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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2021 - * 015
Amendment No. (req. for Amendments *)

Filing by Cboe EDGA Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Rule

☐ 19b-4(f)(1)	☐ 19b-4(f)(4)
☑ 19b-4(f)(2)	☐ 19b-4(f)(5)
☐ 19b-4(f)(3)	☐ 19b-4(f)(6)

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) * ☐

Section 806(e)(2) * ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

The Exchange proposes to amend its Fees Schedule.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Sarah Last Name * Tadtman

Title * Counsel

E-mail * stadtman@cboe.com

Telephone * (913) 815-7203 Fax

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 06/09/2021

By Kyle Murray

(Name *)

(Title *)

VP, Associate General Counsel

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

kmurray@cboe.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

Item 1. <u>Text of the Proposed Rule Change</u>

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule applicable to Members and non-Members of the Exchange pursuant to EDGA Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing. The text of the proposed rule change is provided in Exhibit 5.

(b) Not applicable.

(c) Not applicable.

Item 2. <u>Procedures of the Self-Regulatory Organization</u>

(a) The Exchange's President (or designee) pursuant to delegated authority approved the proposed rule change on June 1, 2021.

(b) Please refer questions and comments on the proposed rule change to Pat Sexton, Executive Vice President, General Counsel, and Corporate Secretary, (312) 786-7467, or Sarah Tadtman, Counsel, (913) 815-7203.

Item 3. <u>Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change</u>

(a) <u>Purpose</u>

The Exchange proposes to amend its fee schedule as follows: (1) decrease the standard liquidity adding rebate, (2) define the term "Step-Up ADV", and (3) rename the

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

existing Remove Volume Tier 1 to Remove Volume Tier 2 and add new Remove Volume Tiers 1 and 3.[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Exchange Act, to which market participants may direct their order flow. Based on publicly available information,[4] no single registered equities exchange has more than 15% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a "Taker-Maker" model whereby it pays credits to Members that remove liquidity and assesses fees to those that add liquidity. The Exchange's fee schedule sets forth the standard rebates and rates applied per share for orders that remove and provide liquidity, respectively. Particularly, for securities at or above $1.00, the Exchange provides a standard rebate of $0.0018 per share for orders that remove liquidity and assesses a fee of $0.0030 per share for orders that add liquidity. For order priced below $1.00, the Exchange does not assess any fees or provide any rebates for orders that add or

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3 The Exchange initially filed the proposed fee changes June 1, 2021 (SR-CboeEDGA-2021-014). On June 9, 2021 the Exchange withdrew that filing and submitted this proposal.

4 See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (May 24, 2021), available at https://markets.cboe.com/us/equities/market_statistics/.

remove liquidity. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue to reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain the Exchange's transaction fees, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

Additionally, in response to the competitive environment, the Exchange offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

Standard Liquidity Rebate

As stated above, the Exchange currently provides a standard rebate of $0.0018 per share for liquidity removing orders (i.e., those yielding fee codes N,[5] W,[6] 6,[7] and BB[8]) in securities priced at or above $1.00. Orders in securities priced below $1.00 that remove liquidity are provided no rebate and assessed no fee. The Exchange now proposes to reduce the standard rebate for liquidity removing orders to $0.0016 per share. Although this proposed standard rebate for liquidity removing orders is lower than the current base

5 Orders yielding Fee Code “N” are removing liquidity from EDGA (Tape C).

6 Orders yielding Fee Code “W” are removing liquidity from EDGA (Tape A).

7 Orders yielding Fee Code “6” are removing liquidity from EDGA (All Tapes).

8 Orders yielding Fee Code “BB” are removing liquidity from EDGA (Tape B).

rebate for such orders, the proposed rebate is in line with or superior to similar rebates for liquidity removing orders in place on other "Taker-Maker" exchanges.[9]

Definition and Remove Volume Tiers

The Exchange proposes to adopt a new definition for the term "Step-Up ADV". Specifically, as proposed "Step-up ADV" means ADV[10] in the relevant baseline month subtracted from current ADV. Such definition would be referenced in the proposed Remove Volume Tier 3, as discussed below.

