

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-90946; File No. SR-BOX-2021-01)

January 19, 2021

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule on the BOX Options Market LLC Facility

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 January 4, 2021, BOX Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule on the BOX Options Market LLC (“BOX”) facility. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet website at <http://boxexchange.com>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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 Exchange proposes to amend the Fee Schedule for trading on BOX. First, the Exchange proposes to revise certain qualification thresholds and fees in Section I.B. of the BOX Fee Schedule. Specifically, the Exchange proposes to eliminate Tiers 2 and 3 of the Primary Improvement Order fee structure. The Exchange then proposes to amend the percentage threshold for Tier 1 from 0.000% - 0.049% to 0.000% to 0.449%. The Exchange also proposes to decrease the fee for Tier 1 from \$0.25 to \$0.05. The Exchange next proposes to change current Tier 4 to new Tier 2. The percentage threshold and fee for proposed Tier 2 will remain unchanged.

Next, the Exchange proposes to eliminate Section III⁵ (Liquidity Fees and Credits) from the Fee Schedule and establish Break-Up Credits in (1) Section I.B (PIP and COPIP Transactions); (2) Section I.C (Facilitation and Solicitation Transactions); and (3) Section I.C.2 (Strategy Order Facilitation and Solicitation Transactions). The Exchange is redistributing the

⁵ The Exchange notes Section III.C.1 is being relocated as discussed in further detail below.

fees and rebates outlined in Section III to the appropriate places within the respective fee structures in the BOX Fee Schedule. The Exchange believes the proposed changes will make the Fee Schedule easier to navigate and will reduce investor confusion.

PIP and COPIP Transactions

Currently, under Section III.A, a Public Customer PIP or COPIP Order receives the “removal” credit (\$0.34 for Penny Interval Classes and \$0.81 for Non-Penny Interval Classes), while the corresponding Primary Improvement Order and any Improvement Orders are charged the “add” fee (\$0.34 for Penny Interval Classes and \$0.81 for Non-Penny Interval Classes). First, the Exchange proposes to amend PIP and COPIP Improvement Order fees within Section 1.B to include the liquidity “add” fees that are being deleted in Section III. As such, the Exchange proposes to increase Public Customer Improvement Orders fees in Penny Interval Classes to \$0.49 from \$0.15 and in Non-Penny Interval Classes to \$0.96 from \$0.15.⁶ Next, the Exchange proposes to no longer assess the corresponding Primary Improvement Order to PIP and COPIP Orders the “add” fee of \$0.34 for Penny Interval Classes or \$0.81 for Non-Penny Interval Classes. The Exchange notes that this is similar to how the Exchange currently assesses SPY PIP and COPIP fees and credits on BOX.⁷ The Exchange believes this proposed change will result in increased order flow to BOX’s PIP and COPIP mechanisms. Further, the Exchange proposes to increase Public Customer SPY Improvement Order fees to \$0.50 from \$0.05.⁸

⁶ The Exchange is including the \$0.34 “add” fee into the Improvement Order fee detailed in the PIP and COPIP fee structure. The Exchange notes that under this proposal, there is no change to the fees currently assessed for this transaction

⁷ See Securities Exchange Act Release No. 89622 (August 20, 2020), 85 FR 52654 (August 26, 2020)(SR-BOX-2020-34).

⁸ Currently, under Section III, Improvement Orders to the SPY PIP and COPIP Orders are charged the “add” fee of \$0.45. The Exchange is including this “add” fee into the Improvement Order fee detailed in the PIP and COPIP Fee Structure.

The Exchange next proposes to increase Professional Customer, Broker Dealer and Market Maker Improvement Order fees. Currently, if a Non-Public Customer PIP or COPIP Order does not trade with its Primary Improvement Order, the Primary Improvement Order shall receive the “removal” credit (\$0.34 for Penny Interval Classes or \$0.81 for Non-Penny Interval Classes) and any corresponding Improvement Order responses will be charged the “add” fee (\$0.34 for Penny Interval Classes or \$0.81 for Non-Penny Interval Classes). Similar to the changes discussed above, the Exchange now proposes to increase Non-Public Customer Improvement Order fees in Penny Interval Classes to \$0.50 from \$0.16 and to \$1.15 from \$0.34 in Non-Penny Interval Classes. Further, the Exchange proposes to increase non-Public Customer SPY Improvement Orders to \$0.50 from \$0.05.⁹

