SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-91748; File No. SR-MEMX-2021-06)

May 4, 2021

Self-Regulatory Organizations; MEMX LLC; Notice of Filing and Immediate Effectiveness
of a Proposed Rule Change Related to the Handling of Displayed Odd Lot Orders and Non-
Displayed Orders that Become Locked or Crossed

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 April 30, 2021, MEMX LLC ("MEMX" or

"Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed

rule change as described in Items I and II below, which Items have been prepared by the

Exchange. The Exchange filed the proposal as a "non-controversial" proposed rule change

pursuant to Section 19(b)(3)(A)(iii) of the Act[3] and Rule 19b-4(f)(6) thereunder.[4] 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 related to: (1) the

handling of a Limit Order of Odd Lot size with a Displayed instruction that is resting on the

MEMX Book and subsequently becomes locked or crossed by an away Trading Center's

Protected Quotation; and (2) the handling of a Limit Order with a Non-Displayed instruction that

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is resting on the MEMX Book and subsequently becomes crossed by an away Trading Center's Protected Quotation.[5]   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

Introduction

The Exchange proposes to make changes to the Exchange's Rules related to the handling of a Limit Order[6] of Odd Lot[7] size with a Displayed[8] instruction (a "Displayed Odd Lot Order") that is resting on the MEMX Book[9] and subsequently becomes locked or crossed by an away

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[5]   All terms as further defined below.

[6]   Limit Orders are described in Exchange Rule 11.8(b) and generally defined as an order to buy or sell a stated amount of a security at a specified price or better.

[7]   The term "Odd Lot" refers to any amount less than a Round Lot. Orders of Odd Lot size are only eligible to be Protected Quotations if aggregated to form a Round Lot. The term "Round Lot" refers to one hundred (100) shares or any multiple thereof, unless an alternative number of shares is established as a Round Lot by the listing exchange for the security. Orders that are a Round Lot are eligible to be Protected Quotations. See Exchange Rule 11.6(q).

[8]   The term "Displayed" refers to an instruction a User may attach to an order stating that the order is to be displayed by the System on the MEMX Book. See Exchange Rule 11.6(c)(1).

[9]   The term "MEMX Book" refers to the System's electronic file of orders. See Exchange Rule 1.5(q). The term "System" refers to the electronic communications and trading

Trading Center's[10] Protected Quotation.[11] In addition, the Exchange proposes to make changes to the Exchange's Rules related to the handling of a Limit Order with a Non-Displayed[12] instruction (a "Non-Displayed Order") that is resting on the MEMX Book and subsequently becomes crossed by an away Trading Center's Protected Quotation.

The Exchange's Rules currently describe all functionality with respect to orders of Round Lot, Mixed Lot and Odd Lot size without distinction because the Exchange generally handles these orders the same. However, the Exchange's System currently handles Displayed Odd Lot Orders differently than other orders in specific market circumstances, as described below. The Exchange proposes to codify this behavior as set forth in proposed Rules 11.6(j) and 11.8(b)(8). In addition, the Exchange proposes a change to current functionality with respect to orders with an Odd Lot size and orders with a Non-Displayed instruction that are eligible to be routed, as further described below.

Displayed Odd Lot Orders

Currently, when an away Trading Center publishes a Protected Quotation that locks or

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facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing. See Exchange Rule 1.5(gg). The term "User" refers to any Member or Sponsored Participant who is authorized to obtain access to the System. See Exchange Rule 1.5(jj).

[10] The term "Trading Center" refers to other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other brokers or dealers.

[11] The term "Protected Quotation" refers to a quotation that is a Protected Bid or Protected Offer. The term "Protected Bid" or "Protected Offer" refers to a bid or offer in a stock that is (i) displayed by an automated trading center; (ii) disseminated pursuant to an effective national market system plan; and (iii) an automated quotation that is the best bid or best offer of a national securities exchange or association. See Exchange Rule 1.5(z).

