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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82776; File No. SR-CboeBZX-2018-013]

### **Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Introduce a New Data Feed on the Exchange's Equity Options Platform**

February 26, 2018.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 20, 2018, Cboe BZX Exchange, Inc. (“Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to introduce a new data feed on its equity options platform (“BZX Options”) to be known as BZX Options Top.

The text of the proposed rule change is available at the Exchange's website at

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

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

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

www.markets.cboe.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the 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 parts 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 introduce a new data feed on BZX Options to be known as BZX Options Top. The Exchange also proposes to amend Exchange Rule 21.15(b) to add a description of the BZX Options Top feed and to change the name of the Multicast PITCH feed to BZX Options Depth.

A description of each market data product offered by the Exchange is described in Exchange Rule 21.15(b). The Exchange proposes to amend Rule 21.15(b) to introduce and add a description of the BZX Options Top feed to Exchange under subparagraph (2).<sup>5</sup> The BZX Options Top feed would be described as "a data feed that offers top of book quotations and

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<sup>5</sup> The Exchange also proposes to renumber current subparagraph (2) as (3) and current subparagraph (3) as (4).

execution information based on options orders entered into the System.”<sup>6</sup> The Exchange notes that its affiliate, Cboe EDGX Exchange, Inc. (“EDGX”) offers an identical data feed for its equity options platform (“EDGX Options”), known as EDGX Options Top. The description of the BZX Options Top feed under Exchange Rule 21.15(b)(2) is substantially similar to the description of the EDGX Options Top feed under EDGX Rule 21.15(b)(2).<sup>7</sup>

The Exchange also propose to rename Multicast Pitch as BZX Options Depth and amend its rules and fee schedule accordingly. BZX Options Depth is a data feed that offers depth of book quotations and execution information based on options orders entered into the System.<sup>8</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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 to protect investors and the public interest, and that it is not designed to permit unfair discrimination among customers, brokers, or dealers. This proposal is in keeping with those principles in that it promotes increased transparency through the dissemination of BZX Options Top. The proposed rule change would benefit investors by facilitating their prompt access to real-time top-of-book information contained in BZX Options

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<sup>6</sup> Exchange Rule 21.15(b)(2).

<sup>7</sup> Unlike BZX, EDGX offers separate EDGX Options Top data feeds for the EDGX’s Simple Book and Complex Order Book. See EDGX Rule 21.15(b)(2).

<sup>8</sup> Exchange Rule 21.15(b)(1).

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(5).

Top. The Exchange notes that its affiliate, EDGX, offers an identical data feed for EDGX Options, known as EDGX Options Top. The description of the BZX Options Top feed under Exchange Rule 21.15(b)(2) is substantially similar to the description of the EDGX Options Top feed under EDGX Rule 21.15(b)(2).<sup>11</sup>

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposal will promote competition by the Exchange offering a service similar to that offered by Nasdaq.<sup>12</sup> Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. Therefore, the Exchange does not believe the proposed rule change will result in 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 has neither solicited nor received written comments on the proposed rule change.

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;

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<sup>11</sup> Unlike BZX, EDGX offers separate EDGX Options Top data feeds for the EDGX's Simple Book and Complex Order Book. See EDGX Rule 21.15(b)(2).

<sup>12</sup> BONO stands for Best of Nasdaq Options ("BONO <sup>SM</sup>") is a data feed that provides The Nasdaq Options Market ("NOM") Best Bid and Offer and last sale information for trades executed on NOM. See Nasdaq Sec. 4(d), NASDAQ Options Market Data Distributor Fees available at <http://www.nasdaqtrader.com/Micro.aspx?id=optionsPricing>.

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 Act<sup>13</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>14</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)<sup>16</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiving the operative delay will enable the Exchange to implement the proposed rule change on March 9, 2018, the anticipated date upon which the Exchange hopes to offer BZX Options Top.<sup>17</sup> The Exchange further notes that its affiliate, EDGX, offers a substantially similar data feed as discussed earlier in this proposed rule change. Based on the foregoing, the Commission believes that waiver of the 30-day operative delay is consistent with

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> See Cboe BZX and EDGX Options Exchanges to Introduce Multicast Top Feed, available at [http://cdn.batstrading.com/resources/release\\_notes/2018/Cboe-BZX-and-EDGX-Options-Exchanges-to-Introduce-Multicast-Top-Feed.pdf](http://cdn.batstrading.com/resources/release_notes/2018/Cboe-BZX-and-EDGX-Options-Exchanges-to-Introduce-Multicast-Top-Feed.pdf).

the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change as operative upon filing.<sup>18</sup>

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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.

#### 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CboeBZX-2018-013 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.

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<sup>18</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

All submissions should refer to File Number SR-CboeBZX-2018-013. This file number should be included on the subject line if e-mail 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-CboeBZX-2018-013 and should be submitted on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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<sup>19</sup> 17 CFR 200.30-3(a)(12).

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