Next, the Exchange proposes to establish PIP and COPIP Break-Up Credits in Section I.B. First, the Exchange proposes to establish PIP and COPIP Break-Up Credits of \$0.34 for Penny Interval Classes and \$0.81 for Non-Penny Interval Classes for Public Customer PIP and COPIP Transactions. The Exchange notes that this is how the Exchange currently assesses the \$0.34 or \$0.81 “removal” credits for Public Customer PIP and COPIP Orders executed through the PIP and COPIP mechanisms detailed in BOX’s current Fee Schedule. The Exchange is simply seeking to relocate the credits into the PIP and COPIP fee structure. Next, the Exchange proposes to establish a SPY Break-Up Credit of \$0.45 for Public Customer SPY PIP and COPIP Orders submitted to the PIP or COPIP mechanisms. As discussed herein, the same \$0.45 “removal” credit is assessed for these Public Customer SPY PIP and COPIP transactions under Section III in BOX’s current Fee Schedule. Further, the Exchange proposes to add text which

⁹ Currently, under Section III, Improvement Orders to the SPY PIP and COPIP Orders are charged the “add” fee of \$0.45. The Exchange is including this “add” fee into the Improvement Order fee detailed in the PIP and COPIP Fee Structure.

details that the Public Customer SPY PIP or COPIP Order submitted to the PIP and COPIP mechanisms that do not trade with their Primary Improvement Order shall receive the Break-Up Credit. The Exchange again notes that this is how the “removal” credit is currently assessed for these transactions under Section III.A in BOX’s current Fee Schedule.

Next, the Exchange proposes to establish PIP and COPIP Break-Up Credits of \$0.34 for Penny Interval Classes and \$0.81 for Non-Penny Interval Classes for Professional Customer, Broker Dealer, and Market Maker PIP and COPIP Transactions. The Exchange also proposes to add text which details who receives the Break-Up Credit for these orders. Specifically, if a Non-Public Customer PIP or COPIP Order does not trade with its Primary Improvement Order, the Primary Improvement Order shall receive the Break-Up Credit of \$0.34 for Penny Interval Classes or \$0.81 for Non-Penny Interval Classes. The Exchange notes that this is how the “removal” credit is assessed for these transactions in BOX’s current Fee Schedule. The Exchange simply seeks to relocate the credit for these transactions into the PIP and COPIP fee structure.

Next, the Exchange proposes to establish a SPY Break-Up Credit of \$0.45 for Non-Public Customer SPY PIP and COPIP Orders submitted to the PIP or COPIP mechanisms. The Exchange also proposes to add text which details who receives the Break-Up Credit for these orders. Specifically, SPY PIP and COPIP Orders submitted to the PIP and COPIP mechanisms that do not trade with their Primary Improvement Order shall receive the \$0.45 Break-Up Credit. The Exchange notes that this is how the “removal” credit is assessed for these transactions in BOX’s current Fee Schedule. The Exchange simply seeks to relocate the credit for these transactions into the PIP and COPIP fee structure.

Lastly, the Exchange proposes to relocate and revise the Fee Schedule language regarding PIP and COPIP Orders executing against Unrelated Orders.¹⁰ Specifically, the Exchange proposes to clarify that each PIP Order or COPIP Order that executes against an Unrelated Order on the BOX Book shall be treated as a Non-Auction Transaction.

