

on the expiration date of each single name constituent contract with respect to which an Existing Restructuring has occurred. In practice, this could result in an exercise not occurring during a systems failure if the EOD reference prices are not in the money even if they would have been in the money based on intra-day pricing. Under the proposed rule change, whether an Index Swaption is “in the money” would be based on the relevant market-observed prices for the underlying CDS contract determined by ICC using the intraday market data available to it at the time of the Expiration Period, or the EOD price of the underlying CDS contract on the expiration date established at any Intercontinental Exchange, Inc. (“ICE”) clearinghouse, and where relevant, also based on the last available ICE EOD price of each single name constituent contract with respect to which an Existing Restructuring has occurred. This approach provides ICC more flexibility to ensure exercise is based on various reference prices.

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.<sup>6</sup> For the reasons given below, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>7</sup> and Rule 17Ad–22(e)(17)(i).<sup>8</sup>

#### A. Consistency With Section 17A(b)(3)(F) of the Act

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of ICC be designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, as well as to assure the safeguarding of securities and funds which are in the custody or control of ICC or for which it is responsible.<sup>9</sup>

As noted above, ICC is proposing to make changes to certain exercise procedures related to systems failures. The Commission believes that by removing the option to cancel and reschedule the Exercise Period under Paragraph 2.6, the proposed rule change would help to streamline and simplify

the Exercise Procedures in the case of an Exercise System Failure and thereby clarify that cancellations and rescheduling will not occur and that exercises will take place during systems failures. The Commission believes that this in turn will enhance ICC’s ability to promptly and accurately clear and settle transactions during systems failures.

Additionally, automatic exercise applies to an Index Swaption that is determined by ICC to be in the money. As noted above, under the proposed rule change, whether an Index Swaption is “in the money” will be based on the relevant market-observed prices for the underlying CDS contract determined by ICC using the intraday market data available to it at the time or the EOD price of the underlying CDS contract on the expiration date established at any ICE clearinghouse, and where relevant, also based on the last available ICE EOD price of each single name constituent contract with respect to which an Existing Restructuring has occurred. This will allow ICC additional flexibility for determining whether an Index Swaption is in the money and facilitate exercise based on various reference prices, which the Commission believes provides the ability to reflect accurate prices thereby enhancing ICC’s ability to promptly and accurately settle and clear transactions during systems failures.

For the reasons stated above, the Commission finds that the proposed rule changes are consistent with Section 17A(b)(3)(F) of the Act.<sup>10</sup>

#### B. Consistency With Rule 17Ad–22(e)(17)(i)

Rule 17Ad–22(e)(17) requires, in relevant part, each covered clearing agency to establish, implement, maintain, and enforce written policies and procedures reasonably designed to, as applicable, manage its operational risks by identifying the plausible sources of operational risk, both internal and external, and mitigating their impact through the use of appropriate systems, policies, procedures, and controls.<sup>11</sup>

The Commission believes that by revising its Index Swaption Exercise Procedures, as noted above, to remove the ability to cancel or reschedule exercises and to add flexibility to use various reference prices for determining if an Index Swaption is in the money during systems failures, the proposal allows ICC to manage the risks posed by a systems failure by (i) increasing certainty around the timing of the

Exercise Period and (ii) increasing the likelihood that an Index Swaption would be categorized as being in-the-money, and therefore automatically exercised, as expected. The Commission believes that this in turn supports ICC’s ability to mitigate the consequences of a systems failure and promote systems that have a high degree of resiliency and operational reliability.

For these reasons, the Commission believes the proposed rule change is consistent with Rule 17Ad–22(e)(17)(i).<sup>12</sup>

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A(b)(3)(F) of the Act<sup>13</sup> and Rules 17Ad–22(e)(17)(i).<sup>14</sup>

*It is therefore ordered* pursuant to Section 19(b)(2) of the Act<sup>15</sup> that the proposed rule change (SR–ICC–2021–016), be, and hereby is, approved.<sup>16</sup>

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–92897; File No. SR–FINRA–2021–022]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Extend the Implementation Date of Certain Amendments to FINRA Rule 4210 Approved Pursuant to SR–FINRA–2015–036

September 8, 2021.

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 August 26, 2021, the Financial Industry Regulatory Authority, Inc. (“FINRA”)

<sup>12</sup> *Id.*

<sup>13</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>14</sup> 17 CFR 240.17Ad–22(e)(17)(i).

