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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A) [9] of the Act and subparagraph (f)(2) of Rule 19b–4 [10] thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) [11] of the Act 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–NYSE–2018–57 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–2018–57. 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–2018–57 and should be submitted on or before January 4, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[12]

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2018–27084 Filed 12–13–18; 8:45 am]

BILLING CODE 8011–01–P

[9] 15 U.S.C. 78s(b)(3)(A).

[10] 17 CFR 240.19b–4(f)(2).

[11] 15 U.S.C. 78s(b)(2)(B).

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No 34–84771; File No. SR–NSCC–2018–012]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Fees Relating to Mutual Fund Services, and Insurance and Retirement Processing Services

December 10, 2018.

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 November 26, 2018, National Securities Clearing Corporation (''NSCC'') 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 clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act [3] and Rules 19b–4(f)(2) and (f)(4) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of modifications to Addendum A (Fee Structure) (''Addendum A'') of NSCC's Rules & Procedures (''Rules'') in order to make certain adjustments and clarifications in the fee provisions for NSCC's Mutual Fund Services (''MFS'') and Insurance and Retirement Processing Services (''I&RS''), as described below.[5]

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of this proposed rule change is to reduce certain fees for MFS and I&RS set forth in Addendum A as described below, in order to better align fees with the costs of services provided by NSCC by reducing the fees so that the revenue received by NSCC would be closer to the costs of providing the services. In addition, certain fee reductions as described below are also intended to incentivize greater use of certain MFS and I&RS products. The proposed rule change would also clarify the description of certain fees as described below to improve clarity and transparency of the Rules. NSCC expects the proposed rule change would result in a decrease in revenue of

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(2) and (f)(4).

[5] Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, *available at http://dtcc.com/~/media/Files/Downloads/legal/rules/nscc_rules.pdf.*

approximately 9.5% for each of the MFS and I&RS services.

(i) Background

NSCC has undertaken a strategic review of its pricing structure, and developed a revenue and pricing strategy with the goal of among other things, reducing pricing complexity in Addendum A and aligning pricing with costs.[6] As a result of the review, NSCC has determined that certain fees in MFS and I&RS have over time become misaligned with the costs of services. Such fees are misaligned because the revenue that NSCC has been receiving for such services has increased over time more than the costs to provide the services. NSCC believes that this is a result of streamlined processes in such services which have resulted in the reduction of processing costs for NSCC for such services. NSCC believes it is reasonable and appropriate to assess Members and Limited Members (collectively, ''NSCC Members'') fees that are commensurate with the costs of services provided to NSCC Members. Accordingly, the proposed changes would adjust certain fees in MFS and I&RS so that revenue for NSCC would better align with the costs of the services by reducing the revenue that NSCC receives so that it is closer to the costs of providing the services by NSCC. NSCC believes that the proposed fee reductions would allow NSCC to lower the costs for services to NSCC Members while still providing adequate funding to enable NSCC to recover its costs in providing the services.

NSCC is also proposing certain fee changes as described below to incentivize greater use of certain MFS and I&RS products.

In addition, NSCC is proposing certain clarifying changes to the description of certain fees in Addendum A as described below to enhance clarity and transparency of the Rules.

(ii) Proposed Rule Changes

A. Networking Omni/SERV® Fee Reductions

Omni/SERV, which is a feature of the MFS Networking service, provides a streamlined communication platform for the transmission of files for fund accounts held in omnibus.[7] NSCC is proposing to reduce the monthly fee for Omni/SERV file transmissions in Section IV.H.3. of Addendum A from $2,500 per month to $1,500 per month. As discussed below, NSCC believes that the proposed fee reduction would better align the fees with the costs of providing Omni/SERV.

B. Profile Phases I and II Fee Reductions

NSCC is proposing to reduce the monthly fee for Phases I and II of the Mutual Fund Profile Service (''Profile'') in Section IV.J.b. of Addendum A from $2,000 per month to $1,250 per month.[8] In addition, NSCC is proposing to change the credit that Profile II users (with 25 or fewer Funds) receive in footnote 1 of Addendum A from $1,150 to $1,000. Together, with the reduction in the monthly fee from $2,000 to $1,250, this proposed change would reduce the overall net fee for such users from $850 to $250.

As discussed below, NSCC believes that the proposed fee reduction would better align the fees with the costs of providing Phases I and II.