Facilitation and Solicitation Transactions

Currently, under Section III.B of the BOX Fee Schedule, Agency Orders submitted to the Facilitation and Solicitation mechanisms that do not trade with their contra order receive the “removal” credit (\$0.25 for Penny Interval Classes and \$0.75 for Non-Penny Interval Classes). Responses to Facilitation and Solicitation Orders executed in these mechanisms are charged the “add” fee (\$0.25 for Penny Interval Classes and \$0.75 for Non-Penny Interval Classes). First, the Exchange proposes to increase the Response Fees (within Section 1.C) in the Facilitation and Solicitation mechanisms for all account types to \$0.50 from \$0.25 for Penny Interval Classes and to \$1.15 from \$0.40 for Non-Penny Interval Classes.¹¹ Next, the Exchange proposes to establish Facilitation and Solicitation Break-Up Credits in the Facilitation and Solicitation Transaction fee structure. Next, the Exchange proposes to establish a \$0.25 Break-Up Credit for Penny Interval Classes and \$0.75 Break-Up Credit for Non-Penny Interval Classes for all account types. The Exchange also proposes to add text which details who receives the Break-Up Credit for these orders. Specifically, Agency Orders submitted to the Facilitation and Solicitation mechanisms that do not trade with their contra order shall receive the Break-Up Credit. The Exchange notes

¹⁰ For the PIP, an Unrelated Order is a non-Improvement Order entered into the BOX market during a PIP. For the COPIP, an Unrelated Order is a non-Improvement Order entered on BOX during a COPIP or BOX Book Interest during a COPIP.

¹¹ Similar to the proposed changes in the PIP and COPIP section, the Exchange is including the \$0.25 and \$0.75 “add” fees into the Responses Order fees detailed in the Facilitation and Solicitation Transaction fee structure in Section I.C. The Exchange notes that under this proposal, there is no change to the fees currently assessed for these transactions.

that this is how the “removal” credit is currently assessed for these transactions in Section III of BOX’s current Fee Schedule. The Exchange simply seeks to relocate the credit for these transactions into the Facilitation and Solicitation fee structure.

Next, the Exchange proposes to amend Section I.C.2 (Strategy Order Facilitation and Solicitation Transactions). Currently, Strategy Order Facilitation and Solicitation Transactions in Section I.C.2 are exempt from the liquidity fees and credits detailed Section III.B of the Fee Schedule. The Exchange now proposes to remove the exemption and assess these transactions fees and credits similar to those detailed in current Section III.B. Specifically, the Exchange proposes to increase Response fees in the Facilitation and Solicitation mechanisms to \$0.50 from \$0.25 for Penny Interval Classes and to \$1.15 from \$0.40 for Non-Penny Interval Classes. The Exchange believes the proposed change is reasonable as identical fees exist for regular Facilitation or Solicitation transactions on BOX.

Next, the Exchange proposes to establish Strategy Order Facilitation and Solicitation Break-Up Credits in the fee structure detailed in Section I.C.2 of the BOX Fee Schedule. Specifically, the Exchange proposes to establish a \$0.25 Break-Up Credit for Penny Interval Classes and \$0.75 Break-Up Credit for Non-Penny Interval Classes for all account types. The Exchange also proposes to add text which details who receives the Break-Up Credit for these orders. Specifically, Agency Orders submitted to the Facilitation and Solicitation mechanisms that do not trade with their contra order shall receive the Break-Up Credit. The Exchange notes that this is how the “removal” credit is currently assessed for regular Facilitation and Solicitation transactions in Section III of BOX’s current Fee Schedule. The Exchange believes that mirroring the fees and credits in place for regular Facilitation and Solicitation transactions is reasonable and appropriate.

Finally, the Exchange proposes to relocate Section III.C.1., which details transactions which occur on the opening or re-opening, to Section I.A.2. of the Fee Schedule. The Exchange also proposes to make a number of non-substantive changes to the Fee Schedule which include renumbering Sections and eliminating obsolete text due to the proposed changes discussed herein.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,¹² in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

First, the Exchange believes that the proposed changes in Section I.B.1 (Primary Improvement Orders) of the BOX Fee Schedule are reasonable, equitable and non-discriminatory. The proposed changes to the thresholds are equitable and not unfairly discriminatory as they are available to all BOX Participants that initiate Auction Transactions, and Participants may choose whether or not to take advantage of the percentage thresholds and their applicable discounted fees. Further, the Exchange believes that the change to the threshold in proposed Tier 1 is reasonable and competitive as it is intended to allow more Participants to qualify for the discounted fee, which the Exchange believes will incentivize Participants to direct order flow to the Exchange, in turn benefiting all market participants on the Exchange. Further, the Exchange believes that the proposed change to decrease the fee assessed in Tier 1 from \$0.25 to \$0.05 is reasonable and appropriate, as this tiered fee schedule is in place to provide incentives

¹² 15 U.S.C. 78f(b)(4) and (5).

to BOX Participants to submit their Public Customer Orders into the PIP for potential price improvement. This reduced fee, combined with the amended percentage thresholds discussed above, are meant to incentivize more Participant to submit Price Improvement Orders to the Exchange, which the Exchange believes will further incentivize Participants to direct order flow to the Exchange, in turn benefiting all market participants on the Exchange.