<sup>15</sup> 15 U.S.C. 78s(b)(2).

<sup>16</sup> In approving the proposed rule change, the Commission considered the proposal’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>17</sup> 17 CFR 200.30–3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>6</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>7</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>8</sup> 17 CFR 240.17Ad–22(e)(17)(i).

<sup>9</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>10</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>11</sup> 17 CFR 240.17Ad–22(e)(17)(i).

filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by 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

FINRA is proposing to extend, to January 26, 2022, the implementation date of the amendments to FINRA Rule 4210 (Margin Requirements) pursuant to SR-FINRA-2015-036, other than the amendments pursuant to SR-FINRA-2015-036 that were implemented on December 15, 2016. The proposed rule change would not make any changes to the text of FINRA rules.

The text of the proposed rule change is available on FINRA’s website at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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 October 6, 2015, FINRA filed with the Commission proposed rule change SR-FINRA-2015-036, which proposed to amend FINRA Rule 4210 to establish margin requirements for (1) To Be Announced (“TBA”) transactions, inclusive of adjustable rate mortgage (“ARM”) transactions; (2) Specified Pool Transactions; and (3) transactions in Collateralized Mortgage Obligations (“CMOs”), issued in conformity with a

program of an agency or Government-Sponsored Enterprise (“GSE”), with forward settlement dates, as defined more fully in the filing (collectively, “Covered Agency Transactions”). The Commission approved SR-FINRA-2015-036 on June 15, 2016 (the “Approval Date”).<sup>4</sup>

Pursuant to Partial Amendment No. 3 to SR-FINRA-2015-036, FINRA announced in *Regulatory Notice* 16-31 that the rule change would become effective on December 15, 2017, 18 months from the Approval Date, except that the risk limit determination requirements as set forth in paragraphs (e)(2)(F), (e)(2)(G) and (e)(2)(H) of Rule 4210 and in new Supplementary Material .05, each as respectively amended or established by SR-FINRA-2015-036 (collectively, the “risk limit determination requirements”), would become effective on December 15, 2016, six months from the Approval Date.<sup>5</sup>

Industry participants sought clarification regarding the implementation of the requirements pursuant to SR-FINRA-2015-036. Industry participants also requested additional time to make system changes necessary to comply with the requirements, including time to test the system changes, and requested additional time to update or amend margining agreements and related documentation. In response, FINRA made available a set of Frequently Asked Questions & Guidance<sup>6</sup> and, pursuant to SR-FINRA-2017-029,<sup>7</sup> extended the implementation date of the requirements of SR-FINRA-2015-036 to June 25, 2018, except for the risk limit determination requirements, which, as announced in *Regulatory Notice* 16-31, became effective on December 15, 2016.

Industry participants requested that FINRA reconsider the potential impact of certain requirements pursuant to SR-FINRA-2015-036 on smaller and mid-sized firms. Industry participants also requested that FINRA extend the implementation date pending such reconsideration to reduce potential uncertainty in the Covered Agency Transaction market. In response to these concerns, FINRA further extended the implementation date of the requirements of SR-FINRA-2015-036, other than the risk limit determination requirements, to October 26, 2021 (the “October 26, 2021 implementation date”).<sup>8</sup> FINRA noted that, as FINRA stated in Partial Amendment No. 3 to SR-FINRA-2015-036, FINRA would monitor the impact of the requirements pursuant to that rulemaking and, if the requirements prove overly onerous or otherwise are shown to negatively impact the market, FINRA would consider revisiting such requirements as may be necessary to mitigate the rule’s impact.<sup>9</sup>

Informed by extensive dialogue, both with industry participants and other regulators, including the staff of the SEC and the Federal Reserve System, FINRA has proposed amendments to the requirements of SR-FINRA-2015-036 (the “Proposed Amendments”).<sup>10</sup> This rulemaking is ongoing. If the Commission approves the Proposed Amendments, FINRA believes it is appropriate, in the interest of regulatory clarity, to adjust the implementation of the requirements pursuant to SR-FINRA-2015-036 so as to permit time for the Commission to take action on the Proposed Amendments.<sup>11</sup> As such, FINRA is proposing to extend the October 26, 2021 implementation date

<sup>4</sup> See Securities Exchange Act Release No. 78081 (June 15, 2016), 81 FR 40364 (June 21, 2016) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval to a Proposed Rule Change to Amend FINRA Rule 4210 (Margin Requirements) to Establish Margin Requirements for the TBA Market, as Modified by Amendment Nos. 1, 2, and 3; File No. SR-FINRA-2015-036).