Pursuant to footnote 7 of the fee schedule, the Exchange currently offers a Remove Volume Tier that provides a rebate to Members meeting a certain volume threshold. Specifically, Tier 1 currently provides an opportunity for Members to receive an enhanced rebate of $0.0022 per share for qualifying liquidity removing orders (i.e., yielding fee codes N, W, 6, and BB), where a Member adds or removes an ADV greater than or equal to 0.05% of the TCV.[11] Now, the Exchange proposes to rename existing Tier 1 of the Remove Volume Tiers to Tier 2, and add additional Tiers 1 and 3. Specifically, proposed Tier 1 would provide a rebate of $0.0018 per share to Members that add or remove an ADV of greater than or equal to 0.02% of the TCV. Proposed Tier 3 would provide a rebate of $0.0024 to Members that 1) add or remove a Step-Up ADV

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9 E.g., Nasdaq BX, Inc. ("BX"), which operates a "Taker-Maker" model, charges a standard fee of $0.0007 for liquidity removing orders unless certain volume criteria is met, in which case BX provides a rebate ranging from $0.0004 up to $0.0018.

10 ADV means daily volume calculated as the number of shares added to, removed from, or routed by, the Exchange, or any combination or subset thereof, per day. ADV is calculated on a monthly basis.

11 TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

from May 2021 greater than or equal to 0.05% of the TCV or add or remove a Step-Up ADV from May 2021 greater than or equal to 3,000,000 shares; and 2) add an ADV greater than or equal to 0.05% or add an ADV of greater than or equal to 3,000,000 shares.

The Exchange notes that the Remove Volume Tiers, as modified, will continue to be available to all Members and provide Members an opportunity to receive enhanced rebates. Moreover, the proposed changes are designed to encourage Members to increase both adding and removing liquidity on the Exchange, which further contributes to a deeper, more liquid market and provides even more execution opportunities for active market participants.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[12] in general, and furthers the objectives of Section 6(b)(4),[13] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5)[14] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating

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[12] 15 U.S.C. 78f.

[13] 15 U.S.C. 78f(b)(4).

[14] 15 U.S.C. 78f.(b)(5).

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, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members.

In particular, the Exchange believes that the proposed amendment to reduce the standard liquidity removing rebate is reasonable because the proposed change represents a modest rebate decrease and Members will continue to receive a rebate on all liquidity removing orders, albeit at a lower amount. The proposed change is also equitable and non-discriminatory as such rebates are equally applicable to all Members of the Exchange. Additionally, the proposed rebates for liquidity removing orders are in-line with rebates offered at other exchanges for similar transactions.[15]

The Exchange also believes the proposal to define the term "Step-Up ADV" is reasonable as it will clarify terminology used in the fee schedule, to the benefit of all Members. Further, the Exchange believes the proposed changes to the Remove Volume Tiers are reasonable because each tier, as modified, will be available to all Members and provide Members an opportunity to receive an enhanced rebate. The Exchange next notes

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15 Supra note 8.

that relative volume-based incentives and discounts have been widely adopted by exchanges, including the Exchange, and are reasonable, equitable, and non-discriminatory because they are open to all Members on an equal basis and provide additional discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. The Exchange also believes that the proposed and existing rebates under the Remove Volume Tiers are commensurate with the respective proposed and existing criteria. That is, the rebates reasonably reflect the difficulty in achieving the corresponding criteria.

The Exchange believes that the changes to the Remove Volume Tiers, will benefit all market participants by incentivizing continuous liquidity and, thus, deeper more liquid markets as well as increased execution opportunities. Particularly, the proposed changes to the Remove Volume Tiers are designed to incentivize both adding and removing liquidity, which further contributes to a deeper, more liquid market and provide even more execution opportunities for active market participants at improved prices. This overall increase in activity deepens the Exchange's liquidity pool, offers additional cost savings, supports the quality of price discovery, promotes market transparency and improves market quality, for all investors.

