SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–93348; File No. SR–CBOE–2021–058]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fees Schedule With Respect to Its Lead Market-Maker Incentive Programs

October 15, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on October 7, 2021, 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.

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 Fees Schedule with respect to its Lead Market-Maker (''LMM'') Incentive Programs. 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 its Fees Schedule to amend the Global Trading Hours (''GTH'') Cboe Volatility Index (''VIX'') options and VIX Weekly (VIXW) options LMM Incentive Program and the GTH S&P 500 Index (''SPX'') options and SPX Weekly (''SPXW'') options LMM Incentive Program.[3]

Both LMM Incentive Programs provide a rebate to Trading Permit Holders (''TPHs'') with LMM appointments to the respective incentive program that meet certain quoting standards in the applicable series in a month. The Exchange notes that meeting or exceeding the quoting standards (both current and as proposed; described in further detail below) in each of the LMM Incentive Program products to receive the applicable rebate (both currently offered and as proposed; described in further detail below) is optional for an LMM appointed to a program. Rather, an LMM appointed to an incentive program is eligible to receive the corresponding rebate if it satisfies the applicable quoting standards, which the Exchange believes encourages the LMM to provide liquidity in the applicable class and trading session (*i.e.,* GTH). The Exchange may consider other exceptions to the programs' quoting standards based on demonstrated legal or regulatory requirements or other mitigating circumstances. In calculating whether an LMM appointed to an incentive program meets the applicable program's quoting standards each month, the Exchange excludes from the calculation in that month the business day in which the LMM missed meeting or exceeding the quoting standards in the highest number of the applicable series.

GTH VIX/VIXW LMM Program

The Exchange first proposes to amend its GTH VIX/VIXW LMM Incentive Program. Currently, the program provides that if an LMM in VIX/VIXW provides continuous electronic quotes during GTH that meet or exceed the heightened quoting standards (below) in at least 99% of each of the VIX and VIXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $15,000 for VIX and $5,000 for VIXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month. Additionally, if the appointed LMM provides continuous electronic quotes during GTH that meet or exceed the above VIX heightened quoting standards in at least 99% of the VIX series, 90% of the time in a given month, the LMM will receive a rebate for that month of $0.03 per VIX/VIXW contract executed in its Market-Maker capacity during RTH.

Premium level	Maximum allowable width
VIXW:	
$0.00–$100.00	$10.00
$100.01–$200.00	16.00
Greater than $200.000	24.00

Premium level	Expiring		Near term		Mid term		Long term	
	15 days or less		15 days to 60 days		61 days to 270 days		271 days or greater	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX:								
$0.00–$1.00	$0.75	25	$0.50	50	$0.50	50	$1.00	10
$1.01–$3.00	1.00	15	0.75	25	0.75	25	1.00	10
$3.01–$5.00	1.00	15	0.75	25	0.75	25	1.20	7
$5.01–$10.00	1.50	10	1.00	10	1.00	10	2.00	5
$10.01–$30.00	2.50	5	1.50	5	2.50	5	4.00	3
Greater than $30.00	5.00	3	3.00	5	5.00	3	7.00	2

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

[2] 17 CFR 240.19b–4.

[3] The Exchange initially filed the proposed fee changes on September 30, 2021 (SR–CBOE–2021–056). On October 7, 2021, the Exchange withdrew that filing and submitted this filing.

The Exchange proposes to restructure the GTH VIX/VIXW LMM Incentive Program by adopting a two sets of quoting standards for VIX options; a set of basic quoting standards and a set of heightened quoting standards. The Exchange notes that the current quoting standards for VIXW will remain the same but will be considered basic quoting standards for VIXW. As proposed, the program provides that, if the appointed LMM provides continuous electronic quotes during GTH that meet or exceed the basic quoting standards in the same percentage of series in the same percentage of time (*i.e.,* 99% of each VIX/VIXW series, 90% of the time per month), the LMM will receive the same rebate ($15,000 for VIX and $5,000 for VIXW) for that month. The new basic quoting standards proposed for VIX options are as follows in the table below:

