



8011-01

SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 84614 / November 16, 2018

In the Matter of the

BOX Exchange LLC

Regarding a Suspension of and Order Instituting Proceedings to Determine Whether to Approve or Disapprove a

Proposed Rule Change to Amend the Fee Schedule on the BOX Market LLC Options Facility to Establish BOX Connectivity Fees for Participants and Non-Participants Who Connect to the BOX Network (File No. SR-BOX-2018-24);

Order Granting Petition for Review and Scheduling Filing of Statements

This matter comes before the Securities and Exchange Commission (“Commission”) on petition to review the temporary suspension and institution of proceedings, through delegated authority, of the BOX Exchange LLC (f/k/a BOX Options Exchange LLC) (the “Exchange”) proposed rule change to amend the fee schedule on the BOX Market LLC (“BOX”) options facility to establish certain connectivity fees and reclassify its high speed vendor feed connection as a port fee.

On July 27, 2018, the Commission issued a notice of filing of the proposed rule change filed with the Commission pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4² thereunder.³ On September 17, 2018, the Division of Trading and Markets (“Division”), pursuant to delegated authority,⁴ issued an order temporarily

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 83728 (July 27, 2018), 83 FR 37853 (August 2, 2018).

⁴ 17 CFR 200.30–3(a)(57) and (58).

suspending the proposed rule change pursuant to Section 19(b)(3)(C) of the Exchange Act⁵ and simultaneously instituting proceedings under Section 19(b)(2)(B) of the Exchange Act⁶ to determine whether to approve or disapprove the proposed rule change (“Order Instituting Proceedings”).⁷ On October 17, 2018, the Commission received one comment letter on the proposed rule change, supporting the decision to suspend and institute proceedings on the proposed fee changes.⁸

On September 19, 2018, pursuant to Rule 430 of the Commission Rules of Practice,⁹ the Exchange filed a notice of intention to petition for review of the Order Instituting Proceedings. Pursuant to Rule 431(e) of the Commission Rules of Practice,¹⁰ a notice of intention to petition for review results in an automatic stay of the action by delegated authority. On September 26, 2018, the Exchange filed a petition for review of the Order Instituting Proceedings.

Pursuant to Rule 431 of the Commission Rules of Practice,¹¹ the Exchange’s petition for review of the Order Instituting Proceedings is granted. Further, the Commission hereby establishes that any party to the action or other person may file a written statement in support of or in opposition to the Order Instituting Proceedings on or before [insert date 15 days from date of publication in the Federal Register].

Further, the Commission finds that it is in the public interest to lift the stay during the pendency of the Commission’s review. The Commission believes the continued suspension of the proposed rule change while the Commission conducts proceedings to consider the Exchange’s proposal will allow the Commission to further consider the proposed fees’ consistency with the Exchange Act without the risk of allowing a fee that is potentially inconsistent with the Exchange Act to remain in effect. The Commission also does not believe that lifting the stay precludes meaningful review of the Order Instituting Proceedings.

For the reasons stated above, it is hereby:

⁵ 15 U.S.C. 78s(b)(3)(C).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 84168 (September 17, 2018), 83 FR 47947 (September 21, 2018).

⁸ See letter to Brent J. Fields, Secretary, Commission, from Theodore R. Lazo, Managing Director and Associate General Counsel, and Ellen Greene, Managing Director, Financial Services Operations, Securities Industry and Financial Markets Association, dated October 15, 2018.

⁹ 17 CFR 201.430.

¹⁰ 17 CFR 201.431(e).

¹¹ 17 CFR 201.431.

ORDERED that the Exchange's petition for review of the Division's action, by delegated authority, to temporarily suspend the proposed rule change and simultaneously institute proceedings to determine whether to approve or disapprove the proposed rule change be GRANTED; and

It is further ORDERED that any party or other person may file a statement in support of or in opposition to the action made pursuant to delegated authority on or before [INSERT DATE 15 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]; and

It is further ORDERED that the automatic stay of delegated action pursuant to Commission Rule of Practice 431(e)¹² is hereby discontinued.

The order temporarily suspending such proposed rule change and instituting proceedings to determine whether to approve or disapprove such proposed rule change shall remain in effect.

By the Commission.

Eduardo A. Aleman,
Assistant Secretary.

¹² 17 CFR 201.431(e).

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