

such as alternative trading systems, CAT Executing Brokers and market makers), and investors generally, and considered market effects related to equities and options, among other things. Based on this analysis, the SEC approved the CAT Funding Model as compliant with the Exchange Act. CAT Fee 2024–1 is calculated and implemented in accordance with the CAT Funding Model as approved by the SEC.

As discussed above, each of the inputs into the calculation of CAT Fee 2024–1 is reasonable and the resulting fee rate for CAT Fee 2024–1 calculated in accordance with the CAT Funding Model is reasonable. Therefore, CAT Fee 2024–1 would not impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Exchange Act.

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 has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act¹⁹² and Rule 19b–4(f)(2) thereunder,¹⁹³ because it establishes or changes a due, or fee.

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

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's internet comment form (<https://www.sec.gov/rules/sro.shtml>); or

- Send an email to rule-comments@sec.gov. Please include file number SR–NYSE–2024–46 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–2024–46. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR–NYSE–2024–46 and should be submitted on or before September 24, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹⁴

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2024–19648 Filed 8–30–24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–100823; File No. SR–BX–2024–029]

Self-Regulatory Organizations; Nasdaq BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Remove Directed Order Functionality

August 27, 2024.

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 August 15, 2024, Nasdaq BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to reserve Options 2, Section 10, Directed Market Makers.³

The text of the proposed rule change is available on the Exchange's website at <https://listingcenter.nasdaq.com/rulebook/nasdaq/rules>, 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 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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ A Directed Market Maker is a Market Maker that may be entitled to an allocation in accordance with Options 3, Section 10 provided the Directed Market Maker was quoting at the better of the internal BBO or the NBBO at the time of receipt of the Directed Order. See Options 2, Section 10.

¹⁹² 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁹³ 17 CFR 240.19b–4(f)(2).

¹⁹⁴ 17 CFR 200.30–3(a)(12).

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

1. Purpose

BX proposes to reserve Options 2, Section 10, Directed Market Makers. The Exchange does not currently offer Directed Order⁴ functionality and is not planning to offer this functionality.

BX received approval for its Directed Order functionality in 2015.⁵ Since that time, the Exchange has not implemented this functionality. At this time, the Exchange proposes to remove the rule text related to the Directed Order functionality and reserve Options 2, Section 10. If BX determines to offer Directed Order functionality it would file a rule change with the Commission.

With the removal of the Directed Order functionality, the Exchange proposes to reserve the description of a Directed Order within paragraph (a)(2) of Options 3, Section 7, Types of Orders and Order and Quote Protocols. The Exchange also proposes to remove references to Directed Market Maker or "DMM" allocation entitlements within Options 3, Section 10, Order Book Allocation.⁶ In Options 3, Section 10(a)(2)(iii)(2), the Exchange proposes to remove the clause "excluding All-or-None Orders that cannot be satisfied." This clause is unnecessary as All-or-None Orders⁷ are to be executed in their entirety or not at all. All-or-None Orders do not rest on the order book on BX and would not be allocated pursuant to Options 3, Section 10, which describes order book allocation for resting orders.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with

⁴ The term "Directed Order" means any order to buy or sell which has been directed to a particular Market Maker by an Order Flow Provider. The term "Order Flow Provider" means any Participant that submits, as agent, orders to the Exchange. See Supplementary Material .01 to Options 2, Section 10.

⁵ See Securities Exchange Act Release No. 74129 (January 23, 2015), 80 FR 4954 (January 29, 2025) (SR-BX-2015-049) (Order Approving Proposed Rule Change Relating to Directed Market Makers). BX recently amended the rule text in Options 2, Section 10. See also Securities Exchange Act Release No. 100542 (July 16, 2024), 89 FR 59174 (July 22, 2024) (SR-BX-2024-003) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Options 2, Sections 6 and 10).

⁶ The Exchange updates citations where necessary to reflect changes in numbering.

⁷ "All-or-None Order" is a market or limit order which is to be executed in its entirety or not at all. All-or-None Orders are treated as having a time-in-force designation of Immediate or Cancel. All-or-None Orders received prior to the opening or after market close will be rejected. See Options 3, Section 7(a)(7).

Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁹ in particular, in that it is designed to promote just and equitable principles of trade, 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.

The Exchange believes that it is consistent with the Act to remove BX's Directed Order functionality, which is not operative, because it would protect investors and the general public by avoiding confusion as whether the Exchange offers this functionality. BX received approval for its Directed Order functionality in 2015.¹⁰ Since that time, the Exchange has not implemented this functionality. At this time, the Exchange proposes to remove the rule text related to the Directed Order functionality and reserve Options 2, Section 10. If BX determines to offer Directed Order functionality it would file a rule change with the Commission.