<sup>5</sup> See Partial Amendment No. 3 to SR-FINRA-2015-036 and *Regulatory Notice* 16-31 (August 2016), both available at: [www.finra.org](http://www.finra.org).

<sup>6</sup> Available at: [www.finra.org/rules-guidance/guidance/faqs](http://www.finra.org/rules-guidance/guidance/faqs). Further, staff of the SEC’s Division of Trading and Markets made available a set of Frequently Asked Questions regarding Exchange Act Rule 15c3-1 and Rule 15c3-3 in connection with Covered Agency Transactions under FINRA Rule 4210, also available at: [www.finra.org/rules-guidance/guidance/faqs](http://www.finra.org/rules-guidance/guidance/faqs).

<sup>7</sup> See Securities Exchange Act Release No. 81722 (September 26, 2017), 82 FR 45915 (October 2, 2017) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Delay the Implementation Date of Certain Amendments to FINRA Rule 4210 Approved Pursuant to SR-FINRA-2015-036; File No. SR-FINRA-2017-029); see also *Regulatory Notice* 17-28 (September 2017).

<sup>8</sup> See Securities Exchange Act Release No. 90852 (January 5, 2021), 86 FR 2021 (January 11, 2021) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Extend the Implementation Date of Certain Amendments to FINRA Rule 4210 Approved Pursuant to SR-FINRA-2015-036; File No. SR-FINRA-2020-046).

<sup>9</sup> See Partial Amendment No. 3 to SR-FINRA-2015-036, available at: [www.finra.org](http://www.finra.org).

<sup>10</sup> See Securities Exchange Act Release No. 91937 (May 19, 2021), 86 FR 28161 (May 25, 2021) (Notice of Filing of a Proposed Rule Change to Amend the Requirements for Covered Agency Transactions under FINRA Rule 4210 (Margin Requirements) as Approved Pursuant to SR-FINRA-2015-036; File No. SR-FINRA-2021-010). See also Partial Amendment No. 1 to SR-FINRA-2021-010, available at [www.finra.org](http://www.finra.org).

<sup>11</sup> See Securities Exchange Act Release No. 92713 (August 20, 2021) (Notice of Filing of Amendment No. 1 and Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, to Amend the Requirements for Covered Agency Transactions under FINRA Rule 4210 (Margin Requirements) as Approved Pursuant to SR-FINRA-2015-036; File No. SR-FINRA-2021-010).

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

to January 26, 2022, which date FINRA may propose to further adjust as appropriate in a separate rule filing pending any Commission action on the Proposed Amendments. FINRA notes that the risk limit determination requirements pursuant to SR-FINRA-2015-036 became effective on December 15, 2016 and, as such, the implementation of such requirements is not affected by the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing. The operative date will be the date of filing of the proposed rule change.

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>12</sup> which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will help to reduce potential uncertainty in the Covered Agency Transaction market because, pending any Commission action on the Proposed Amendments, the proposed rule change will permit adjustment and alignment, as appropriate, of the implementation of the requirements pursuant to SR-FINRA-2015-036 with the effective date of the Proposed Amendments. FINRA believes that this will thereby protect investors and the public interest by helping to promote stability in the Covered Agency Transaction market.

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

FINRA 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. FINRA believes that extending the October 26, 2021 implementation date to January 26, 2022, pending any Commission action on the Proposed Amendments, so as to permit adjustment and alignment of the implementation of the requirements pursuant to SR-FINRA-2015-036, as appropriate, with the effective date of the Proposed Amendments, will help to provide clarity to industry participants and to reduce any potential uncertainty

in the Covered Agency Transaction market, thereby benefiting all parties.

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

Written comments were neither solicited nor received.

