Exchange believes that academic institutions provide a valuable service for the Exchange in studying and promoting the options market. Though academic institutions and researchers have need for granular options data sets, they do not trade upon the data for which they subscribe. The Exchange believes the proposed reduced fees for qualifying academic purchasers of Historical Open-Close Data will encourage and promote academic studies of its market data by academic institutions. In order to qualify for the academic pricing, an academic purchaser must be (1) an accredited academic institution, (2) that will use the data in independent academic research, academic journals and other publications, teaching and classroom use, or for other bona fide educational purposes (*i.e.* academic use). Furthermore, use of the data must be limited to faculty and students of the accredited academic institution, and any commercial or profit-seeking usage is excluded. Academic pricing will not be provided to any purchaser whose research is funded by a securities industry participant. Cboe LiveVol subscriber policies will be updated to reflect the academic discount program, and academic institutions interested in qualifying will be required to submit a brief application. Cboe LiveVol Business Development will have the discretion to review and approve such applications and request additional information when it deems necessary.

The Exchange notes that other exchanges currently offer academic

discounts for similar data feeds.<sup>4</sup> The Exchange recognizes the high value of academic research and educational instruction and publications, and believes that the proposed academic discount for Historical Open-Close Data will encourage the promotion academic research of the options industry, which will serve to benefit all market participants while also opening up a new potential user base among students. Finally, the Exchange notes that academic purchasers' subscriptions to Historical Open-Close Data are educational in use and purpose, and not vocational.

Lastly, the Exchange proposes to relocate the current Open-Close Data pricing schedule available on DataShop, along with the proposed academic discount, to its Exchange Fees Schedule, under the LiveVol Fees Table. The Open-Close Data will continue to be made available on DataShop. The Exchange proposes to change the format of the Open-Close Data of all Cboe securities received by a purchaser from a DVD to a download, noting that file sizes larger than 500GB will be shipped to the purchaser on a hard drive. The Exchange notes that this is the current process in which a purchaser receives Historical Open-Close Data via the DataShop website. As such, the proposed change does not substantively change the pricing schedule, but rather reflects the format in which purchasers are currently receiving Historical Open-Close Data via the DataShop website. As such, the Exchange notes no substantive changes are being made by relocating the pricing information, but rather believes the Open-Close Data fees would be better situated among the Exchange's current LiveVol Fees Table in the Exchange's Fees Schedule.

#### 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

<sup>4</sup> See Securities Exchange Act Release No. 67955 (October 1, 2012) 77 FR 61037 (October 5, 2012) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Reduced Fees for Historical ISE Open/Close Trade Profile Intraday Market Data Offering) (SR-ISE-2012-76); Securities and Exchange Act Release 34-60654 (September 11, 2009) 74 FR 47848 (September 17, 2009) (Notice of Filing of Proposed Rule Change Relating to Historical ISE Open/Close Trade Profile Fees) (SR-ISE-2009-64); Securities Exchange Act Release No. 53770 (May 8, 2006) 71 FR 27762 (May 12, 2006) (Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto To Establish an Annual Administrative Fee for Market Data Distributors That Are Recipients of Nasdaq Proprietary Data Products) (SR-NASD-2006-030).

<sup>3</sup> Available at: <https://datashop.cboe.com/>.

Section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>7</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

In particular, the Exchange believes that the discount for qualifying academic purchasers of the annual subscription to Historical Open-Close Data is reasonable because academic institutions are not able to monetize access to the data as they do not trade on the data set. The Exchange believes the proposed discount will allow for more academic institutions to purchase Historical Open-Close Data, and, as a result, promote research and studies of the options industry to the benefit of all market participants. The Exchange believes that the proposed discount is equitable and not unfairly discriminatory because it will apply equally to all academic institutions that submit an application and meet the accredited academic institution and academic use criteria. As stated above, qualified academic users will subscribe to the data set for educational use and purposes and are not permitted to use the data for commercial or monetizing purposes, nor can qualify if they are funded by an industry participant. As a result, the Exchange believes the proposed discount is equitable and not unfairly discriminatory because it maintains equal treatment for all industry participants or other subscribers that use the data for vocational, commercial or other for-profit purposes. Additionally, the Exchange believes its proposal to adopt the pricing schedule for Open-Close Data under its Fees Schedule is reasonable and equitable because maintaining the pricing information for Cboe proprietary data in a fee schedule in a centralized location on the main

Cboe website<sup>8</sup> reduces confusion for investors and allows for easier access to such pricing for all market participants. Furthermore, the Exchange believes the proposed change from a purchaser's receipt of a DVD to a download of Historical Open-Close Data is reasonable and equitable because it reflects the format in which purchasers are already receiving such data via the DataShop website. As a result, this change will reduce confusion for all investors once the Open-Close pricing information is adopted under the Exchange's Fee Schedule.

