

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-87757; File No. SR-CboeEDGA-2019-012)

December 16, 2019

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to Introduce a Liquidity Provider Protection Delay Mechanism on EDGA

On June 7, 2019, Cboe EDGA Exchange, Inc. (“EDGA” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposal to introduce an intentional, asymmetric delay mechanism on EDGA. The proposed rule change was published for comment in the Federal Register on June 26, 2019.<sup>3</sup> On August 5, 2019, pursuant to Section 19(b)(2) of the Exchange Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.<sup>5</sup> The Commission received twenty-one comment letters from eighteen commenters, including a response from the Exchange, in response to the Notice.<sup>6</sup> On September 24, 2019, the

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

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

<sup>3</sup> See Securities Exchange Act Release No. 86168 (June 20, 2019), 84 FR 30282 (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 86567, 84 FR 39385 (Aug. 9, 2019). The Commission designated September 24, 2019, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>6</sup> See Letters from: R.T. Leuchtkafer, dated July 12, 2019; Steve Crutchfield, Head of Market Structure, CTC Trading Group, LLC, dated July 15, 2019; Tyler Gellasch, Executive Director, Healthy Markets, dated July 16, 2019; Larry Tabb, Founder and Research Chairman, TABB Group, dated July 16, 2019; Stephen John Berger, Managing

Commission instituted proceedings to determine whether to approve or disapprove the proposed rule changes.<sup>7</sup> The Commission received twelve additional comments in response to the Notice and OIP.<sup>8</sup>

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Director, Global Head of Government and Regulatory Policy, Citadel Securities, dated July 16, 2019; Mehmet Kinak, Vice President & Global Head of Systematic Trading & Market Structure, and Jonathan D. Siegel, Vice President & Senior Legal Counsel (Legislative & Regulatory Affairs), T. Rowe Price, dated July 16, 2019; Adam Nunes, Head of Business Development, Hudson River Trading LLC, dated July 16, 2019; Joanna Mallers, Secretary, FIA Principal Traders Group, dated July 16, 2019; Ray Ross, Chief Technology Officer, Clearpool, dated July 16, 2019; Eric Swanson, CEO, XTX Markets LLC (Americas), dated July 16, 2019; John Thornton, Co-Chair, Hal S. Scott, President, and R. Glenn Hubbard, Co-Chair, Committee on Capital Markets Regulation, dated July 16, 2019; Kirsten Wegner, Chief Executive Officer, Modern Markets Initiative, dated July 17, 2019; Theodore R. Lazo, Managing Director and Associate General Counsel, SIFMA, dated July 18, 2019; Eric Swanson, CEO, XTX Markets LLC (Americas), dated July 31, 2019; Mark D. Epley, Executive Vice President & Managing Director, General Counsel, and Jennifer W. Han, Associate General Counsel, Managed Funds Association, dated August 2, 2019; Hubert De Jesus, Managing Director, Global Head of Market Structure and Electronic Trading, and Joanne Medero, Managing Director, Global Public Policy, Black Rock, dated August 2, 2019; Rich Steiner, Head of Client Advocacy and Market Innovation, RBC Capital Markets, dated August 15, 2019; Adrian Griffiths, Assistant General Counsel, Cboe Global Markets, dated August 22, 2019; R.T. Leuchtkafer, dated August 23, 2019; R.T. Leuchtkafer, dated September 9, 2019; Joshua Mollner, Assistant Professor, Kellogg School of Management, Northwestern University, and Markus Baldauf, Assistant Professor, Sauder School of Business, University of British Columbia, dated September 12, 2019 available at <https://www.sec.gov/comments/sr-cboeedga-2019-012/srcboeedga2019012.htm>

<sup>7</sup> See Securities Exchange Act Release No. 87096, 84 FR 51657 (September 30, 2019) (“OIP”).

<sup>8</sup> See Letters from: Eric Swanson, CEO, XTX Markets LLC (Americas), dated October 18, 2019; Tom Quadman, Executive Vice President, Center for Capital Markets Competitiveness, U.S. Chamber of Commerce (dated October 18, 2019); R.T. Leuchtkafer, dated October 21, 2019; Doug Clark, Chairman, and James Toes, President & CEO, Security Traders Association, dated October 21, 2019; Joanna Mallers, Secretary, FIA Principal Traders Group, dated October 21, 2019; Ray Ross, Chief Technology Officer, Clearpool, dated Oct. 21, 2019; Tyler Gellasch, Executive Director, Healthy Markets Association, dated Oct. 21, 2019; Dorothy Donohue, Deputy General Counsel, Investment Company Institute, dated Oct. 21, 2019; Tim Lang, Chief Executive Officer, ACS Execution Services, dated Oct. 21, 2019; Stephen John Berger, Managing Director, Global Head of Government and Regulatory Policy, Citadel Securities, dated October 21, 2019; Mark D. Epley, Executive Vice President & Managing Director, General Counsel, and Jennifer W. Han, Associate General Counsel, Managed Funds

Section 19(b)(2) of the Act<sup>9</sup> provides that, after initiating proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on June 26, 2019.<sup>10</sup> December 23, 2019 is 180 days from that date, and February 21, 2020 is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, the issues raised in the comment letters that have been submitted in connection therewith, and the Exchange's response to comments. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>11</sup> designates February 21, 2020 as the date

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Association, dated October 22, 2019; Steve Crutchfield, Head of Market Structure, CTC Trading Group, LLC, dated October 28, 2019 available at <https://www.sec.gov/comments/srcboeedga-2019-012/srcboeedga2019012.htm>.

<sup>9</sup> 15 U.S.C. 78s(b)(2).

<sup>10</sup> See Notice, supra note 3.

<sup>11</sup> 15 U.S.C. 78s(b)(2).

by which the Commission should either approve or disapprove the proposed rule change (File No. SR-CboeEDGA-2019-012).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

J. Matthew DeLesDernier  
Assistant Secretary

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<sup>12</sup> 17 CFR 200.30-3(a)(57).