In addition, NSCC believes that the proposed reduction in the fees and the credit for smaller firms for Phases I and II would incentivize more firms to use the service. NSCC believes that more firms using the service would increase the value of the service by providing greater access to more Fund data to NSCC Members.

C. Positions Fee Reductions

NSCC is proposing to reduce the fees in three tiers for Positions (Full, New and Retirement Plans) in Section IV.K.2.a.(i) of Addendum A as follows: (i) Reduce fees for 0 to 500,000 items/month from $8 to $6 per 1,000 items, (ii) reduce fees for 500,001 to 2,000,000 items/month from $4 to $3.50 per 1,000 items, and (iii) reduce fees for 4,000,001 or more items/month from $2 to $1.25 per 1,000 items. NSCC is not proposing to reduce the fees for 2,000,001 to 4,000,000 items/month.[9] As discussed below, NSCC believes that the proposed fee reduction would better align the fees with the costs of providing Positions (Full, New and Retirement Plans).

D. IFT Tiered Pricing Program Fee Reductions and Revised Description

NSCC proposes to restructure the current In Force Transactions (''IFT'')[10] tiered pricing program, including certain fee reductions and certain clarifications as described below.

(1) IFT Fee Reductions

Currently, NSCC Members engaged in IFTs are required to choose an Activity Level (Level 1, Level 2 or Level 3) based on their projected activity. Each Activity Level has a corresponding minimum monthly fee. NSCC Members that choose Level 2 and Level 3 benefit from discounted fees per transaction after the amount of fees incurred for the month reaches the amount of the minimum monthly fee. Once the respective amount of the monthly fee is met, the discount for Level 2 is 20% (*i.e.,* from $1.25/$.35 per transaction to $1.00/$.28 per transaction) and the discount for Level 3 is 40% (*i.e.,* from $1.25/$.35 per transaction to $.75/$.21 per transaction). The discounts are set forth in an IFT Chart in Addendum A.

NSCC is proposing to decrease the overall price of certain IFTs in Section IV.K.3. of Addendum A from $1.25 per request to $.65 per request, increase the number of levels in the IFT tiered pricing program from three to four, set new monthly minimum fees for each level and apply new discount percentages for the proposed Level 2, Level 3 and Level 4.

As discussed below, NSCC believes that the proposed fee reduction would better align the fees with the costs of providing the IFT service.

In addition, the IFT tiered pricing program is intended to incentivize greater use of the IFT product by discounting transaction fees once the minimum monthly fee has been met for

[6] NSCC is also proposing changes to fees for NSCC services that are not MFS and I&RS services in a separate proposal. In addition, NSCC's affiliates, The Depository Trust Company and Fixed Income Clearing Corporation are proposing changes to their respective fees.

[7] An omnibus fund account is a fund account held by a financial intermediary on behalf of multiple underlying investors. Omni/SERV allows NSCC Members to communicate information relating to the underlying investors' sub-accounts.

[8] NSCC offers two levels of service through Profile, which are referred to in NSCC's fee schedule as ''Phase I'' and ''Phase II.'' Phase I is used by NSCC Members to transmit price and rate information for mutual funds and pooled investment entities (each a ''Fund'' and collectively, ''Funds''). Phase II consists of three databases, (i) the participant profile database, (ii) the security issue profile database, and (iii) the distribution declaration information profile database. Through these three databases, NSCC offers a centralized repository for prospectus and operational information for securities of Funds, Fund distributions and Fund processing capabilities. The current fee to use both Phase I and Phase II is $2,000 per month. *See* Section IV.J.b. of Addendum A, *supra* note 5.

[9] NSCC has determined that, based on the average number of users and revenues generated for each tier, the intended overall revenue decrease for the service could be accomplished by reducing the three tiers as indicated without reducing the fees for the tier for 2,000,001 to 4,000,000 items/month. In addition, NSCC determined that the proposed tier structure following the Fee Reductions would continue to incentivize NSCC Members to increase their use of the service which NSCC believes increases efficiency in sending contract details. All NSCC Members using the service would benefit from the proposed fee reductions because the NSCC Members who reach the tier for 2,000,001 to 4,000,000 items/month would benefit from the fee reductions in the lower two tiers.