Premium level	Expiring		Near term		Mid term		Long term	
	Less than 15 days		15 days to 60 days		61 days to 180 days		181 days or greater	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX Value at Prior Close <18								
$0.00–$1.00	$0.35	50	$0.25	75	$0.35	50	$0.80	10
$1.01–$3.00	0.50	30	0.35	50	0.50	30	0.90	10
$3.01–$5.00	0.60	25	0.35	25	0.60	20	1.00	10
$5.01–$10.00	1.00	10	0.80	20	1.30	10	2.00	5
$10.01–$30.00	2.00	5	1.50	5	2.00	5	3.00	3
Greater than $30.00	5.00	3	3.00	3	5.00	3	5.00	3
VIX Value at Prior Close from 18–25								
$0.00–$1.00	$0.50	25	$0.35	50	$0.50	40	$1.00	10
$1.01–$3.00	0.50	20	0.50	30	0.70	20	1.00	10
$3.01–$5.00	0.80	20	0.50	20	0.80	10	1.30	5
$5.01–$10.00	1.50	10	1.00	10	2.00	5	2.20	5
$10.01–$30.00	3.00	1	2.50	1	3.00	1	5.00	1
Greater than $30.00	5.00	1	5.00	1	5.00	1	10.00	1
VIX Value at Prior Close from >25								
$0.00–$1.00	0.80	15	0.50	20	0.60	20	1.20	10
$1.01–$3.00	1.00	10	0.75	20	1.00	10	1.20	10
$3.01–$5.00	1.20	10	0.90	10	1.20	5	1.80	5
$5.01–$10.00	2.00	5	1.50	5	2.50	5	3.00	3
$10.01–$30.00	5.00	1	5.00	1	5.00	1	7.00	1
Greater than $30.00	10.00	1	10.00	1	10.00	1	10.00	1

Additionally, if the appointed LMM provides continuous electronic quotes during GTH that meet or exceed the new VIX heighted quoting standards (as proposed below) in the same percentage of VIX series (99%) for the same percentage of time (90%) of the time in a given month, the LMM will receive the same rebate currently offered ($0.03) for that month per VIX/VIXW contract executed in its Market-Maker capacity during Regular Trading Hours.

Premium level	Expiring		Near term	
	Less than 15 days		15 days to 60 days	
	Width	Size	Width	Size
VIX Value at Prior Close <18				
$0.00–$1.00	$0.20	100	$0.20	100
$1.01–$3.00			0.25	50
$3.01–$5.00			0.35	25
VIX Value at Prior Close from 18–25				
$0.00–$1.00	0.25	50	0.20	50
$1.01–$3.00			0.30	30
$3.01–$5.00			0.40	30
VIX Value at Prior Close from >25				
$0.00–$1.00	0.30	30	0.25	30
$1.01–$3.00			0.40	20
$3.01–$5.00			0.60	20

The Exchange believes the proposed basic and heightened quoting requirements for VIX options under the GTH VIX/VIXW LMM Incentive Program are designed to continue to encourage LMMs appointed to the program to provide significant liquidity in VIX options during GTH. Particularly, by adopting different sets of quoting standards that are applicable depending on the VIX Index value at the prior close (*i.e.,* at the close of the preceding RTH session) the proposed rule change will encourage LMMs appointed to the program to meet the quoting standards by making it easier for them to satisfy such standards. Spreads in VIX options generally widen when the VIX experiences higher volatility (*i.e.,* is higher in value). As a result, the Exchange understands that, when the VIX Index experiences higher volatility, LMMs appointed to the program find it increasingly challenging to meet the program's current quoting standards. Therefore, to better enable and encourage LMMs to meet the quoting standards, the proposed rule change adopts generally wider widths and smaller quote sizes where the VIX Index may be experiencing higher volatility (*i.e.,* as the value of the VIX in the proposed VIX value categories becomes relatively higher based on the closing index value from the preceding trading session). The proposed rule change also adopts generally tighter widths and larger quote sizes in the expiration categories that are nearer in term and gradually widens the widths and reduces the quote sizes as the expiration categories become longer in term. The Exchange believes the proposed rule change provides a balance between providing more challenging opportunities, thus greater quoting incentive, in the expiration categories that are nearer in term and easing the width and size requirements as the expiration categories become longer in term, wherein the Exchange understands that demand and participation becomes less significant and thus more difficult for LMMs to quote within tighter widths and larger sizes. Also, by providing a set of heightened quoting standards that provide for tighter width and large size standards than the set of basic quoting standards, the proposed rule change offers LMMs appointed to the program a more challenging opportunity, thus further incentive, to strive to meet the heightened quoting standards in order to receive the additional rebate on their VIX/VIXW orders in RTH.