The Exchange also believes that the proposed amendments to the Remove Volume Tiers represent an equitable allocation of rebates and are not unfairly discriminatory because all Members are eligible for the Remove Volume Tiers and would have the opportunity to meet the tiers' criteria and would receive the proposed rebate if such criteria is met. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for other reduced fee or enhanced rebate tiers. Should a Member not meet the proposed criteria under any of the proposed tiers, the Member will merely not receive that corresponding enhanced rebate. A number of Members have a reasonable opportunity to satisfy proposed Remove Volume Tiers 1 and 3, which the Exchange believes are less and more stringent than existing Tier 1, respectively. While the Exchange has no way of knowing whether this proposed rule change would definitively result in any particular Member qualifying for the proposed tiers, the Exchange anticipates at least seven Members to compete for and reasonably achieve proposed tier 1 and five Members to compete for and reasonably achieve proposed tier 3. However, the proposed tiers are open to any Member that satisfies the applicable tier's criteria. The Exchange believes the proposed tiers could provide an incentive for other Members to submit additional liquidity on the Exchange to qualify for the proposed enhanced rebate.

As noted above, the Exchange operates in a highly competitive market. The Exchange is only one of 16 equity venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. It is also only one of several taker-maker exchanges. Competing equity exchanges offer similar rates and tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume thresholds.

Item 4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed standard rebate reduction applies to all liquidity removing orders equally, and thus applies to all Members equally. Similarly, all Members have the opportunity to meet the tiers' criteria and would receive the proposed rebate if such criteria is met. The Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purpose of the Act.

As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 15% of the market share.[16] Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also

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16 Supra note 3.

17 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'….".[18] Accordingly, the Exchange does not believe its proposed fee changes imposes any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

Item 5. <u>Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others</u>

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

Item 6. <u>Extension of Time Period for Commission Action</u>

Not applicable.

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18 NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

Item 7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)

(a) The proposed rule change is filed for immediate effectiveness pursuant to Section 19(b)(3)(A) of the Act[19] and Rule 19b-4(f)(2)[20] thereunder.

(b) The Exchange designates that the proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange, which renders the proposed rule change effective upon filing with the Securities and Exchange Commission (the "Commission"). At any time within 60 days of the filing of this 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 will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

(c) Not applicable.

(d) Not applicable.

Item 8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on a rule either of another self-regulatory organization or of the Commission.

Item 9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

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[19] 15 U.S.C. 78s(b)(3)(A).

[20] 17 CFR 240.19b-4(f)(2).

Item 10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

Item 11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibits 2-4. Not applicable.

Exhibit 5. Proposed rule text.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34- ; File No. SR-CboeEDGA-2021-015]

[Insert date]

Self-Regulatory Organizations; Cboe EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Amend its Fee Schedule

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 [insert date], Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Cboe EDGA Exchange, Inc. (the "Exchange" or "EDGA") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule. The text of the proposed rule change is provided in Exhibit 5.

The text of the proposed rule change is also available on the Exchange's website (http://markets.cboe.com/us/equities/regulation/rule_filings/edga/), at the Exchange's Office of the Secretary, 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.

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 its fee schedule as follows: (1) decrease the standard liquidity adding rebate, (2) define the term "Step-Up ADV", and (3) rename the existing Remove Volume Tier 1 to Remove Volume Tier 2 and add new Remove Volume Tiers 1 and 3.[3]

The Exchange first notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. More specifically, the Exchange is only one of 16 registered equities exchanges, as well as a number of alternative trading systems and other off-exchange venues that do not have similar self-regulatory responsibilities under the Exchange Act, to which market participants may direct their order flow. Based on publicly available information,[4] no

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3 The Exchange initially filed the proposed fee changes June 1, 2021 (SR-CboeEDGA-2021-014). On June 9, 2021 the Exchange withdrew that filing and submitted this proposal.