[12] The term "Non-Displayed" refers to an instruction a User may attach to an order stating that the order is not to be displayed by the System on the MEMX Book. See Exchange Rule 11.6(c)(2).

crosses the displayed price of a Displayed Odd Lot Order and the Exchange does not have a Protected Quotation displayed at such price, such order will be cancelled by the System unless such order contains a multiple price sliding instruction, in which case such order will be re-priced pursuant to Rule 11.6(j)(1)(A). The Exchange proposes to add language to this effect to Rule 11.8(b)(8), which currently addresses the handling of Limit Orders in certain circumstances where such orders would cross Protected Quotations of other Trading Centers. As proposed, under Rule 11.8(b)(8), when an away Trading Center publishes a Protected Quotation that locks or crosses the displayed price of a resting Limit Order of Odd Lot size with a Displayed instruction and the Exchange does not have a Protected Quotation displayed at such price, such order will be cancelled by the System unless such order contains a multiple price sliding instruction, in which case such order will be re-priced pursuant to Rule 11.6(j)(1)(A), or the order is routed, as described below. The Exchange also proposes to rename Rule 11.8(b)(8) as "Locked or Crossed Market."

In addition to the changes described above with respect to Rule 11.8(b)(8), the Exchange proposes to codify the re-pricing functionality applied to Displayed Odd Lot Orders with a multiple price sliding instruction that are subsequently locked or crossed by other Trading Centers. As background, the Exchange currently offers price sliding functionality that allows display-eligible orders to be permissibly ranked and displayed in accordance with Regulation NMS. Pursuant to this price sliding functionality, an order that would be a Locking or Crossing Quotation of an away Trading Center if displayed by the System on the MEMX Book at the time of entry will be ranked at the Locking Price in the MEMX Book (*i.e.*, executable at that price but not displayed) and displayed by the System one Minimum Price Variation away (*i.e.*, lower for a

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bid or higher for an offer).[13] In turn, once an order has been permissibly displayed by the System, such order will generally *only be re-ranked and re-displayed to the extent it achieves a more aggressive price.*[14] In other words, once an order is displayed on the MEMX Book it will stand its ground and not be re-priced to a less aggressive price even if other Trading Centers publish Protected Quotations that lock or cross its displayed price, except in two circumstances described below; one of these circumstances is already described in MEMX Rule 11.6(j)(1)(A)(ii) and the other circumstance the Exchange proposes to codify in such Rule.

As currently set forth in Rule 11.6(j)(1)(A)(ii), the Exchange will re-price an order resting on the MEMX Book that is subject to display-price sliding when an away Trading Center publishes a Protected Quotation at a price that locks or crosses such order's displayed price. In such circumstance, the Exchange will re-rank the order subject to display-price sliding so that the order's ranked price is the same price as the displayed price. The Exchange re-ranks an order to a less aggressive price in this circumstance to avoid potentially trading through a Protected Quotation displayed by another Trading Center (*i.e.*, the ranked price, which is not displayed and not permitted to stand its ground, is changed to a less aggressive price to be the same price as the displayed price).

In addition to the exception set forth in Rule 11.6(j)(1)(A)(ii) described above, the Exchange also currently re-prices a Displayed Odd Lot Order with a multiple price sliding instruction to a less aggressive price when the Exchange is not displaying a Protected Quotation at the displayed price of such order and such order's displayed price is locked or crossed by a Protected Quotation published by an away Trading Center. Specifically, when an away Trading

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13   See MEMX Rule 11.6(j)(1)(A)(i).

14   See MEMX Rule 11.6(j)(1)(A)(ii) (emphasis added).

Center publishes a Protected Quotation that locks or crosses the displayed price of a resting Displayed Odd Lot Order with a multiple price sliding instruction and the Exchange does not have a Protected Quotation displayed at such order's displayed price, the resting Displayed Odd Lot Order is re-ranked at the Locking Price in the MEMX Book and re-displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). The Exchange proposes to codify this behavior through both the proposed amendment to Rule 11.8(b)(8), discussed above, and a proposed amendment to Rule 11.6(j)(1)(A)(ii).

The final codification of existing behavior proposed by the Exchange relates to the Exchange's handling of a Displayed Odd Lot Order subject to Rule 201 of Regulation SHO that is subsequently locked or crossed. As set forth in Rule 11.6(j)(2)(A), the Exchange cancels any order with a Non-Displayed instruction subject to Rule 201 of Regulation SHO when the NBB changes such that the order would be a Locking Quotation or Crossing Quotation. Because Displayed Odd Lot Orders are displayed on the Exchange's proprietary data feed but not on the consolidated market data feeds, the Exchange applies this same logic to Displayed Odd Lot Orders when such orders are subject to Rule 201 of Regulation SHO (*i.e.*, marked short and a Short Sale Circuit Breaker is in effect). Accordingly, the Exchange cancels any Displayed Odd Lot Order subject to Rule 201 of Regulation SHO when the NBB locks or crosses the price of such an order and proposes to add language to this effect to Rule 11.6(j)(2)(A) to codify this behavior.