In addition to this, the Exchange proposes to update the time to expiration in the mid-term expiration category for the VIX basic quoting standards (as proposed) from a range of 61 to 270 days to a range of 61 to 180 days, and in the long-term expiration category from 271 days or greater to 181 days or greater. The Exchange notes that it has recently begun listing more VIX options that expire more than 180 days out and that the Exchange understands that it is more difficult for LMMs to meet the narrower pricing standards current under the current mid-term expiration category for VIX options that expire in 181 days or more. As such, the Exchange wishes to align the long-term expiration category in a manner that makes it easier for LMMs to achieve the quoting standards thereunder, particularly as the Exchange has increased the number of VIX options listed that expire more than 180 days out.

GTH SPX/SPXW LMM Program

The Exchange proposes to amend the GTH SPX/SPXW LMM Incentive Program. Currently, under the GTH SPX/SPXW LMM Incentive Program, if an LMM in SPX/SPXW provides continuous electronic quotes during GTH that meet or exceed the heightened quoting standards (below) in at least 85% of each of the SPX and SPXW series, 90% of the time in a given month, the LMM will receive a rebate for that month in the amount of $20,000 for SPX and $30,000 for SPXW (or pro-rated amount if an appointment begins after the first trading day of the month or ends prior to the last trading day of the month) for that month.

Premium level	Expiring		Near term		Mid term		Long term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 days or greater	
	Width	Size	Width	Size	Width	Size	Width	Size
$0.00–$5.00	$0.50	10	$0.40	25	$0.60	15	$1.00	10
$5.01–$15.00	2.00	7	1.60	18	2.40	11	4.00	7
$15.01–$50.00	5.00	5	4.00	13	6.00	8	10.00	5
$50.01–$100.00	10.00	3	8.00	8	12.00	5	20.00	3
$100.01–$200.00	20.00	2	16.00	5	24.00	3	40.00	2
Greater than $200.00	30.00	1	24.00	3	36.00	1	60.00	1

The Exchange proposes to adopt a new set of heightened quoting standards (below) under the GTH SPX/SPXW LMM Incentive Program, similar to the proposed new basic quoting standards under the GTH VIX/VIXW LMM Incentive Program, as described above.

Premium level	Expiring		Near term		Mid term		Long term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 days to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX Value at Prior Close <20								
$0.00–$5.00	$0.35	25	$0.40	15	$0.60	5	$1.20	5
$5.01–$15.00	0.60	20	0.60	20	1.50	10	2.00	5
$15.01–$50.00	1.20	15	2.00	15	2.00	10	4.00	5
$50.01–$100.00	6.00	10	4.00	10	3.00	10	5.00	5
$100.01–$200.00	15.00	1	5.00	5	4.00	5	6.00	5
Greater than $200.00	20.00	1	8.00	1	12.00	1	50.00	1