4 See Cboe Global Markets, U.S. Equities Market Volume Summary, Month-to-Date (May 24, 2021), available at

single registered equities exchange has more than 15% of the market share. Thus, in such a low-concentrated and highly competitive market, no single equities exchange possesses significant pricing power in the execution of order flow. The Exchange in particular operates a "Taker-Maker" model whereby it pays credits to Members that remove liquidity and assesses fees to those that add liquidity. The Exchange's fee schedule sets forth the standard rebates and rates applied per share for orders that remove and provide liquidity, respectively. Particularly, for securities at or above $1.00, the Exchange provides a standard rebate of $0.0018 per share for orders that remove liquidity and assesses a fee of $0.0030 per share for orders that add liquidity. For order priced below $1.00, the Exchange does not assess any fees or provide any rebates for orders that add or remove liquidity. The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can shift order flow or discontinue to reduce use of certain categories of products, in response to fee changes. Accordingly, competitive forces constrain the Exchange's transaction fees, and market participants can readily trade on competing venues if they deem pricing levels at those other venues to be more favorable.

Additionally, in response to the competitive environment, the Exchange offers tiered pricing which provides Members opportunities to qualify for higher rebates or reduced fees where certain volume criteria and thresholds are met. Tiered pricing provides an incremental incentive for Members to strive for higher tier levels, which provides increasingly higher benefits or discounts for satisfying increasingly more stringent criteria.

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https://markets.cboe.com/us/equities/market_statistics/.

Standard Liquidity Rebate

As stated above, the Exchange currently provides a standard rebate of $0.0018 per share for liquidity removing orders (i.e., those yielding fee codes N,[5] W,[6] 6,[7] and BB[8]) in securities priced at or above $1.00. Orders in securities priced below $1.00 that remove liquidity are provided no rebate and assessed no fee. The Exchange now proposes to reduce the standard rebate for liquidity removing orders to $0.0016 per share. Although this proposed standard rebate for liquidity removing orders is lower than the current base rebate for such orders, the proposed rebate is in line with or superior to similar rebates for liquidity removing orders in place on other "Taker-Maker" exchanges.[9]

Definition and Remove Volume Tiers

The Exchange proposes to adopt a new definition for the term "Step-Up ADV". Specifically, as proposed "Step-up ADV" means ADV[10] in the relevant baseline month subtracted from current ADV. Such definition would be referenced in the proposed Remove Volume Tier 3, as discussed below.

Pursuant to footnote 7 of the fee schedule, the Exchange currently offers a Remove Volume Tier that provides a rebate to Members meeting a certain volume

5 Orders yielding Fee Code "N" are removing liquidity from EDGA (Tape C).

6 Orders yielding Fee Code "W" are removing liquidity from EDGA (Tape A).

7 Orders yielding Fee Code "6" are removing liquidity from EDGA (All Tapes).

8 Orders yielding Fee Code "BB" are removing liquidity from EDGA (Tape B).

9 E.g., Nasdaq BX, Inc. ("BX"), which operates a "Taker-Maker" model, charges a standard fee of $0.0007 for liquidity removing orders unless certain volume criteria is met, in which case BX provides a rebate ranging from $0.0004 up to $0.0018.

10 ADV means daily volume calculated as the number of shares added to, removed from, or routed by, the Exchange, or any combination or subset thereof, per day. ADV is calculated on a monthly basis.

threshold. Specifically, Tier 1 currently provides an opportunity for Members to receive an enhanced rebate of $0.0022 per share for qualifying liquidity removing orders (i.e., yielding fee codes N, W, 6, and BB), where a Member adds or removes an ADV greater than or equal to 0.05% of the TCV.[11] Now, the Exchange proposes to rename existing Tier 1 of the Remove Volume Tiers to Tier 2, and add additional Tiers 1 and 3. Specifically, proposed Tier 1 would provide a rebate of $0.0018 per share to Members that add or remove an ADV of greater than or equal to 0.02% of the TCV. Proposed Tier 3 would provide a rebate of $0.0024 to Members that 1) add or remove a Step-Up ADV from May 2021 greater than or equal to 0.05% of the TCV or add or remove a Step-Up ADV from May 2021 greater than or equal to 3,000,000 shares; and 2) add an ADV greater than or equal to 0.05% or add an ADV of greater than or equal to 3,000,000 shares.