PIP and COPIP Transactions

The Exchange believes the proposed changes to the fee structure detailed in Section I.B. are reasonable, equitable and not unfairly discriminatory. The Exchange believes the proposed fee changes to Improvement Orders in the PIP and COPIP Transaction fee structure are reasonable as they reflect the current fees charged for these transactions on the Exchange. As noted herein, the Exchange simply seeks to relocate the liquidity fees detailed in Section III to be included in the PIP and COPIP Improvement Order fees in the PIP and COPIP Transaction fee structure. The Exchange believes that the proposed change will increase overall readability of the BOX Fee Schedule and reduce investor confusion. Further, the Exchange believes it is reasonable to no longer assess the “add” fee of \$0.34 for Penny Interval Classes or \$0.81 for Non-Penny Interval Classes for corresponding Primary Improvement Order to Public Customer PIP and COPIP Orders. The Exchange notes that this is similar to how the Exchange currently assesses SPY PIP and COPIP fees and credits on BOX.¹³ The Exchange believes that mirroring the current structure in place for SPY PIP and COPIP fees and credits is reasonable as the Exchange believes that the proposed change will incentivize Participants to submit Public Customer order flow through the PIP and COPIP auction mechanisms thereby benefitting all market participants through promoting market depth, facilitating tighter spreads and enhancing price discovery.

¹³ See supra note 7.

Further, the Exchange believes that the proposed change is equitable and not unfairly discriminatory as the change applies to all Participants, regardless of account type.

Under this proposal and as discussed above, the corresponding Primary Improvement Orders to Public Customer PIP and COPIP Orders will no longer be assessed the \$0.34 “add” fee for Penny Interval Classes and \$0.81 for Non-Penny Interval Classes; however, Improvement Orders will continue to be charged the \$0.34 “add” fee for Penny Interval Classes and \$0.81 “add” fee for Non-Penny Interval Classes. The Exchange believes it is reasonable, equitable and not unfairly discriminatory to charge higher exchange fees for responders in the PIP and COPIP mechanisms than for initiators of these orders and the contra orders. The Exchange believes it is reasonable when compared to a similar practice for fees at a competing venue.¹⁴ For example, at Nasdaq ISE the fee for both the initiating and contra order for PIM Orders¹⁵ is \$0.10 for Select Symbols¹⁶ for all account types except Priority Customers who are charged no fees. Responses to these orders are charged \$0.50 for Select Symbols regardless of account type. The Exchange also notes that a differential of fees between initiators and responders currently exists in the Facilitation and Solicitation auction mechanisms and for SPY PIP and COPIP Orders on BOX. Further, the Exchange continues to believe that the proposed differential is reasonable because responders to PIP and COPIP Orders are willing to pay a higher fee for liquidity discovery. Responders to PIP and COPIP Orders are given the opportunity to interact with customer order flow which, in turn, allows for the opportunity for increased executions on the Exchange thus

¹⁴ See Nasdaq ISE LLC (“Nasdaq ISE”) Pricing Schedule Section 3. (Regular Order Fees and Rebates).

¹⁵ On Nasdaq ISE, a PIM Order is an order entered into the Price Improvement Mechanism (“PIM”). This is similar to BOX’s PIP and COPIP mechanism.

¹⁶ “Select Symbols” and “Non-Select Symbols” referred to in the Nasdaq ISE Fee Schedule are identical to “Penny Interval Classes” and “Non-Penny Interval Classes” on BOX.

benefitting all market participants. The Exchange also believes it is reasonable and appropriate to charge initiators of PIP and COPIP Orders less than responders because initiators bring liquidity to the Exchange which, in turn, results in increased opportunity for more executions on BOX. As such, the Exchange believes the differential is reasonable and appropriate.