Premium level	Expiring		Near term		Mid term		Long term	
	7 days or less		8 days to 60 days		61 days to 270 days		271 days to 500 days	
	Width	Size	Width	Size	Width	Size	Width	Size
VIX Value at Prior Close from 20–30								
$0.00–$5.00	0.60	15	0.80	10	0.75	5	2.00	5
$5.01–$15.00	1.00	15	1.00	15	2.20	5	3.00	5
$15.01–$50.00	2.50	10	3.50	10	3.0	5	5.00	5
$50.01–$100.00	10.00	10	7.00	10	3.50	5	7.00	5
$100.01–$200.00	18.00	1	8.00	5	6.00	5	10.00	5
Greater than $200.00	25.00	1	12.00	1	2.00 [sic]	1	60.00	1
VIX Value at Prior Close >30								
$0.00–$5.00	0.90	10	1.00	10	1.00	5	3.00	5
$5.01–$15.00	2.50	10	2.50	10	3.00	5	4.00	5
$15.01–$50.00	4.00	10	5.00	10	5.00	5	8.00	5
$50.01–$100.00	12.00	5	10.00	5	4.50	3	10.00	1
$100.01–$200.00	20.00	1	12.00	5	15.00	1	18.00	1
Greater than $200.00	30.00	1	25.00	1	30.00	1	70.00	1

For the same reasons described above regarding the new quoting standards for the GTH VIX/VIXW the LMM Incentive Program, the Exchange believes that, by adopting generally wider widths and smaller quote sizes as the value of the VIX in the proposed VIX value categories becomes relatively higher based on the closing VIX Index value from the preceding trading session, the proposed rule change is designed to better reflect market characteristics in SPX and SPXW options where the VIX Index may be experiencing higher volatility (*i.e.,* in the proposed categories in which the value of the VIX is relatively higher based on the closing VIX Index value from the preceding trading session), and thus encourage LMMs appointed to the program to meet the quoting standards by making it easier for them to satisfy such standards. The Exchange also believes that by adopting generally tighter widths and larger quote sizes in the expiration categories that are nearer in term and gradually widening the widths and reducing the quote sizes as the expiration categories become longer in term, the proposed rule change provides more challenging opportunities, thus greater quoting incentive, in the expiration categories that are nearer in term while easing the width and size requirements as the expiration categories become longer in term, wherein the Exchange understands that demand and participation becomes less significant and thus more difficult for LMMs to quote within tighter widths and larger sizes.

In addition to this, the Exchange proposes to update the time to expiration in the long-term expiration category from 271 days or greater to a range of 271 days to 500 days. The Exchange notes that it has recently begun listing more SPX/SPXW options with expirations greater than 271 days. The Exchange understands that it is difficult for LMMs to price options that generally expire more than 500 days out; therefore, the Exchange wishes to narrow the long-term expiration category in a manner that makes it easier for LMMs to achieve the quoting standards thereunder, particularly as the Exchange has increased the number of options listed within this expiry category.

The Exchange also proposes to update the rebate amount received for meeting the heightened quoting standards, as proposed, in a given month in SPX, by slightly decreasing the rebate amount from $20,000 to $15,000 and in SPXW, by slightly increasing the rebate amount from $30,000 to $35,000. The Exchange has observed a recent increase in demand in SPWX options and therefore wishes to further incentive LMM appointed to the program to provide significant liquidity in SPXW options by meeting the heightened quoting standards, while continuing to allocate the same total rebate amount ($50,000) across SPX and SPXW.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the ''Act'') and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[4] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[5] 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 Section 6(b)(4) of the Act,[6] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

Regarding both the GTH SPX/SPXW and VIX/VIXW LMM Incentive Programs generally, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to continue to offer these financial incentives, including as amended, to LMMs appointed to the programs, because it benefits all market participants trading in the corresponding products during GTH. These incentive programs encourage the LMMs appointed to such programs to satisfy the heightened quoting standards, which may increase liquidity and provide more trading opportunities and tighter spreads. Indeed, the Exchange notes that these LMMs serve a crucial role in providing quotes and the opportunity for market participants to trade VIX/VIXW and SPX/SPXW options, as applicable, which can lead to increased volume, providing for robust markets. The

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

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

[6] 15 U.S.C. 78f(b)(4).

Exchange ultimately offers the LMM Incentive Programs, as amended, to sufficiently incentivize LMMs appointed to each incentive program to provide key liquidity and active markets in the corresponding program products during the corresponding trading sessions, and believes that these incentive programs, as amended, will continue to encourage increased quoting to add liquidity in each of the corresponding program products, thereby protecting investors and the public interest. The Exchange also notes that an LMM appointed to an incentive program may undertake added costs each month to satisfy that heightened quoting standards (*e.g.,* having to purchase additional logical connectivity).