In addition to codifying the current functionality regarding the handling of Displayed Odd Lot Orders that are locked or crossed by other Trading Centers as described above, the Exchange proposes to add functionality to route such orders in this circumstance to the extent the orders are eligible to be routed. Based on the proposed amendment to Rule 11.8(b)(8), when a

Displayed Odd Lot Order is locked or crossed by a Protected Quotation published by another Trading Center and such order is eligible for routing such order will be routed according to the User's instructions. The Exchange believes that a User that has originally designated an order as a routable order (thus willing to remove liquidity from an away Trading Center on entry), instead of having an order of Odd Lot size canceled or price slid, would prefer to have such order routed if it is subsequently locked or crossed by a Protected Quotation published by another Trading Center.

Examples:

The below examples illustrate the proposed behavior for a Displayed Odd Lot Order.

Assume the National Best Bid and Offer ("NBBO") is $10.00 by $10.10. An order to sell 5 shares of security ABC is displayed on the MEMX Book at $10.07 ("Order 1"). Order 1 has a Short Sale instruction, however, security ABC is not currently subject to a Short Sale Circuit Breaker pursuant to Rule 201 of Regulation SHO. There are no other orders to buy or sell security ABC resting on the MEMX Book. An away Trading Center publishes a Protected Bid to buy 100 shares of security ABC at $10.08, thus updating the NBBO to $10.08 by $10.10. The handling of Order 1 will depend on the User's instructions for the order, with three potential outcomes:

- If Order 1 has a multiple price sliding instruction, then the order will be re-priced and ranked to sell at $10.08 and re-displayed at $10.09.

- If Order 1 is eligible for routing, then the order will be routed with a limit price of $10.07 to attempt to execute against the Protected Bid displayed at $10.08 by the away Trading Center.

- If Order 1 does not have a multiple price sliding instruction and is ineligible for routing, then the order will be cancelled.

Assume the same example as above, however, instead assume that security ABC is currently subject to a Short Sale Circuit Breaker pursuant to Rule 201 of Regulation SHO. If an away Trading Center publishes a Protected Bid to buy 100 shares of security ABC at $10.08, thus updating the NBBO to $10.08 by $10.10, Order 1 will be cancelled. This outcome is the same even if such order has a multiple price sliding instruction or was submitted as a routable order.

Non-Displayed Orders

As set forth in current Rule 11.8(b)(8), when a Non-Displayed Order would be a Crossing Quotation if displayed at the price at which it is ranked (*i.e.*, when an away Trading Center publishes a Protected Quotation that crosses the ranked price of such an order), the Exchange cancels such order in order to prevent a trade-through that would occur if such order were instead executed at its ranked price. The Exchange proposes to maintain this behavior for Non-Displayed Orders (including orders of Round Lot, Mixed Lot and Odd Lot size) that are not routable; however, consistent with the proposed change above regarding routable Displayed Odd Lot Orders, the Exchange proposes to route a Non-Displayed Order in such circumstance if the order is routable. Accordingly, the Exchange proposes to amend Rule 11.8(b)(8) so that a Non-Displayed Order that is eligible for routing will route according to a User's instructions when such order would be a Crossing Quotation of another Trading Center. As is the case today, if a Non-Displayed Order is not eligible for routing and an away Trading Center publishes a Protected Quotation that crosses the ranked price of such order, the order will be canceled.

Examples:

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The below examples illustrate the proposed behavior for a Non-Displayed Order.

Again, assume the National Best Bid and Offer ("NBBO") is $10.00 by $10.10. An order to sell 100 shares of security ABC is resting non-displayed on the MEMX Book at $10.07 ("Order 2"). Order 2 has a Short Sale instruction, however, security ABC is not currently subject to a Short Sale Circuit Breaker pursuant to Rule 201 of Regulation SHO. There are no other orders to buy or sell security ABC resting on the MEMX Book. An away Trading Center publishes a Protected Bid to buy 100 shares of security ABC at $10.08, thus updating the NBBO to $10.08 by $10.10. The handling of Order 2 will depend on the User's instructions for the order, with two potential outcomes:

- If Order 2 is eligible for routing, then the order will be routed with a limit price of $10.07 to attempt to execute against the Protected Bid displayed at $10.08 by the away Trading Center.
- If Order 2 is ineligible for routing, then the order will be cancelled.