The Exchange also believes that removing references to a Directed Order within Options 3, Section 7(a)(2) and removing references to Directed Market Maker or "DMM" allocation entitlements within Options 3, Section 10 will bring greater clarity to the unavailability of the Directed Order functionality. Amending the clause in Options 3, Section 10(a)(2)(iii)(2) related to All-or-None Orders is consistent with the Act because All-or-None Orders are to be executed in their entirety or not at all. All-or-None Orders do not rest on the order book on BX and would not be allocated pursuant to Options 3, Section 10, which describes order book allocation for resting orders.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

The Exchange's proposal to remove BX's Directed Order functionality does not impose an undue burden on intramarket competition because no Market Maker has ever utilized this functionality as the functionality has never been operative. The Exchange also believes that removing references to a Directed Order within Options 3, Section 7(a)(2) and removing references

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See Securities Exchange Act Release No. 74129 (January 23, 2015), 80 FR 4954 (January 29, 2025) (SR-BX-2015-049) (Order Approving Proposed Rule Change Relating to Directed Market Makers).

to Directed Market Maker or "DMM" allocation entitlements within Options 3, Section 10 will bring greater clarity to the unavailability of the Directed Order functionality. The Exchange's proposal to remove BX's Directed Order functionality does not impose an undue burden on intermarket competition as other options exchanges may elect to offer Directed Order functionality. The Exchange notes that today other options exchanges offer this functionality.¹¹

Amending the clause in Options 3, Section 10(a)(2)(iii)(2) related to All-or-None Orders does not impose an undue burden on intramarket competition because All-or-None Orders are to be executed in their entirety or not at all and they do not rest on the order book. Amending the clause in Options 3, Section 10(a)(2)(iii)(2) related to All-or-None Orders does not impose an undue burden on intermarket competition because other options exchanges have similar rules for order allocation for resting orders only. Also, the all-or-none order type on another exchange could allow it to rest on the order book.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹² and subparagraph (f)(6) of Rule 19b-4 thereunder.¹³

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

¹¹ See e.g. Nasdaq Phlx, LLC and Nasdaq ISE, LLC Options 2, Section 10.

¹² 15 U.S.C. 78s(b)(3)(A)(iii).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 (<https://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include file number SR-BX-2024-029 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-BX-2024-029. 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 (<https://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 a.m. and 3 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. Do not include personal identifiable information in submissions; you should submit only information that you wish to make available publicly. We may redact in part or withhold entirely from publication submitted material that is obscene or subject to copyright protection. All submissions should refer to file number SR-BX-2024-029 and should be submitted on or before September 24, 2024.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Sherry R. Haywood,
Assistant Secretary.

[FR Doc. 2024-19661 Filed 8-30-24; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-100832; File No. SR-CboeBZX-2024-076]

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Establish Fees for Industry Members Related to Reasonably Budgeted Costs of the National Market System Plan Governing the Consolidated Audit Trail for the Period From July 16, 2024 Through December 31, 2024

August 27, 2024.

Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on August 15, 2024, 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 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

Cboe BZX Exchange, Inc. (the "Exchange" or "Cboe BZX") proposes to adopt a fee schedule entitled "Consolidated Audit Trail Funding Fees"³ to establish fees for Industry Members⁴ related to reasonably budgeted CAT costs of the National Market System Plan Governing the Consolidated Audit Trail (the "CAT NMS Plan" or "Plan") for the period from July 16, 2024 through December

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange and each of its affiliated exchanges (Cboe BYX Exchange, Inc., Cboe C2 Exchange, Inc., Cboe Exchange, Inc., Cboe EDGA Exchange, Inc., and Cboe EDGX Exchange, Inc.) are filing to adopt this fee schedule.

⁴ An "Industry Member" is defined as "a member of a national securities exchange or a member of a national securities association." See Exchange Rule 7.20(u); see also Section 1.1 of the CAT NMS Plan. Unless otherwise specified, capitalized terms used in this rule filing are defined as set forth in the CAT NMS Plan and/or the CAT Compliance Rule. See Exchange Rules 4.5-4.17.

31, 2024. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/BZX/), 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

On July 11, 2012, the Commission adopted Rule 613 of Regulation NMS, which required the self-regulatory organizations ("SROs") to submit a national market system ("NMS") plan to create, implement and maintain a consolidated audit trail that would capture customer and order event information for orders in NMS securities across all markets, from the time of order inception through routing, cancellation, modification or execution.⁵ On November 15, 2016, the Commission approved the CAT NMS Plan.⁶ Under the CAT NMS Plan, the Operating Committee has the discretion to establish funding for CAT LLC to operate the CAT, including establishing fees for Industry Members to be assessed by CAT LLC that would be implemented on behalf of CAT LLC by the Participants.⁷ The Operating Committee adopted a revised funding model to fund the CAT ("CAT Funding Model"). On September 6, 2023, the Commission approved the CAT Funding Model after concluding that the model was reasonable and that it satisfied the

⁵ Securities Exchange Act Rel. No. 67457 (July 18, 2012), 77 FR 45722 (Aug. 1, 2012).

⁶ Securities Exchange Act Rel. No. 79318 (Nov. 15, 2016), 81 FR 84696 (Nov. 23, 2016) ("CAT NMS Plan Approval Order").

⁷ Section 11.1(b) of the CAT NMS Plan.