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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-86202; File No. SR-CboeEDGX-2019-028]

June 26, 2019

Self-Regulatory Organizations; Cboe EDGX Exchange, Inc.; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change, as Modified by Amendment No. 1, to Adopt Rule 21.22 (Complex Automated Improvement Mechanism)

On April 26, 2019, Cboe EDGX Exchange, Inc. (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 adopt Rule 21.22, Complex Automated Improvement Mechanism (“C-AIM” or “C-AIM Auction”), to permit the use of the Exchange’s Automated Improvement Mechanism auction for complex orders. The proposed rule change was published for comment in the Federal Register on May 16, 2019.³ On June 14, 2019, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ The Commission has received no comments regarding the proposal.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 85831 (May 10, 2019), 84 FR 22178.

⁴ Amendment No. 1 revises the proposal to (1) cap the prices of C-AIM responses based on the Synthetic Best Bid or Offer and the prices of orders resting on the top of the Complex Order Book at the conclusion of the C-AIM Auction, rather than at the beginning of the C-AIM Auction; (2) incorporate the new defined terms “C-AIM Auction period” and “final auction price” into the proposed rule text; (3) provide additional justification for the proposal to allow an Options Market Maker registered in the applicable series on the Exchange to be solicited to participate in a C-AIM Auction for a complex order that includes those series; (4) provide additional justification for the proposal to allow Agency Orders to execute only against complex interest at the conclusion of a C-AIM Auction; (5) make non-substantive simplifying, clarifying, and correcting changes to the proposed rule text; and (6) make non-substantive clarifications and corrections to the Form 19b-4 discussion of the proposed rule change. Amendment No. 1 is available at <https://www.sec/comments/sr-cboeedgx-2019-028/srcboeedgx2019028-5679914-185869.pdf>.

Section 19(b)(2) of the Act⁵ provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is June 30, 2019.

The Commission is extending the 45-day time period for Commission action on the proposed rule change, as modified by Amendment No. 1. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change, as modified by Amendment No. 1.

Accordingly, pursuant to Section 19(b)(2) of the Act,⁶ the Commission designates August 14, 2019, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change, as modified by Amendment No. 1 (File No. SR-CboeEDGX-2019-028).

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

Jill M. Peterson
Assistant Secretary

⁵ 15 U.S.C. 78s(b)(2).

⁶ Id.

⁷ 17 CFR 200.30-3(a)(31).