The Exchange also believe the proposed change to establish PIP and COPIP Break-Up Credits is reasonable, equitable, and not unfairly discriminatory. The Exchange again notes that these credits are already assessed in current Section III of the BOX Fee Schedule. The Exchange simply seeks to relocate the credits to the appropriate fee structure in order to increase overall readability and reduce investor confusion. As such, the Exchange believes the proposed change is reasonable, equitable and not unfairly discriminatory.

Facilitation and Solicitation Transactions

The Exchange believes the proposed changes to the fee structure detailed in Section I.C. are reasonable, equitable and not unfairly discriminatory. The Exchange believes the proposed fee changes to Responses in the Facilitation and Solicitation Mechanisms are reasonable as they reflect the current fees charged for these transactions on the Exchange. As noted herein, the Exchange seeks to relocate the liquidity fees detailed in Section III to be included in the Facilitation and Solicitation Transaction fee structure. The Exchange believes that the proposed change will increase overall readability of the BOX Fee Schedule and reduce investor confusion.

The Exchange also believe the proposed change to establish Facilitation and Solicitation Break-Up Credits is reasonable, equitable, and not unfairly discriminatory. The Exchange again notes that these credits are already assessed in current Section III of the BOX Fee Schedule. The Exchange seeks to relocate the credits to the appropriate fee structure in order to increase overall

readability and reduce investor confusion. As such, the Exchange believes the proposed change is reasonable, equitable and not unfairly discriminatory.

The Exchange believes the proposed changes to the fee structure detailed in Section I.C.2 are reasonable, equitable and not unfairly discriminatory. First, the Exchange believes that increasing the Response fees for Strategy Facilitation and Solicitation Orders in Penny and Non-Penny Interval Classes is reasonable as, under this proposal, identical fees will exist for regular order Responses in the Facilitation and Solicitation auction mechanisms as detailed in proposed Section I.C. The Exchange believes that mirroring these fees is appropriate as both regular orders and Strategy Orders are submitted through the same Facilitation or Solicitation mechanism. As such, the Exchange believes the proposed change is reasonable and appropriate as it will streamline the fees assessed for all Responses submitted through the Facilitation and Solicitation auction mechanisms and thereby reduce investor confusion with respect to how much Responses are charged in these mechanisms. Further, the Exchange believes that the fees are reasonable and competitive when compared to similar fees at competing venues.¹⁷ Lastly, the Exchange believes that the proposed change is equitable and not-unfairly discriminatory as it applies to all categories of Participants and across all account types.

The Exchange believes it is reasonable, equitable and not unfairly discriminatory to charge higher exchange fees for responders in the Strategy Order Facilitation and Solicitation mechanisms than for initiators of these orders and the contra orders. The Exchange believes it is

¹⁷ See Nasdaq ISE LLC (“Nasdaq ISE”) Pricing Schedule Section 3. (Regular Order Fees and Rebates). Under the ISE Fee Schedule, a Responder to a Facilitation or Solicitation Order will pay \$0.50 in Penny Interval Classes and \$1.10 for Non-Penny Interval Classes. The Exchange notes that Nasdaq ISE does not offer Strategy Order Facilitation and Solicitation transactions on their exchange.

reasonable when compared to a similar practice for fees at a competing venue.¹⁸ For example, at Nasdaq ISE the fee for both the initiating and contra order for Crossing Orders¹⁹ (except PIM Orders which are assessed different fees under Nasdaq ISE's fee schedule) is \$0.20 for Select and Non-Select Symbols for all account types except Priority Customers who are charged no fees. Responses to these orders are charged \$0.50 for Select Symbols and \$1.10 for Non-Select Symbols regardless of account type. The Exchange notes that a differential of fees between initiators and responders currently exists in the Facilitation and Solicitation auction mechanisms which, as discussed above, are the same mechanisms that the Strategy Order Facilitation and Solicitation transactions are submitted. Further, the Exchange continues to believe that the proposed differential is reasonable because responders to Strategy Order Facilitation and Solicitation orders are willing to pay a higher fee for liquidity discovery. Responders to these orders are given the opportunity to interact with customer order flow which, in turn, allows for the opportunity for increased executions on the Exchange thus benefitting all market participants. The Exchange also believes it is reasonable and appropriate to charge initiators of Strategy Order Facilitation and Solicitation Orders less than responders because initiators bring liquidity to the Exchange which, in turn, results in increased opportunity for more executions on BOX. As such, the Exchange believes the differential is reasonable and appropriate.