Assume the same example as above, however that security ABC is currently subject to a Short Sale Circuit Breaker pursuant to Rule 201 of Regulation SHO. If an away Trading Center publishes a Protected Bid to buy 100 shares of security ABC at $10.08, thus updating the NBBO to $10.08 by $10.10, Order 2 will be cancelled. This outcome is the same even if such order was submitted as a routable order.

Additional Discussion

The Exchange has implemented its System functionality in order to maintain compliance with Regulation NMS, Regulation SHO and other applicable regulations. The functionality described above, both current and proposed, is designed to ensure that the Exchange does not display quotations that would lock or cross Protected Quotations of other Trading Centers nor

maintain orders at price levels at which, if executed, would trade through Protected Quotations (or at the NBB in the context of an order subject to Rule 201 of Regulation SHO). Although the exact treatment of orders of Odd Lot size described above is not explicitly required by these regulations, and indeed the Exchange could have adopted a different implementation with respect to certain points, the Exchange does believe that its implementation is consistent with such regulations and the Act, generally. In particular, although Displayed Odd Lot Orders are technically displayed by the System and thus can be accessed by market participants, such orders are not Protected Quotations and are not displayed on consolidated market data feeds. As such, the Exchange's current implementation that it is proposing to codify treats such orders in certain ways similar to the manner in which the Exchange handles Non-Displayed Orders. Further, the Exchange believes that its proposed new functionality with respect to routing proposes sufficient optionality for Users of the Exchange to determine how they wish to have their Displayed Odd Lot Orders handled in the event such orders are locked or crossed by a Protected Quotation published by an away Trading Center. In particular, by offering the ability to either be canceled, re-priced or routed away from the Exchange, the Exchange believes that Users will be able to select their preferred order handling. The Exchange similarly believes that its proposed new functionality with respect to routing Non-Displayed Orders would enable Users to select their preferred order handling with respect to such orders when an away Trading Center publishes a Protected Quotation that crosses the ranked price of such an order.

Based on a review of the current rules of other exchanges, certain aspects of the Exchange's current handling of Displayed Odd Lot Orders is unique and some exchanges allow such orders to stand their ground when an odd lot order is crossed by a Protected Quotation

published by another Trading Center.[15] However, other exchanges have previously maintained similar functionality to instead cancel, route or re-price odd lot orders in such a circumstance. For instance, the Chicago Stock Exchange ("CHX") previously offered functionality approved by the Commission that, like the Exchange's proposed functionality, treated odd lot orders and unexecuted odd lot remainders in a manner similar to non-displayed orders when CHX had no displayed round lots at a particular price level and thus allowed such orders to be cancelled or routed away from CHX.[16] Similarly, NYSE Arca, Inc. ("Arca") previously maintained special functionality to re-price odd lot orders when such orders were resting on the Arca order book based on changes to the protected best bid and offer ("PBBO").[17] While the Exchange is not aware of another exchange that currently cancels a Displayed Odd Lot Order subject to Rule 201 of Regulation SHO when the NBB locks or crosses the price of such order, other exchanges have implemented functionality to treat displayed odd lots the same way that non-displayed orders are treated in the context of functionality to comply with Regulation SHO.[18] As described above,

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[15] See, e.g., NYSE Rule 7.38, which states that round lot, mixed lot and odd lot orders are treated in the same manner on NYSE, and NYSE Rule 7.36(b)(4), which states that NYSE does not adjust the display price of limit orders on NYSE that have been locked or crossed.

[16] See Securities Exchange Act Release No. 60353 (July 21, 2009), 74 FR 37076 (July 27, 2009) (SR-CHX-2009-02) (Order Granting Approval of Proposed Rule Change Related to the Rejection of Undisplayed Odd-lot Orders from the Exchange's Matching System).

[17] See Securities Exchange Act Release No. 85265 (March 7, 2019), 84 FR 9175 (March 13, 2019) (SR-NYSEARCA-2019-08) (Notice of Filing and Immediate Effectiveness of Proposed Changes to Amend Certain Trading Rules including 7.38-E, relating to Odd Lots).