[10] IFT is an I&RS offering that automates data processing with respect to transactions relating to ''in-force'' contracts among participating NSCC Members. ''In-force'' contract transactions are transactions that occur after the underlying insurance contract has become effective.

higher Activity Level designations. The proposed changes are intended to further incentivize greater use by reducing transaction pricing for IFTs generally and increasing the number of minimum monthly fee thresholds, and thus discounts, from which NSCC Members may choose.

(2) IFT Clarifications

NSCC is proposing to change the description of the IFT chart in Addendum A to clarify when the discounts are applied and update the description in the chart for readability, including changing ''Activity Level'' to ''Threshold Level'' and stating the discounts as a percentage rather than a dollar amount for each Level and revising the description of the discount in the table. Below is the proposed updated chart:

* IN FORCE TRANSACTIONS CHART

Threshold level	Minimum monthly fee	Discount for transactions after fees exceed minimum monthly fee amount
Level 1	$250	No Discount (pay base price of $0.65/$0.35 for Requests/Inquiries).
Level 2	500	5%.
Level 3	1,000	10%.
Level 4	3,000	20%.

NSCC is also proposing to move the fees for the IFTs that are currently listed in TIER 5 ($1.25) to TIER 4 ($0.65) in Section IV.K.3. of Addendum A with other transactions that are $0.65 per request to reflect the proposed fee reductions set forth above. In addition, NSCC is proposing to move the description of the fee for Producer Management Portal (per inquiry), which is currently in TIER 5 in Section IV.K.3. of Addendum A, to Section IV.K.2.h. of Addendum A so that the fee is in the same section as other Producer Management Portal fees and to re-number the items in Section IV.K.2.h. of Addendum A to reflect the addition of the fee in this Section. NSCC is also proposing to remove TIER 5 in Section IV.K.3. of Addendum A since there would no longer be any fees in that TIER following the proposed changes described above. In addition, NSCC is proposing to rename the Producer Management Portal fee to ''Distributor Subscription Fee'' to clarify that the $1.25 fee is for distributor inquiries for Producer Management Portal and to add a provision clarifying that the maximum fee paid by Distributors is $6,000 per month. There is a $6,000 per month maximum because if the number of inquiries would result in more than $6,000 in fees in a month, the distributor could pay the $6,000 Distributor Batch Service Fee for the month rather than pay on a per inquiry basis.

NSCC is proposing to revise the description of the * In Force Transaction Chart as described above, move the IFT transaction fees to TIER 4 with other transaction fees that are $0.65, delete TIER 5, move and rename the Producer Management Portal fee, re-number the items in Section IV.K.2.h. of Addendum A and add language relating to a $6,000 maximum per month for the Distributor Subscription Fee for enhanced clarity and transparency of the Rules.

E. Decimals

In Section IV.H. through Section IV.K. of Addendum A, where a dollar amount is less than one and where there is not currently a zero in front of the decimal point, NSCC is proposing to place a zero before the decimal point for enhanced clarity and consistency with other decimals contained in Addendum A.

The proposed changes set forth in items II(A)(1)(ii)(A), (B), (C) and (D)(1) above are proposed fee reductions and are referred to herein as ''Fee Reductions.'' For each of the services for which Fee Reductions are being proposed, NSCC has determined that the revenue has increased over time more than the overall costs to provide the service. Since implementation of the current fees, revenues have increased for each of the services due to existing NSCC Members increasing their use of the services and new NSCC Members using the services. In addition, costs to provide the services are lower as a result of streamlined processes which increase efficiency in such services to allow NSCC to provide the services for lower costs than when the current fees were implemented. NSCC has determined that the revenue that it would receive for each of the services above following the proposed Fee Reductions would be closer to the costs of providing the services and sufficient to enable NSCC to recover costs to NSCC to provide the services. As such, NSCC believes that the proposed Fee Reductions would better align the fees with the costs of providing each of the services for which Fee Reductions are being proposed.

The proposed changes set forth herein in items II(A)(1)(ii)(D)(2) and (E) are proposed clarifying changes to the description of the fees and are referred to herein as ''Clarifications.'' Each of the Clarifications are being proposed in order to improve the clarity and transparency of the Rules.

(iii) Implementation Timeframe

NSCC expects to implement the proposed rule changes on January 1, 2019. As proposed, a legend would be added to Addendum A stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include January 1, 2019, as the date on which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed from Addendum A.