#### *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. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change will apply to all qualifying academic purchasers uniformly. While the proposed fee reduction applies only to qualifying academic purchasers, academic institutions' research and publications as a result of access to historical market data benefits all market participants. The Exchange also does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as other options exchanges currently offer similar historical data to academic institutions at a discounted price. Offering a discount for qualifying academic institutions that purchase the Exchange's Historical Open-Close Data may make that data more attractive to such academic institutions and further increase competition with exchanges that offer similar historical data products.

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

The Exchange neither solicited nor received comments on the proposed rule change.

### **III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and paragraph (f) of Rule 19b-4<sup>10</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

### **IV. Solicitation of Comments**

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

#### *Electronic Comments*

- Use the Commission's internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2019-026 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-CBOE-2019-026. 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

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> *Id.*

<sup>8</sup> Available at: <http://www.cboe.com/trading-resources/fee-schedules>.

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

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-CBOE-2019-026 and should be submitted on or before June 5, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Eduardo A. Aleman,**  
Deputy Secretary.

[FR Doc. 2019-09965 Filed 5-14-19; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-85820; File No. SR-NYSEArca-2019-30]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the NYSE Arca Options Fee Schedule

May 9, 2019.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (“Act”) <sup>2</sup> and Rule 19b-4 thereunder, <sup>3</sup> notice is hereby given that, on April 30, 2019, NYSE Arca, Inc. (“NYSE Arca” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to modify the NYSE Arca Options Fee Schedule (“Fee Schedule”). The Exchange proposes to implement the fee change effective May 1, 2019. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of

the Exchange, and at the Commission’s Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization 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 those 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 parts of such statements.

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

###### 1. Purpose

The purpose of this filing is to modify the Fee Schedule, effective May 1, 2019, to provide an additional method for Market Makers to qualify for enhanced posting credits in Penny Pilot issues and SPY. The filing will also eliminate a program that is no longer effective.

The Exchange currently provides a number of incentives for Market Makers and Lead Market Makers (collectively, “Market Makers”) to achieve posting credits that are higher than the base posting credit of \$0.28 per contract in Penny Pilot issues and SPY.<sup>4</sup> Among these incentives are enhanced posted liquidity credits based on achieving certain percentages of NYSE Arca Equity daily activity, also known as “cross-asset pricing.” Similarly, because the Exchange allows Market Makers to aggregate their volume executed on NYSE Arca with Affiliated or Appointed Order Flow Providers (“OFPs”), Market Makers may encourage an increased level of activity from these participants to qualify for various incentives. As a result, the Exchange becomes a more attractive venue for Customer (and Professional Customer) orders offering enhanced rebates. Pursuant to the Market Maker Penny Pilot and SPY Posting Credit Tiers (the “Penny Credit Tiers”), Market Maker orders and quotes that post liquidity and are executed on the Exchange earn a base credit of \$0.28 per contract, and may be eligible for increased credits based on the participant’s activity. Currently, in addition to the base, there are three

Penny Credit Tiers, with increasing minimum volume thresholds (as well as increasing credits) associated with each tier: The Select Tier, the Super Tier and the Super Tier II.

The Exchange proposes to add a new (third) alternative qualification volume threshold for Super Tier II, but will not modify the \$0.42 per contract credit associated with this Tier.<sup>5</sup> Specifically, the proposed alternative method of qualifying would require a Market Maker to achieve at least 0.10% of Total Customer Average Daily Volume (“TCADV”) from Market Maker posted interest in all issues, plus at least 0.42% of executed Average Daily Volume (“ADV”) of Retail Orders of U.S. Equity Market Share Posted and Executed on NYSE Arca Equity Market.<sup>6</sup> This proposed change seeks to incent Market Makers to achieve this Tier by increasing trading on the equities market (while making the Tier easier to achieve based on a lower minimum threshold for options trading activity).

The Exchange also currently offers a special rate of \$0.12 per contract Firm and Broker Dealer orders in manual executions of VXX that are not facilitating a Customer or Professional Customer (the “Program”). The Exchange has decided to discontinue the Program as it did not attract additional participation or volume to the Exchange and therefore proposes to delete all references to the Program and the associated rate. The proposed change would add clarity, transparency and internal consistency to the program.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly

<sup>5</sup> The Exchange is not modifying the existing (two) alternative bases for a Market Maker to achieve Super Tier II, which require (1) a Market Maker to execute at least 0.20% of TCADV from Market Maker posted interest in all issues, plus ETP Holder and Market Maker posted volume in Tape B Securities (“Tape B Adding ADV”) that is equal to at least 1.50% of US Tape B consolidated average daily volume (“CADV”) for the billing month executed on NYSE Arca Equity Market; or (2) at least 1.60% of TCADV from Market Maker interest in all issues, with at least 0.90% of TCADV from Market Maker posted interest in all issues.

<sup>6</sup> For purposes of calculating the executed ADV of Retail Orders of U.S. Equity Market Share on the NYSE Arca Equity Market, a Retail Order must qualify for the Retail Order Tier set forth in the NYSE Arca Equities Fee Schedule.

<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> The base credit is available for executions of Market Maker posted interest in Penny Pilot Issues and SPY and has no minimum volume threshold requirement.