The Exchange believes that the proposed changes to the LMM Incentive Programs are reasonable. Particularly, the Exchange believes that it is reasonable to adopt new quoting requirements in the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs, as these proposed new quoting requirements are reasonably designed to continue to encourage LMMs appointed to the respective incentive programs to provide significant liquidity in VIX options and SPX/SPXW options during GTH. In particular, the Exchange believes that it is reasonable to adopt new widths and sizes in the quoting standards under the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs, as applicable, as the proposed rule change is generally designed to further align the quote widths and size standards for VIX options and SPX/SPXW options with the market characteristics in each applicable class. As such, the Exchange believes the new quote widths and size are reasonably designed to facilitate LMMs appointed to the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs in meeting the heightened quoting standards (in order to receive the rebate offered under the respective incentive program) by increasing their quoting activity and posting tighter spreads and more aggressive quotes in VIX options and SPX/SPXW options, as applicable. An increase in quoting activity and tighter quotes tends to signal additional corresponding increase in order flow from other market participants, which benefits all investors by deepening the Exchange's liquidity pool, potentially providing even greater execution incentives and opportunities, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The Exchange believes that by adopting different sets of quoting standards that are applicable depending on the VIX Index value at the prior close (*i.e.,* at the close of the preceding RTH session) the proposed rule change will encourage LMMs appointed to the program to meet the quoting standards by making it easier for them to satisfy such standards. In particular, the Exchange believes that the proposed rule change to adopt generally wider widths and smaller quote sizes as the value of the VIX in the proposed VIX value categories becomes relatively higher based on the closing VIX Index value from the preceding trading session is reasonably designed to better reflect market characteristics in VIX options and SPX/SPXW options where the VIX Index may be experiencing higher volatility (based on the closing VIX Index value from the preceding trading session), and thus encourage LMMs appointed to the programs to meet the quoting standards by making it easier for them to satisfy such standards.

Additionally, and as described above, the Exchange believes that the proposed rule change to adopt generally tighter widths and larger quote sizes for VIX options and SPX/SPXW options in the expiration categories that are nearer in term and widen the widths and reduce the quote sizes as the expiration categories become longer in term is reasonably designed to provide more challenging opportunities, thus greater quoting incentive, in the expiration categories that are nearer in term while easing the width and size requirements as the expiration categories become longer in term. In addition to this, the Exchange believes that by providing a set of heightened quoting standards for VIX options that provide for tighter width and large size standards than the proposed set of basic quoting standards for VIX options, the proposed rule change offers LMMs appointed to the GTH VIX/VIXW LMM Incentive Program a more challenging opportunity, thus further incentive, to strive to meet the heightened quoting standards in VIX options in order to receive the current additional rebate on their VIX/VIXW orders in RTH. The Exchange also notes that the proposed basic quoting standards for VIX options and proposed heightened quoting standards for VIX and for SPX/SPXW options do not represent a significant departure from each of the program's current quote width and size standards and remain generally aligned with the current range of widths and sizes; they are merely being tailored to better reflect market characteristics in VIX options and in SPX/SPX options as they each relate to volatility in the VIX Index. The Exchange further notes that quote widths and sizes typical in VIX options differ from that in SPX/SPXW options, therefore, the proposed heightened quoting requirements reflect quote widths and sizes that the Exchange believes aligns with the market characteristics specific to each.

In addition to this, the Exchange believes that it is reasonable to amend the number of days to expiration that comprise certain expiry categories in the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs as these updates are reasonably designed to make it easier for the LMMs appointed to the respective incentive programs to satisfy the heightened quoting standards for options expiring a certain number of days out, by better aligning the applicable category of heightened quoting standards with the market characteristics and level of demand for options that expire a certain number of days out.

