

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-96830; File No. SR-BOX-2023-07)

February 7, 2023

Self-Regulatory Organizations; BOX Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule on the BOX Options Market LLC Facility to Reflect Adjustments to FINRA Registration Fees and Fingerprinting Processing Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 31, 2023, BOX Exchange LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the Fee Schedule to amend the Fee Schedule [sic] to reflect adjustments to FINRA Registration Fees and Fingerprinting Processing Fees on the BOX Options Market LLC (“BOX”) options facility. While changes to the fee schedule pursuant to this proposal will be effective upon filing, the Exchange designates that the FINRA Annual

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

System Processing Fee Assessed only during Renewals become operative on January 2, 2024.⁵

The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet website at

<https://rules.boxexchange.com/rulefilings>.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend the Fee Schedule for trading on BOX to reflect adjustments to FINRA Registration Fees and Fingerprinting Processing Fees.

This proposal amends BOX's Fee Schedule to reflect adjustments to FINRA Registration Fees and Fingerprinting Processing Fees.⁶ The FINRA fees are collected and retained by FINRA via Web CRD for the registration of employees of BOX members and member organizations that are not FINRA members ("Non-FINRA members"). The Exchange

⁵ See Securities Exchange Act Release No. 90176 (October 14, 2020), 85 FR 66592 (October 20, 2020) (SR-FINRA-2020-032) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Adjust FINRA Fees To Provide Sustainable Funding for FINRA's Regulatory Mission).

⁶ FINRA operates Web CRD, the central licensing and registration system for the U.S. securities industry. FINRA uses Web CRD to maintain the qualification, employment and disciplinary histories of registered associated persons of broker-dealers.

is merely listing these fees on its Fee Schedule. The Exchange does not collect or retain these fees.

The Exchange proposes to amend: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the \$15 Second Submission (Electronic) Fingerprinting Processing Fee to \$20. Each of these fees are listed within Section II.A of the BOX Fee Schedule. These amendments are being made in accordance with a FINRA rule change to adjust to its fees.⁷

The Exchange also proposes to amend the following Fingerprinting Processing Fees: (1) the \$29.50 Initial Submission (Electronic) fee to \$31.25⁸; (2) the \$44.50 Initial Submission (non-electronic) fee to \$41.25⁹; (3) the \$29.50 Third Submission (Electronic) fee to \$31.25¹⁰; and (4) the \$44.50 Third Submission (non-electronic) fee to \$41.25.¹¹ Specifically, today, the FBI fingerprint charge is \$11.25¹² and the FINRA electronic Fingerprinting Processing Fee has

⁷ See note 5. FINRA noted in its rule change that it was adjusting its fees to provide sustainable funding for FINRA’s regulatory mission.

⁸ This fee includes a \$20.00 FINRA fee and \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

⁹ This fee includes a \$30.00 FINRA Fee and a \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

¹⁰ This fee includes a \$20 FINRA fee and \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

¹¹ This fee includes a \$30 FINRA Fee and a \$11.25 FBI fee. See <https://www.finra.org/registration-exams-ce/classic-crd/fingerprints/fingerprint-fees>.

¹² See Securities Exchange Act Release No. 67247 (June 25, 2012) 77 FR 38866 (June 29, 2012) (SR-FINRA-2012-030) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Sections 4 and 6 of Schedule A to the FINRA By-Laws Regarding Fees Relating to the Central Registration Depository) (“2012 Rule Change”).

increased from \$15 to \$20 in 2023.¹³ While FINRA did not amend the non-electronic Fingerprinting Processing Fee, previously the FBI Fee was reduced from \$14.50 to \$11.25.¹⁴ The non-electronic Fingerprinting Processing Fees are not currently reflecting the amount assessed by FINRA.¹⁵ The amendment to the non-electronic Fingerprinting Processing Fees will conform these fees with those of FINRA.

The FINRA Web CRD Fees are user-based and there is no distinction in the cost incurred by FINRA if the user is a FINRA member or a Non-FINRA member. Accordingly, the proposed fees mirror those currently assessed by FINRA.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,¹⁶ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes it is reasonable to increase: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and

¹³ See note 5.

¹⁴ See 2012 Rule Change at note 12. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

¹⁵ The fees for the non-electronic first card submission and non-electronic third card submission are the only non-electronic fees impacted by FINRA's fee change.

¹⁶ 15 U.S.C. 78f(b)(4) and (5).

(3) the electronic Fingerprinting Processing Fees for second submissions from \$15 to \$20 in accordance with an adjustment to FINRA's fees¹⁷ because the proposed fees are identical to those adopted by FINRA for use of Web CRD for disclosure and the registration of FINRA members and their associated persons.

These costs are borne by FINRA when a Non-FINRA member uses Web CRD. The Exchange's rule text will reflect the current registration and electronic fingerprint rates that are assessed by FINRA for the additional processing of each initial or amended Form U4, Form U5 or Form BD and Second Submission (Electronic) Fingerprinting Processing Fee and the registration rates that will be assessed by FINRA as of January 2, 2024 for the FINRA Annual System Processing Fee Assessed only during Renewals.¹⁸

The Exchange believes it is reasonable to correct the non-electronic Fingerprinting Processing Fees to reflect the reduced FBI Fee of \$11.25.¹⁹ The amendments to the non-electronic Fingerprinting Processing Fees will provide all BOX members and member organizations with the correct fees.

The Exchange believes it is equitable and not unfairly discriminatory to increase: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the electronic Fingerprinting Processing Fees from \$15 to \$20 in

¹⁷ The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

¹⁸ See note 5.

¹⁹ See 2012 Rule Change at note 12. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

accordance with an adjustment to FINRA's fees²⁰ because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner. Similarly, the Exchange believes it is equitable and not unfairly discriminatory to correct the non-electronic Fingerprinting Processing Fees to reflect the reduced FBI Fee of \$11.25²¹ because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that its proposal to increase: (1) the \$110 fee for the additional processing of each initial or amended Form U4, Form U5 or Form BD that includes the initial reporting, amendment, or certification or one or more disclosure events or proceedings to \$155; (2) the \$45 FINRA Annual System Processing Fee Assessed only during Renewals to \$70; and (3) the electronic Fingerprinting Processing Fees for the second card submission from \$15 to \$20 in accordance with an adjustment to FINRA's fees²² does not impose an undue burden on competition because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory

²⁰ The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

²¹ See 2012 Rule Change at note 12. The FBI does not charge its fee on a second fingerprint transaction when it identifies the first set of fingerprints as illegible for the same individual.

²² The \$20 FINRA Fee is in addition to the \$11.25 FBI Fee except for the second fingerprint transaction.

manner.

Similarly, the Exchange believes it does not impose an undue burden on competition to correct the non-electronic Fingerprinting Processing Fees to reflect the reduced FBI Fee of \$11.25 because the Exchange will not be collecting or retaining these fees, therefore, the Exchange will not be in a position to apply them in an inequitable or unfairly discriminatory manner.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act²³ and Rule 19b-4(f)(2) thereunder,²⁴ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

²³ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁴ 17 CFR 240.19b-4(f)(2).

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BOX-2023-07 on the subject line.

Paper comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-BOX-2023-07. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change.

Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BOX-2023-07, 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.²⁵

Sherry R. Haywood,
Assistant Secretary.

²⁵ 17 CFR 200.30-3(a)(12).