2. Statutory Basis

NSCC believes this proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, NSCC believes this proposal is consistent with Sections 17A(b)(3)(D) [11] and 17A(b)(3)(F) [12] of the Act and Rule 17Ad–22(e)(23)(ii),[13] as promulgated under the Act, for the reasons described below.

Section 17A(b)(3)(D) of the Act [14] requires, in part, that the Rules provide for the equitable allocation of reasonable dues, fees, and other charges among its participants.

The proposed Fee Reductions set forth above are consistent with 17A(b)(3)(D) of the Act [15] because the proposed fees would be allocated equitably among the NSCC Members

[11] 15 U.S.C. 78q–1(b)(3)(D).

[12] 15 U.S.C. 78q–1(b)(3)(F).

[13] 17 CFR 240.17Ad–22(e)(23)(ii).

[14] 15 U.S.C. 78q–1(b)(3)(D).

[15] *Id.*

that subscribe for those services based on each NSCC Member's use of such services. In addition, NSCC believes that the proposed Fee Reductions are reasonable because they would enable NSCC to better align its revenue with the costs and expenses required for NSCC to provide the services to NSCC Members. Specifically, NSCC has determined that based on the current usage and projected revenue for each of the services listed above for which Fee Reductions are proposed, the decrease in fees would result in revenues for those services that would be closer to the costs of providing such services. Therefore, by establishing fees that align with the costs of delivery of these products and services and allocating those fees equitably among the subscribing NSCC Members, the proposed Fee Reductions are consistent with the requirements of Section 17A(b)(3)(D) of the Act.[16]

NSCC also believes that the proposed Clarifications above are consistent with 17A(b)(3)(D) of the Act[17] because each of the proposed Clarifications would clarify the meaning of the fees in the Rules without affecting the amount of the existing fee for such line item. The amounts of the existing fees would continue to be equitably allocated among the subscribing NSCC Members in accordance with their utilization of the services. Therefore, NSCC believes that the proposed Clarifications would not affect the allocation or amount of fees, and would thereby continue to provide for the equitable allocation of reasonable fees, consistent with Section 17A(b)(3)(D) of the Act.[18]

Section 17A(b)(3)(F) of the Act[19] requires, in part, that the Rules promote the prompt and accurate clearance and settlement of securities transactions. NSCC believes that the proposed Clarifications set forth above would enhance NSCC Members' ability to understand the fees associated with the MFS and I&RS services. Specifically, the proposed Clarifications would clarify the meaning of certain provisions of Addendum A relating to the IFT tiered pricing program and Producer Management Portal and revise certain decimals to be consistent with other decimals in the Rules and enhance clarity and transparency in the Rules in this regard. As such, the proposed Clarifications would allow NSCC Members to have a better understanding of the Rules in relation to their activities and thereby assist in promoting the requirements of Section 17A(b)(3)(F) of the Act.[20]

Rule 17Ad–22(e)(23)(ii) under the Act[21] requires NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in the covered clearing agency. The proposed Clarifications set forth above would help ensure that the fees set forth in Addendum A are clear and transparent to NSCC Members. Having a clear and transparent Addendum A would help NSCC Members to better understand NSCC's fees and help provide NSCC Members with increased predictability and certainty regarding the fees they incur in participating in NSCC. As such, by improving the clarity and transparency of the Rules, NSCC believes the proposed Clarifications are consistent with Rule 17Ad–22(e)(23)(ii) under the Act.[22]

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe that the proposed Fee Reductions would have an adverse impact, or impose any burden, on competition because, in each case, the proposed Fee Reductions would be a reduction in fees as currently set forth in the Rules that would not disproportionally impact any NSCC Members. As a reduction to the fees currently in the Addendum A for these services, the proposed Fee Reductions would not impede any NSCC Members from engaging in the services or have an adverse impact on any NSCC Members.

Moreover, the proposed Fee Reductions may promote competition because, in each case, the proposed Fee Reductions would allow NSCC Members to engage in a greater number of transactions with lower costs than they would incur today for the same transactions. In addition, as described above, NSCC believes that the proposed fee changes to the Profile Phase I and Phase II and the proposed fee reductions and increased discount levels for the IFT tiered pricing program would incentivize greater use of those services by NSCC Members. NSCC believes that increased use of the NSCC services as a result of the fee reductions would enhance participation in the marketplace by providing all NSCC Members that use the services more data which would increase the value of the services and promote competition among NSCC Members that use the services.

