SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-83597; File No. SR-CboeBZX-2018-046)

July 5, 2018

Self-Regulatory Organizations; Cboe BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend BZX Rule 14.13, Company Listing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on June 21, 2018, Cboe BZX Exchange, Inc. (the "Exchange" or "BZX") 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 has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b-4(f)(2) thereunder,[4] which renders the proposed rule change 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 amend the fees applicable to securities listed on the Exchange, which are set forth in BZX Rule 14.13.

The text of the proposed rule change is available at the Exchange's website at www.markets.cboe.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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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 parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On August 30, 2011, the Exchange received approval of rules applicable to the qualification, listing, and delisting of companies on the Exchange,[5] which it modified on February 8, 2012 in order to adopt pricing for the listing of exchange traded products ("ETPs")[6] on the Exchange.[7] On July 3, 2017, the Exchange made certain changes to Rule 14.13 such that there were no entry fees or annual fees for ETPs listed on the Exchange.[8] The Exchange is proposing to amend Rule 14.13 in order to charge an entry fee for ETPs that are not Generically-Listed ETPs, as defined below and to add annual listing fees for ETPs listed on the Exchange.

Entry Fee

The Exchange is proposing that a Company that submits an application to list any ETP,

5 See Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

6 As defined in Rule 11.8(e)(1)(A), the term "ETP" means any security listed pursuant to Exchange Rule 14.11.

7 See Securities Exchange Act Release No. 66422 (February 17, 2012), 77 FR 11179 (February 24, 2012) (SR-BATS-2012-010).

8 See Securities Exchange Act Release No. 81152 (July 14, 2017), 82 FR 33525 (July 20, 2017) (SR-BatsBZX-2017-45).

which term includes all securities set forth in Rule 14.11, shall be required to pay an entry fee[9] as follows:

(i) All ETPs, with the exception of Index Fund Shares, Portfolio Depositary Receipts, Managed Fund Shares, and Currency Trust Shares that are listed on the Exchange pursuant to Rule 19b-4(e) under the Exchange Act and for which a proposed rule change pursuant to Section 19(b) of the Exchange Act is not required to be filed with the Commission (collectively, "Generically-Listed ETPs"), shall pay an entry fee of $7,500. Each issuer will be subject to an aggregate maximum entry fee of $22,500 per calendar year.

(ii) There is no entry fee for Generically-Listed ETPs.

Annual Fees

The Exchange is proposing to establish annual fees for listing on the Exchange, largely based on the consolidated average daily volume ("CADV") of an ETP. The Exchange is also providing certain exceptions to such CADV-based annual fees for Legacy Listings, New Listings, and Auction Fee Listings, each defined below.

Specifically, the Exchange is proposing that where an ETP was listed on the Exchange prior to January 1, 2019 (a "Legacy Listing"), such ETP will have an annual listing fee of $4,000. Where an ETP first lists on the Exchange or has been listed for fewer than three calendar months on the ETP's first trading day of the year (a "New Listing"),[10] and is not a series of Linked Securities listed pursuant to Rule 14.11(d), such ETP will have an annual listing fee of

9 The Exchange notes that the proposed entry fee is substantively identical to those charged by NYSE Arca, Inc. ("Arca"). See Securities Exchange Act Release No. 81796 (October 2, 2017), 82 FR 46865 (October 6, 2017) (SR-NYSEArca-2017-105).

10 Upon initial listing on the Exchange, the annual listing fee applicable to New Listings will be prorated based on the number of trading days remaining in the calendar year.

$4,500. Where an ETP is a New Listing and is a series of Linked Securities listed pursuant to Rule 14.11(d), such ETP will have an annual listing fee of $10,000. Where the average daily auction volume combined between the opening and closing auctions on the Exchange across all of an issuer's ETPs listed on the Exchange exceeds 500,000 shares (an "Auction Fee Listing"), there is no annual listing fee for any of the issuer's ETPs listed on the Exchange.

Where an ETP is not a Legacy Listing, a New Listing, an Auction Fee Listing, or a series of Linked Securities listed pursuant to Rule 14.11(d), such ETP will have an annual listing fee as follows based on the CADV of the ETP in the fourth quarter of the preceding calendar year:

CADV Range	Annual Listing Fee
0-10,000 shares	$7,000
10,001-100,000 shares	$6,000
100,001-1,000,000 shares	$5,500
Greater than 1,000,000 shares	$5,000

Where an ETP is not a Legacy Listing, a New Listing, or an Auction Fee Listing, but is a series of Linked Securities listed pursuant to Rule 14.11(d), such ETP will have an annual listing fee as follows based on the consolidated average daily volume ("CADV") in the fourth quarter of the preceding calendar year:

CADV Range	Annual Listing Fee
0-10,000 shares	$15,000
10,001-100,000 shares	$14,000
100,001-1,000,000 shares	$13,000
Greater than 1,000,000 shares	$12,000

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule on January 1, 2019.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.[11] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) and 6(b)(5) of the Act,[12] in that it provides for the equitable allocation of reasonable dues, fees and other charges among issuers and it does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed amendment to Rule 14.13(b)(1)(C) to implement an entry fee for ETPs listed on the Exchange that are not Generically-Listed ETPs is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges because it would apply equally for all issuers and all ETPs. The Exchange believes that charging such entry fee is reasonable given the additional resources required by the Exchange in connection with ETPs requiring a proposed rule change pursuant to Section 19(b), specifically the significant additional time and extensive legal and business resources required by Exchange staff to prepare and review such filings and to communicate with issuers and the Commission regarding such filings. As noted above, this proposed change is also substantively identical to fees charged by Arca.[13]

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11 15 U.S.C. 78f.

12 15 U.S.C. 78f(b)(4) and (5).