[18] See Securities Exchange Act Release No. 75467 (July 16, 2015), 80 FR 43515, 43521 (July 22, 2015) (SR-NYSEARCA-2015-58). In describing proposed functionality to re-price sell short orders of odd lot size in circumstances where round lot orders stand their ground, the following description was used: "because Rule 201 refers to displayed in the context of an order displayed via the public data feeds, for the purposes of proposed Rule 7.16P the Exchange proposes to process all sell short odd lot orders the same as sell short orders that are ranked Priority 3 – Non-Display Orders…."

the Exchange cancels a Displayed Odd Lot Order subject to Rule 201 of Regulation SHO when the NBB locks or crosses the price of such an order to maintain consistent functionality with that used to handle orders resting on the MEMX Book with a Non-Displayed instruction.

With respect to the proposed option to have a resting Displayed Odd Lot Order or Non-Displayed Order that is locked and/or crossed by another Trading Center, as applicable, routed to such Trading Center, the Exchange notes that similar behavior is available on other exchanges with a variety of options and other distinct implementations.[19] Thus, the Exchange believes that its proposed implementation, allowing Displayed Odd Lot Orders and Non-Displayed Orders to route away from the Exchange when locked and/or crossed by a Protected Quotation published by an away Trading Center, is consistent with such features currently offered by other exchanges.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act[20] in general, and furthers the objectives of Section 6(b)(5) of the Act[21] in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove

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[19] See, e.g., Cboe EDGX Rule 11.6(n)(2), which defines the "Super Aggressive" instruction as an instruction that an EDGX user may use to direct EDGX to route an order if an away Trading Center locks or crosses the limit price of an order resting on EDGX; further, the Super Aggressive instruction may be applied to routable orders posted to the EDGX Book with remaining size of an Odd Lot. See also Nasdaq Rules 4758(a)(1)(A)(iii) and (viii), which describe two routing strategies that route orders (including displayed odd lot orders and non-displayed orders) resting on the Nasdaq order book when such orders are locked or crossed by an away market center.

[20] 15 U.S.C. 78f(b).

[21] 15 U.S.C. 78f(b)(5).

impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed changes to the Exchange's Rules currently are designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. As set forth above, the Exchange's Rules describe all functionality with respect to orders of Round Lot, Mixed Lot and Odd Lot size without distinction because the Exchange generally handles these orders the same. However, in the specific circumstances set forth above, namely when an away Trading Center has published a Protected Quotation that locks or crosses the displayed price of a Displayed Odd Lot Order and the Exchange does not have a Protected Quotation at such price, the Exchange's implementation of logic to comply with Regulation NMS results in the cancellation of such orders unless a User has selected a multiple price sliding instruction, in which case an order is re-priced. The Exchange proposes to codify this behavior in its Rules and to adopt additional functionality that would route such an order that is eligible for routing. Thus, the Exchange will offer three options to Users with Displayed Odd Lot Orders on the MEMX Book. As is the case today, such orders can be repriced pursuant to the Exchange's display-price sliding logic (if entered with a multiple price sliding instruction) or cancelled when locked or crossed by an away Trading Center's Protected Quotation. In addition, the Exchange will offer routing to such away Trading Center to the extent a User submitted a routable order in the first instance. The Exchange believes that this functionality enables Users to elect an order instruction consistent with their intent to execute their orders in the marketplace. The amended functionality would ensure executions at the best available price displayed on

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another Trading Center, for an order to be returned to a User or to remain on the MEMX Book pursuant to the Exchange's display-price sliding functionality according to the User's instructions. The Exchange notes that other exchanges have previously maintained functionality specific to orders of odd lot size that resulted in such orders being routed, cancelled or their price adjusted.[22] Finally, by limiting this aspect of the proposed change to Displayed Odd Lot Orders that are locked or crossed by the Protected Quotation published by an away Trading Center, the proposal retains existing functionality with respect to the handling of all other orders with a Displayed instruction and remains consistent with the Exchange's general handling of Non-Displayed Orders. Although aspects of the Exchange's implementation of order handling rules for odd lots that are subsequently locked or crossed by a Protected Quotation published by an away Trading Centers are unique compared to existing functionality on other exchanges and the because prohibitions against both locked and crossed markets and trade-throughs do not apply to odd lot orders, pursuant to guidance published by Commission staff, exchanges are permitted to establish their own rules for handling odd-lot orders and the odd-lot portions of mixed-lot orders, and the Exchange believes its implementation is consistent with such guidance and the applicable regulations, generally.[23]

The Exchange further believes that routing orders away from the Exchange, whether Displayed Odd Lot Orders or Non-Displayed Orders, when such orders were routable upon initial entry to the Exchange and such orders would otherwise be cancelled is consistent with the Act, as it avoids unnecessary cancellations of orders that could instead be executed by away

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[22]   See supra notes 16-18.