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

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has requested that the Commission waive the 30-day operative delay so that the proposal may become operative upon filing. FINRA has stated that the purpose of the proposed rule change is to help to avoid unnecessary disruption in the Covered Agency Transaction market pending any Commission action on the amendments that FINRA has proposed to the Covered Agency Transaction margin requirements. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposal to extend the implementation date of the requirements of Rule 4210 does not raise any new or novel issues and will reduce any potential uncertainty in the Covered Agency Transaction market. Therefore, the Commission hereby waives the 30-day operative delay requirement and designates the

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

<sup>14</sup> 17 CFR 240.19b-4 (f)(6).

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its 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. FINRA has satisfied this requirement.

proposed rule change as operative upon filing.<sup>17</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 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.

### **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](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2021-022 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-FINRA-2021-022. 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

<sup>17</sup> For purposes 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).

<sup>12</sup> 15 U.S.C. 78o-3(b)(6).

a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2021-022 and should be submitted on or before October 5, 2021.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**J. Matthew DeLesDernier,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-92896; File No. SR-MEMX-2021-11]

### Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Exchange's Fee Schedule

September 8, 2021.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 31, 2021, MEMX LLC ("MEMX" or the "Exchange") 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

The Exchange is filing with the Commission a proposed rule change to amend the Exchange's fee schedule applicable to Members<sup>3</sup> (the "Fee Schedule") pursuant to Exchange Rules 15.1(a) and (c). The Exchange proposes to implement the changes to the Fee Schedule pursuant to this proposal on September 1, 2021. The text of the

proposed rule change is provided in Exhibit 5.

#### 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 purpose of the proposed rule change is to amend the Fee Schedule to: (i) include an additional Liquidity Provision Tier applicable to the rebates for executions of orders in securities priced at or above \$1.00 per share that add displayed liquidity to the Exchange (such orders, "Added Displayed Volume") and modify the required criteria under the existing Liquidity Provision Tier; (ii) introduce a tiered pricing structure for the Displayed Liquidity Incentive ("DLI") by including an additional DLI Tier and reducing the rebate provided under the existing DLI; (iii) increase the fee under the Liquidity Removal Tier for executions of orders in securities priced at or above \$1.00 per share that remove liquidity from the Exchange (such orders, "Removed Volume"); and (iv) reduce the standard rebate for executions of Added Displayed Volume.

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues, to which market participants may direct their order flow. Based on publicly available information, no single registered equities exchange currently has more than approximately 16% of the total market share of executed volume of equities trading.<sup>4</sup> Thus, in

such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow, and the Exchange currently represents approximately 3% of the overall market share.<sup>5</sup> The Exchange in particular operates a "Maker-Taker" model whereby it provides rebates to Members that add liquidity to the Exchange and charges fees to Members that remove liquidity from the Exchange. The Fee Schedule sets forth the standard rebates and fees applied per share for orders that add and remove liquidity, respectively. Additionally, in response to the competitive environment, the Exchange also offers tiered pricing, which provides Members with opportunities to qualify for higher rebates or lower fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

###### Liquidity Provision Tiers

Currently, the Exchange provides a standard rebate of \$0.0031 per share for executions of Added Displayed Volume, which the Exchange is proposing to reduce to \$0.0028 per share, as further described below. The Exchange also currently offers, in addition to other incentives, a Liquidity Provision Tier in which a Member may receive an enhanced rebate of \$0.00335 per share for executions of Added Displayed Volume by achieving an ADAV<sup>6</sup> of at least 15,000,000 shares. Now, the Exchange proposes to rename the existing Liquidity Provision Tier to Liquidity Provision Tier 1, modify the required criteria under Liquidity Provision Tier 1, and add a new Liquidity Provision Tier 2. Specifically, the Exchange proposes to modify the required criteria under Liquidity Provision Tier 1 such that a Member would now qualify for Liquidity Provision Tier 1 by achieving an ADAV of at least 0.20% of the TCW.<sup>7</sup> Members that qualify for Liquidity Provision Tier 1 would continue to receive an enhanced rebate of \$0.00335 per share

made available through consolidated data feeds (i.e., CTS and UTDF).

<sup>5</sup> *Id.*

<sup>6</sup> As set forth on the Fee Schedule, "ADAV" means the average daily added volume calculated as the number of shares added per day, which is calculated on a monthly basis.

<sup>7</sup> As set forth on the Fee Schedule, "TCW" means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

<sup>18</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Exchange Rule 1.5(p).

<sup>4</sup> Market share percentage calculated as of August 30, 2021. The Exchange receives and processes data