13 See Securities Exchange Act Release No. 81796 (October 2, 2017), 82 FR 46865 (October 6, 2017) (SR-NYSEArca-2017-105).

The Exchange believes that the proposed amendment to the annual listing fees in Rule 14.13(b)(2)(C) to charge issuers listed on the Exchange based on the CADV of the applicable ETPs is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges because it would create a distribution of fees and other charges applicable to all issuers that generally reflect the additional revenue that an ETP listed on the Exchange creates for the Exchange through executions occurring in the auctions and additional shares executed on the Exchange. Listing exchanges generally receive an outsized portion of intraday trading activity and receive all auction volume for ETPs listed on the exchange. The higher the CADV for an ETP, the greater the likely income the Exchange will receive based on outsized intraday trading activity and auction volume for such ETP. As such, the Exchange is proposing lower annual listing fees for ETPs listed on the Exchange as their CADV increases. This structure is designed to reward the issuer of an ETP for such additional revenue brought to the Exchange as CADV increases, which the Exchange believes creates a more equitable and appropriate fee structure for issuers based on the revenue and expenses associated with listing ETPs on the Exchange. With this in mind, the Exchange believes that that it is reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to charge lower fees for ETPs with a higher CADV.

Further, the Exchange believes that charging different fees for Linked Securities and other ETPs is reasonable because there is generally less auction volume for Linked Securities than for other ETPs, meaning that an exchange can generally expect less revenue from a Linked Security with the same CADV as another ETP. The CADV structure proposed is designed to reward the issuer of an ETP for providing the Exchange with additional revenue as CADV increases, so it is logically consistent to charge higher fees to Linked Securities for which the

Exchange does not expect as much revenue. The proposed annual listing fees for Linked Securities would, however, still reward the issuer of a series of Linked Securities for the additional revenue brought to the Exchange as the CADV of the Linked Securities increases, which the Exchange believes creates a more equitable and appropriate fee structure for issuers based on the revenue and expenses associated with listing ETPs on the Exchange.

The Exchange believes that it is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to offer lower annual listing fees to Legacy Listings because it will incentivize issuers to transfer ETPs to the Exchange in advance of January 1, 2019 in order to receive a lower long term listing fee while simultaneously providing reduced fees to those ETPs that have been listed on the Exchange at a time when the Exchange was not charging listing fees. The Exchange believes that this proposed change is not unfairly discriminatory because it is available to all issuers and, because any ETP that is listed on the Exchange prior to January 1, 2019 will qualify as a Legacy Listing, issuers have plenty of time to coordinate transferring ETPs to the Exchange and still receiving such pricing.[14]

The Exchange also believes that it is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to offer lower annual listing fees to New Listings because the Exchange believes that offering such lower pricing to ETPs that are either just beginning their listing on the Exchange or have been listed on the Exchange for fewer than three months on January 1 of a given year will help to incentivize issuers to bring new ETPs to

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14 The Exchange notes that there is precedent for offering listing fees that are dependent on when the listing occurs. For example, Investors Exchange, LLC ("IEX") offers credits of at least $250,000 that are paid out over up to five years to corporate issuers that announce a transfer of their listing to IEX within 120 days of the first listing on IEX. See Securities Exchange Act Release No. 81725 (September 26, 2017), 82 FR 45917 (October 2, 2017) (SR-IEX-2017-30).

market. Further, such ETPs have not had any meaningful amount of time to increase CADV and potentially reduce the applicable annual listing fees. As such, the Exchange believes that it is reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to offer lower annual listing fees to New Listings.

The Exchange also believes that it is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to not charge an annual listing fee to Auction Fee Listings because, similar to determining annual listing fees based on CADV, it would create a distribution of fees and other charges applicable to all issuers that generally reflect the additional revenue that such ETPs create for the Exchange through auction volume. As noted above, listing exchanges generally receive an outsized portion of intraday trading activity and receive all auction volume for ETPs listed on the exchange. The higher the auction volume of ETPs listed on the Exchange, the greater the income the Exchange will receive through the daily opening and closing auctions. As such, the Exchange is proposing to eliminate annual listing fees for ETPs from an issuer for which the average daily auction volume combined between the opening and closing auctions on the Exchange across all of that issuer's ETPs listed on the Exchange exceeds 500,000 shares. This structure is designed to reward the issuer of an ETP for such additional revenue that the Exchange will receive from the auctions, which the Exchange believes creates a more equitable and appropriate fee structure for issuers based on the revenue and expenses associated with listing ETPs on the Exchange. Finally, the Exchange also believes that such a fee structure will also incentivize issuers to transfer products with greater auction volume, which are thus more profitable, to the Exchange. As such, the Exchange believes that that it is reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and other charges to charge lower fees for Auction Fee Listings.

(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. With respect to the proposed new pricing for the listing of ETPs, the Exchange does not believe that the changes burden competition, but instead, enhance competition, as it is intended to increase the revenue of the Exchange's listing program in order to better compete. Further, such proposed changes are directly related to the amount of revenue that the Exchange receives from ETPs listed on the Exchange. As such, the proposal is a competitive proposal designed to enhance pricing competition among listing venues and implement pricing for listings that better reflects the revenue and expenses associated with listing ETPs on the Exchange.

The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available to all issuers uniformly.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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) of the Act[15] and Rule 19b-4(f)(2) thereunder.[16] 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

15 15 U.S.C. 78s(b)(3)(A).

16 17 CFR 240.19b-4(f).

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 proposal 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 No. SR-CboeBZX-2018-046 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 No. SR-CboeBZX-2018-046. 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 am and 3:00 pm.

Copies of such filing will also 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 No. SR-CboeBZX-2018-046 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.[17]

Eduardo A. Aleman
Assistant Secretary

[17] 17 CFR 200.30-3(a)(12).