[23]   See Response No. 7.03 in "Responses to Frequently Asked Questions Concerning Rule 611 and Rule 610 of Regulation NMS," Division of Trading and Markets, dated June 8, 2007.

Trading Centers. Further, as described above, the Exchange notes that similar behavior is in place on other exchanges.[24]

For the reasons set forth above, the Exchange believes the proposal promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest.

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

The Exchange 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, as amended. On the contrary, certain of the proposed changes are intended to codify current behavior on the Exchange related to the Exchange's implementation of applicable regulations and the other proposed changes are intended to provide additional optionality to the User, including the routing of orders that are already resting on the MEMX Book to away Trading Centers if such orders were routable upon initial entry to the Exchange. Thus, to the extent the change is intended to improve transparency regarding the Exchange's handling of Displayed Odd Lot Orders, such proposal does not have any direct impact on the competitive environment. The proposed change to functionality on the Exchange that would route certain orders resting on the MEMX Book is designed to encourage Users to direct their orders to the Exchange, however, while the change is competitive, the Exchange does not believe the proposed change will result in any burden on intermarket competition as it is a minor change to already available functionality. Further, the proposed new functionality is similar to functionality offered by other

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[24]   See supra note 19.

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exchanges and would also result in additional volume on away Trading Centers instead of the Exchange, to the extent such orders are executed when routed away from the Exchange. The proposed changes to the Exchange's Rules also promote intramarket competition because they will facilitate the execution of orders that would otherwise remain unexecuted, thereby increasing the efficient functioning of the Exchange. All participants on the Exchange can utilize each of the potential features that will impact the handling of their Displayed Odd Lot Orders and Non-Displayed Orders in the event such orders are resting on the Exchange at a price that is subsequently locked or crossed by a Protected Quotation displayed by an away Trading Center. Therefore, the Exchange does not believe the proposed rule change will result in any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act[25] and Rule 19b-4(f)(6) thereunder.[26] Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of

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[25] 15 U.S.C. 78s(b)(3)(A)(iii).

[26] 17 CFR 240.19b-4(f)(6).

investors and the public interest, the proposed rule change has become effective pursuant to

Section 19(b)(3)(A) of the Act[27] and subparagraph (f)(6) of Rule 19b-4 thereunder.[28]

A proposed rule change filed under Rule 19b-4(f)(6)[29] normally does not become

operative prior to 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)[30] permits the

Commission to designate a shorter time if such action is consistent with the protection of

investors and the public interest. The Exchange has asked the Commission to waive the 30-day

operative delay so that the proposal may become operative upon filing. The Exchange believes a

waiver is consistent with the protection of investors and the public interest because, among other

things, it would allow the Exchange to route certain odd lot orders as soon as practicable, thus

helping market participants to obtain timely executions even if not on the Exchange. The

Commission believes that waiver of the 30-day operative delay is consistent with the protection of

investors and the public interest because the proposed rule change does not raise any new or novel

issues. Among other things, the proposed order handing functionalities are similar to the past

practices of other exchanges. Accordingly, the Commission hereby waives the operative delay

and designates the proposed rule change operative upon filing so that the benefits of this

proposed rule change can be realized immediately.[31]

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[27]   15 U.S.C. 78s(b)(3)(A).

[28]   17 CFR 240.19b-4(f)(6). In addition, Rule19b-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. The Exchange has satisfied this requirement.

[29]   17 CFR 240.19b-4(f)(6).

[30]   17 CFR 240.19b-4(f)(6)(iii).

[31]   For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 under Section 19(b)(2)(B)[32] to determine whether the proposed rule change 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 e-mail to rule-comments@sec.gov. Please include File Number SR-MEMX-2021-06 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-MEMX-2021-06. 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

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[32]   15 U.S.C. 78s(b)(2)(B).

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, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the 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-MEMX-2021-06 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.[33]

J. Matthew DeLesDernier
Assistant Secretary

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[33]   17 CFR 200.30-3(a)(12).