The Exchange believes the proposed Strategy Order Facilitation and Solicitation Break-Up Credits are reasonable, equitable, and not unfairly discriminatory. Currently, in the Facilitation and Solicitation auction mechanisms, the Agency Order is a block sized order

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Id.

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On Nasdaq ISE, a Crossing Order is an order executed in the Exchange's Facilitation Mechanism, Solicited Order Mechanism, Price Improvement Mechanism or submitted as a Qualified Contingent Cross order.

typically composed of Public Customer orders and represented by an Order Flow Provider who then guarantees the execution by submitting a matching Facilitation and Solicitation Order. Responders in the Facilitation and Solicitation auction mechanisms are always non-Public Customers and more typically are Market Makers. The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to give the Agency Orders the proposed Break-Up Credit when their orders execute against a non-Public Customer because the Exchange seeks to attract additional Public Customer order flow which may ultimately benefit all Participants trading on the Exchange. Further, the Exchange notes that the same behavior currently exists for regular orders submitted through the Facilitation and Solicitation auction mechanisms. As such, the Exchange believes the proposed Break-Up Credits for Strategy Order Facilitation and Solicitation Orders is reasonable and appropriate. Further, the Exchange believes the proposed change is equitable and not unfairly discriminatory as it will apply to all Participants, regardless of account type.

Finally, the Exchange believes that the proposed non-substantive changes to the Fee Schedule to reflect the changes discussed herein are reasonable, equitable, and not unfairly discriminatory as the changes will increase readability and reduce investor confusion.

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 believes the proposed changes to the Primary Improvement Order fees will not impose a burden on competition among various Exchange Participants. The Exchange is simply proposing to amend certain percentage thresholds and fees for Primary Improvement Orders in the BOX Fee Schedule. The Exchange believes that the proposed changes increase intermarket and

intramarket competition by incenting Participants to direct their order flow to the Exchange, which benefits all Participants by providing more trading opportunities and improves competition on the Exchange.

The Exchange does not believe the proposed changes to the PIP and COPIP Transactions fee structure will burden competition by creating such a disparity between the fees an initiating Participant in the PIP and COPIP auction pay and the fees a competitive responder pays that would result in certain Participants being unable to compete with initiators. In fact, the Exchange believes that these changes will not impair these Participants from adding liquidity and competing in PIP and COPIP auction transactions. The Exchange believes it will help promote competition by providing incentives for market participants to submit customer order flow to BOX and thus, create a greater opportunity for customers to receive additional price improvement and access greater liquidity. Further, as discussed above, the Exchange is simply seeking to relocate certain fees and credits already applied to these transactions on BOX. As such, the Exchange does not believe the proposed changes to Section I.B. of the BOX Fee Schedule will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Similarly, the Exchange does not believe the proposed changes to the Facilitation and Solicitation Transactions fee structure will burden competition by creating such a disparity between the fees an initiating Participant in the Facilitation and Solicitation auction pay and the fees a competitive responder pays that would result in certain Participants being unable to compete with initiators. In fact, the Exchange believes that these changes will not impair these Participants from adding liquidity and competing in Facilitation and Solicitation auction transactions and will help promote competition by providing incentives for market participants to submit customer order flow to BOX and thus, create a greater opportunity for customers to receive additional price

improvement. Further, as discussed above, the Exchange is simply seeking to relocate certain fees and credits already applied to these transactions on BOX. As such, the Exchange does not believe the proposed changes to Section I.C. and Section I.C.2. of the BOX Fee Schedule will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

No written comments were either solicited or received.

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 Act²⁰ and Rule 19b-4(f)(2) thereunder,²¹ 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.

²⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

²¹ 17 CFR 240.19b-4(f)(2).

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. Please include File Number SR-BOX-2021-01 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-BOX-2021-01. 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 such 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-BOX-2021-01, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²²

J. Matthew DeLesDernier
Assistant Secretary

²² 17 CFR 200.30-3(a)(12).