NSCC does not believe that the proposed Clarifications would have any impact on competition because such changes are clarifications of the Rules that would not affect the rights or obligations of NSCC Members.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC has not received or solicited any written comments relating to this proposal. NSCC will notify the Commission of any written comments received by NSCC.

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[23] and paragraph (f) of Rule 19b–4 thereunder.[24] 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.

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–NSCC–2018–012 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

All submissions should refer to File Number SR–NSCC–2018–012. 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

[16] *Id.*

[17] *Id.*

[18] *Id.*

[19] 15 U.S.C. 78q–1(b)(3)(F).

[20] *Id.*

[21] 17 CFR 240.17Ad–22(e)(23)(ii).

[22] *Id.*

[23] 15 U.S.C 78s(b)(3)(A).

[24] 17 CFR 240.19b–4(f).

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 NSCC and on DTCC's website (*http://dtcc.com/legal/sec-rule-filings.aspx*). 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–NSCC–2018–012 and should be submitted on or before January 4, 2019.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Eduardo A. Aleman,

Deputy Secretary.

[FR Doc. 2018–27081 Filed 12–13–18; 8:45 am]

BILLING CODE 8011–01–P

[25] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–84777; File No. SR-CboeBZX–2018–086]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating To Amend Its Provision Related to Its Risk Monitor Mechanism

December 10, 2018.

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 November 29, 2018, Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange filed the proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b–4(f)(6) thereunder.[4] The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

Cboe BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') proposes to amend its provision related to its Risk Monitor Mechanism. 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 21.16 which governs the Risk Monitor Mechanism.

Background

By way of background, the Risk Monitor Mechanism providers Users[5] with the ability to manage their order and execution risk. Particularly, Rule 21.16 provides that the System will maintain a counting program for each User. A User may configure a single counting program or multiple counting programs to govern its trading activity (*i.e.,* on a per port basis). The counting program counts executions, contract volume and notional value, within a specified time period established by each User (''specified time period'') and on an absolute basis for the trading day (''absolute limits''). The specified time period will commence for an option when a transaction occurs in any series in such option. The counting program will also count a User's executions, contract volume and notional value across all options which a User trades (''Firm Category''). When the system determines that a User's Specified Engagement Trigger (*i.e.,* a volume trigger, notional trigger, count trigger and percentage trigger) has reached its established limit, the Risk Monitor Mechanism cancels or rejects such User's orders or quotes[6] in all series of the class and cancels or rejects any additional orders or quotes from the User in the class until the counting program resets.

Proposed Rule Change

The Exchange proposes to amend Rule 21.16 to (i) adopt the Risk Monitor Mechanism rule language used by its affiliated exchange, Cboe C2 Exchange, Inc. (''C2'') (ii) provide the ability for Users [sic] to configure limits applicable to a group of EFIDs, and (iii) adopt a new a new risk parameter.

Rule Harmonization

First, the Exchange proposes to harmonize its Risk Monitor Mechanism Rule to that of its affiliated Exchange, C2. Particularly, C2 Rule 6.14 governs, among other things, its Risk Monitor Mechanism functionality. The Exchange notes the functionality of the Risk Monitor Mechanism is substantively the same as the Risk Monitor Mechanism on BZX. Indeed, the Exchange notes that C2 just recently adopted Rule 6.14 in connection with the technology migration of C2 onto the options platform of EDGX, and at such time conformed its previous Risk Monitor Mechanism functionality to the functionality that already existed on BZX.[7] Although the functionality is substantively the same, the rule structure and terminology used in the BZX and C2 rules differ. The Exchange wishes to provide harmonization with respect to this rule across the two exchanges and accordingly proposes to

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(6).

[5] *See* Exchange Rule 1.5(ee). The term ''User'' means any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3. As discussed below, the Exchange is proposing to replace references to ''Users'' in Rule 21.16 with ''Member''.

[6] See infra discussion accompanying footnotes 6–7 [sic].

[7] *See* Securities Exchange Act Release No. 83214 (May 11, 2018), 83 FR 22796 (May 16, 2018) (SR–C2–2018–005).