The Exchange believes that it is reasonable to amend the monthly rebate amounts applicable to the GTH SPX/SPXW Incentive Program. The Exchange believes that the proposed increased rebate amount (from $30,000 to $35,000) for SPXW options is reasonably designed to continue to incentivize an appointed LMM to meet the applicable quoting standards for SPXW options, thereby providing liquid and active markets, which facilitates tighter spreads, increased trading opportunities, and overall enhanced market quality to the benefit of all market participants. The Exchange also believes that it is reasonable to shift the total rebate amount ($50,000) allocated across SPX and SPXW options under the program by offsetting the slightly increased rebate amount for SPXW ($35,000) options with a slightly decreased rebated amount for SPX options ($15,000) because the Exchange has observed a recent increase in demand in SPWX options and therefore wishes to further incentive LMM appointed to the program to provide significant liquidity in SPXW options by meeting the heightened quoting standards, while continuing to allocate the same total rebate amount across SPX and SPXW.

The Exchange believes that the proposed changes to the LMM Incentive Programs are equitable and not unfairly discriminatory. The Exchange believes that it is equitable and not unfairly discriminatory to adopt new quoting standards and to update the number of days to expiration for certain expiry categories in the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs because such overall quoting standards and expiry categories will equally apply to any and all TPHs with LMM appointments to the GTH VIX/VIXW and SPX/SPXW LMM Incentive Programs, as applicable, that seek to meet the programs' heightened quoting standards in order to receive the rebate offered (both current and proposed, as applicable) under the respective programs. The Exchange believes the proposed rebates applicable to the GTH SPX/SPXW Incentive Program are equitable and not unfairly discriminatory because they, too, will equally apply to any TPH that is appointed as an LMM to the GTH SPX/SPXW LMM Incentive Program. Additionally, if an LMM appointed to either the GTH SPX/SPXW or the GTH VIX/VIXW LMM Incentive Programs does not satisfy the corresponding heightened quoting standard for any given month, then it simply will not receive the rebate offered by the respective program for that month.

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 believes the proposed rule change does impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed changes to existing LMM Incentive Programs will apply to all LMMs appointed to the applicable program classes (*i.e.,* VIX/VIXW and SPX/SPXW) in a uniform manner. To the extent these LMMs appointed to an incentive program receive a benefit that other market participants do not, as stated, these LMMs in their role as Mark-Makers on the Exchange have different obligations and are held to different standards. For example, Market-Makers play a crucial role in providing active and liquid markets in their appointed products, thereby providing a robust market which benefits all market participants. Such Market-Makers also have obligations and regulatory requirements that other participants do not have. The Exchange also notes that an LMM appointed to an incentive program may undertake added costs each month that it needs to satisfy that heightened quoting standards (*e.g.,* having to purchase additional logical connectivity). The Exchange also notes that the incentive programs are designed to attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity.

The Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act as the LMM Incentive Programs apply only to transactions in products exclusively listed on Cboe Options. Additionally, as noted above, the incentive programs are designed to attract additional order flow to the Exchange, wherein greater liquidity benefits all market participants by providing more trading opportunities, tighter spreads, and added market transparency and price discovery, and signals to other market participants to direct their order flow to those markets, thereby contributing to robust levels of liquidity. The Exchange notes it operates in a highly competitive market. In addition to Cboe Options, TPHs have numerous alternative venues that they may participate on and director their order flow, including 15 other options exchanges, as well as off-exchange venues, where competitive products are available for trading. Based on publicly available information, no single options exchange has more than 16% of the market share of executed volume of options trades.[7] Therefore, no exchange possesses significant pricing power in the execution of option order flow. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.'' [8] The fact that this market is competitive has also long been recognized by the courts. In *NetCoalition* v. *Securities and Exchange Commission*, the D.C. Circuit stated as follows: ''[n]o one disputes that competition for order flow is 'fierce.' . . . As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'. . . .''.[9] Accordingly, the Exchange does not believe its proposed changes to the incentive programs impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

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 [10] and paragraph (f) of Rule 19b–4 [11] thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments

• Use the Commission's internet comment form (*http://www.sec.gov/rules/sro.shtml*); or

• Send an email to *rule-comments@sec.gov.* Please include File Number SR–CBOE–2021–058 on the subject line.