The Exchange notes that the Remove Volume Tiers, as modified, will continue to be available to all Members and provide Members an opportunity to receive enhanced rebates. Moreover, the proposed changes are designed to encourage Members to increase both adding and removing liquidity on the Exchange, which further contributes to a deeper, more liquid market and provides even more execution opportunities for active market participants.

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11 TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[12] in general, and furthers the objectives of Section 6(b)(4),[13] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with the objectives of Section 6(b)(5)[14] requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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, and, particularly, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange, which the Exchange believes would enhance market quality to the benefit of all Members.

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12 15 U.S.C. 78f.

13 15 U.S.C. 78f(b)(4).

14 15 U.S.C. 78f.(b)(5).

In particular, the Exchange believes that the proposed amendment to reduce the standard liquidity removing rebate is reasonable because the proposed change represents a modest rebate decrease and Members will continue to receive a rebate on all liquidity removing orders, albeit at a lower amount. The proposed change is also equitable and non-discriminatory as such rebates are equally applicable to all Members of the Exchange. Additionally, the proposed rebates for liquidity removing orders are in-line with rebates offered at other exchanges for similar transactions.[15]

The Exchange also believes the proposal to define the term "Step-Up ADV" is reasonable as it will clarify terminology used in the fee schedule, to the benefit of all Members. Further, the Exchange believes the proposed changes to the Remove Volume Tiers are reasonable because each tier, as modified, will be available to all Members and provide Members an opportunity to receive an enhanced rebate. The Exchange next notes that relative volume-based incentives and discounts have been widely adopted by exchanges, including the Exchange, and are reasonable, equitable, and non-discriminatory because they are open to all Members on an equal basis and provide additional discounts that are reasonably related to (i) the value to an exchange's market quality and (ii) associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns. The Exchange also believes that the proposed and existing rebates under the Remove Volume Tiers are commensurate with the respective proposed and existing criteria. That is, the rebates reasonably reflect the difficulty in achieving the corresponding criteria.

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15 Supra note 8.

The Exchange believes that the changes to the Remove Volume Tiers, will benefit all market participants by incentivizing continuous liquidity and, thus, deeper more liquid markets as well as increased execution opportunities. Particularly, the proposed changes to the Remove Volume Tiers are designed to incentivize both adding and removing liquidity, which further contributes to a deeper, more liquid market and provide even more execution opportunities for active market participants at improved prices. This overall increase in activity deepens the Exchange's liquidity pool, offers additional cost savings, supports the quality of price discovery, promotes market transparency and improves market quality, for all investors.

The Exchange also believes that the proposed amendments to the Remove Volume Tiers represent an equitable allocation of rebates and are not unfairly discriminatory because all Members are eligible for the Remove Volume Tiers and would have the opportunity to meet the tiers' criteria and would receive the proposed rebate if such criteria is met. The Exchange also notes that the proposed changes will not adversely impact any Member's ability to qualify for other reduced fee or enhanced rebate tiers. Should a Member not meet the proposed criteria under any of the proposed tiers, the Member will merely not receive that corresponding enhanced rebate. A number of Members have a reasonable opportunity to satisfy proposed Remove Volume Tiers 1 and 3, which the Exchange believes are less and more stringent than existing Tier 1, respectively. While the Exchange has no way of knowing whether this proposed rule change would definitively result in any particular Member qualifying for the proposed tiers, the Exchange anticipates at least seven Members to compete for and reasonably achieve proposed tier 1 and five Members to compete for and reasonably achieve proposed tier 3. However, the proposed tiers are open to any Member that satisfies the applicable tier's criteria. The Exchange believes the proposed tiers could provide an incentive for other Members to submit additional liquidity on the Exchange to qualify for the proposed enhanced rebate.