[7] See Cboe Global Markets, U.S. Options Market Volume Summary by Month (September 22, 2021), available at *http://markets.cboe.com/us/options/market_share/.*

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

[9] *NetCoalition* v. *SEC*, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782–83 (December 9, 2008) (SR–NYSEArca–2006–21)).

[10] 15 U.S.C. 78s(b)(3)(A).

[11] 17 CFR 240.19b–4(f).

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–2021–058. 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–CBOE–2021–058 and should be submitted on or before November 12, 2021.

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

J. Matthew DeLesDernier,

Assistant Secretary.

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BILLING CODE 8011–01–P

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–93347; File No. SR–PEARL–2021–33]

Self-Regulatory Organizations; MIAX PEARL, LLC; Notice of Withdrawal of a Proposed Rule Change To Amend the MIAX Pearl Options Fee Schedule To Increase the Monthly Fees for MIAX Express Network Full Service Ports

October 15, 2021.

On July 1, 2021, MIAX PEARL, LLC (''MIAX Pearl'' or the ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend the MIAX Pearl Options Fee Schedule to increase monthly fees for the Exchange's MIAX Express Network Full Service MEO Ports. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.[3] On July 15, 2021, the proposed rule change was published for comment in the **Federal Register**.[4] On August 27, 2021, pursuant to Section 19(b)(3)(C) of the Act, the Commission: (1) Temporarily suspended the proposed rule change; and (2) instituted proceedings to determine whether to approve or disapprove the proposal.[5] The Commission received one comment letter on the proposal.[6] On October 12, 2021, the Exchange withdrew the proposed rule change (SR–PEARL–2021–33).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

J. Matthew DeLesDernier,

Assistant Secretary.

[FR Doc. 2021–22926 Filed 10–20–21; 8:45 am]

BILLING CODE 8011–01–P

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

[2] 17 CFR 240.19b–4.

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

[4] *See* Securities Exchange Act Release No. 92365 (July 9, 2021), 86 FR 37347.

[5] *See* Securities Exchange Act Release No. 92798, 86 FR 49360 (September 2, 2021).

[6] *See* Letter from Richard J. McDonald, Susquehanna International Group, LLP, to Vanessa Countryman, Secretary, Commission, dated September 7, 2021, available at: *https://www.sec.gov/comments/sr-pearl-2021-33/srpearl202133-9208443-250011.pdf.*

[7] 17 CFR 200.30–3(a)(57) and (58).

SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270–438, OMB Control No. 3235–0495]

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE, Washington, DC 20549-2736

Extension:
Rule 154

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501–3520), the Securities and Exchange Commission (''Commission'') is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

The federal securities laws generally prohibit an issuer, underwriter, or dealer from delivering a security for sale unless a prospectus meeting certain requirements accompanies or precedes the security. Rule 154 (17 CFR 230.154) under the Securities Act of 1933 (15 U.S.C. 77a) (the ''Securities Act'') permits, under certain circumstances, delivery of a single prospectus to investors who purchase securities from the same issuer and share the same address (''householding'') to satisfy the applicable prospectus delivery requirements.[1] The purpose of rule 154 is to reduce the amount of duplicative prospectuses delivered to investors sharing the same address.

Under rule 154, a prospectus is considered delivered to all investors at a shared address, for purposes of the federal securities laws, if the person relying on the rule delivers the prospectus to the shared address, addresses the prospectus to the investors as a group or to each of the investors individually, and the investors consent to the delivery of a single prospectus. The rule applies to prospectuses and prospectus supplements. Currently, the rule

[1] The Securities Act requires the delivery of prospectuses to investors who buy securities from an issuer or from underwriters or dealers who participate in a registered distribution of securities. *See* Securities Act sections 2(a)(10), 4(1), 4(3), 5(b) [15 U.S.C. 77b(a)(10), 77d(1), 77d(3), 77e(b); *see also* rule 174 under the Securities Act (17 CFR 230.174) (regarding the prospectus delivery obligation of dealers); rule 15c2–8 under the Securities Exchange Act of 1934 (17 CFR 240.15c2–8) (prospectus delivery obligations of brokers and dealers).