As noted above, the Exchange operates in a highly competitive market. The Exchange is only one of 16 equity venues to which market participants may direct their order flow, and it represents a small percentage of the overall market. It is also only one of several taker-maker exchanges. Competing equity exchanges offer similar rates and tiered pricing structures to that of the Exchange, including schedules of rebates and fees that apply based upon members achieving certain volume thresholds.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. Particularly, the proposed standard rebate reduction applies to all liquidity removing orders equally, and thus applies to all Members equally. Similarly, all Members have the opportunity to meet the tiers' criteria and would receive the proposed rebate if such criteria is met. The Exchange believes the proposed rule change does not impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purpose of the Act.

As previously discussed, the Exchange operates in a highly competitive market. Members have numerous alternative venues that they may participate on and direct their order flow, including other equities exchanges, off-exchange venues, and alternative trading systems. Additionally, the Exchange represents a small percentage of the overall market. Based on publicly available information, no single equities exchange has more than 15% of the market share.[16] Therefore, no exchange possesses significant pricing power in the execution of order flow. Indeed, participants can readily choose to send their orders to other exchange and off-exchange venues if they deem fee levels at those other venues to be more favorable. Moreover, the Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. Specifically, in Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[17] The fact that this market is competitive has also long been recognized by the courts. In NetCoalition v. Securities and Exchange Commission, the D.C. Circuit stated as follows: "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'….".[18] Accordingly, the Exchange does not believe its proposed fee

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16 Supra note 3.

17 See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005).

18 NetCoalition v. SEC, 615 F.3d 525, 539 (D.C. Cir. 2010) (quoting Securities Exchange Act Release No. 59039 (December 2, 2008), 73 FR 74770, 74782-83 (December 9, 2008) (SR-NYSEArca-2006-21)).

changes imposes any burden on 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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[19] and paragraph (f) of Rule 19b-4[20] thereunder. 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 will institute proceedings 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

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19 15 U.S.C. 78s(b)(3)(A).

20 17 CFR 240.19b-4(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-CboeEDGA-2021-015 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-CboeEDGA-2021-015. 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, 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CboeEDGA-2021-015 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.[21]

Secretary

[21] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

(additions are underlined; deletions are [bracketed])

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Cboe U.S. Equities Fee Schedules

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EDGA Equities

Effective June [1]9, 2021

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Standard Rates:

Category	Adding Liquidity	Removing Liquidity	Routing and Removing Liquidity
Securities at or above $1.00	$0.0030	($0.001[8]6)	$0.0030
Securities below $1.00	FREE	FREE	0.30% of Dollar Value
Standard Fee Codes	B, V, Y, 3, 4	N, W, 6, BB	X

Fee Codes and Associated Fees:

Fee Code	Description	Fee/(Rebate) Securities at or above $1.00	Fee/(Rebate) Securities below $1.00
* * * * *			
6[7]	Removes liquidity from EDGA, pre and post market (All Tapes)	(0.001[8]6)	FREE
* * * * *			
BB[7]	Removes liquidity from EDGA (Tape B)	(0.001[8]6)	FREE
* * * * *			
N[7]	Removes liquidity from EDGA (Tape C)	(0.001[8]6)	FREE
* * * * *			
W[7]	Removes liquidity from EDGA (Tape A)	(0.001[8]6)	FREE
* * * * *			

Definitions:

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- Step-Up ADV means ADV in the relevant baseline month subtracted from current ADV.
- TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.

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[7] **Add/Remove Volume Tiers:**

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Applicable to the following fee codes: N, W, 6 and BB.

Tier	Rebate Per Share to Remove	Required Criteria
Tier 1	$(0.0018)	Member adds or removes an ADV ≥ 0.02% of the TCV
Tier [1]2	($0.0022)	Member adds or removes an ADV ≥ 0.05% of the TCV
Tier 3	$(0.0024)	(1) Member adds or removes a Step-Up ADV from May 2021 ≥ 0.05% of the TCV or Member adds or removes a Step-Up ADV from May 2021 ≥ 3,000,000 shares; and (2) Member adds an ADV ≥0.05% or Member adds an ADV ≥ 3,000,000 shares

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