

would be subject to for orders routing to BYX, EDGA, and EDGX using the ALLB routing strategy to Members would increase intermarket competition because it offers customers an alternative means to route orders to those venues. In addition, the proposed pricing would not provide any advantage to Users when routing to BYX, EDGA, and EDGX as compared to other methods of routing or connectivity available to Users by the Exchange because the proposed rates are identical to what the Member would be subject to if it routed to those venues directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

The Exchange believes that the changes to the Fee Codes and Associated Fees table of the Fee Schedule would not affect intermarket nor intramarket competition because none of these changes are designed to amend any fee or alter the manner in which the Exchange assesses fees or calculates rebates. These changes are intended to provide greater clarity to Members with regard to how the Exchange access fees and calculates rebates.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>15</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>16</sup> 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.

#### **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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BATS-2015-114 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File No. SR-BATS-2015-114. This file number should be included on the subject line if email 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 Web site (<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 Web site 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 will also 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 No. SR-BATS-2015-114 and should be submitted on or before January 14, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-32384 Filed 12-23-15; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-76690; File No. SR-NYSEARCA-2015-121]

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To Amend Rule 1.1(s) To Provide for Price Collar Thresholds for Trading Halt Auctions**

December 18, 2015.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on December 7, 2015, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. 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 proposes to amend Rule 1.1(s) to provide for price collar thresholds for Trading Halt Auctions. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### **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 self-regulatory organization 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

#### **1. Purpose**

The Exchange proposes to amend Rule 1.1(s) to provide for price collar

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f).

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

thresholds for Trading Halt Auctions.<sup>4</sup> The Exchange conducts Trading Halt Auctions under Rule 7.35(f).

The Exchange proposes to amend Rule 1.1(s) to respond to market events on August 24, 2015, by adopting price collar thresholds for Trading Halt Auctions. On August 24, 2015, the market experienced extreme trading volatility, which resulted in a significantly higher number of trading pauses under the Plan to Address Extraordinary Market Volatility (the “Plan”) than the average trading day. Because of the volume of trading interest that the Exchange received during these trading pauses, the Exchange reopened trading following those pauses with Trading Halt Auctions. On that day, the Exchange applied price collar thresholds for Trading Halt Auctions that were 5% for securities with a consolidated last sale price of \$25.00 or less, 2% for securities with a consolidated last sale price greater than \$25.00 but less than or equal to \$50.00, and 1% for securities with a consolidated last sale price greater than \$50.00.<sup>5</sup>

The Exchange believes that these parameters were too narrow. The Exchange also believes, however, that it is appropriate to have protections in place for Trading Halt Auctions to assure that a reopening trade will not deviate significantly from prior prices, even taking into consideration natural price movements for a security. The Exchange will therefore be conducting an analysis to identify what changes, if any, would be appropriate to balance allowances for natural price movement in a Trading Halt Auction, while at the same time avoiding significant price deviations that would not be in line with the fair value of securities listed on the Exchange, which are all Exchange Traded Products (“ETP”). Following

<sup>4</sup> Rule 1.1(s) defines the Indicative Match Price for the Opening Auction, the Market Order Auction, the Closing Auction, and the Trading Halt Auction. Rule 1.1(s)(A) further provides that when the Market Order Auction Price or Closing Auction Price is established by NYSE Arca Equities Rule 7.35(c)(3)(A)(1) or 7.35(e)(3), the Limit Orders eligible for determining the Indicative Match Price shall be limited by the price collar thresholds established by the Corporation. The rule further provides that the Corporation shall set and modify such thresholds from time to time upon prior notice to ETP Holders.

<sup>5</sup> The price collar thresholds were last modified on April 13, 2015 and September 8, 2015. See NYSE Arca Trader Update, “NYSE Arca Equities Enhancements to Auction Collars,” dated April 10, 2015, and NYSE Arca Trader Update, “NYSE Arca Equities Enhancements to Auction Collars,” dated September 4, 2015, available here: <https://www.nyse.com/trader-update/history> and here: [https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE\\_Arca\\_Trader\\_Update\\_Auction\\_Collars\\_Sept\\_2015.pdf](https://www.nyse.com/publicdocs/nyse/markets/nyse-arca/NYSE_Arca_Trader_Update_Auction_Collars_Sept_2015.pdf).

this analysis, the Exchange will propose to make the price collar thresholds proposed herein permanent or propose other or additional changes to the re-opening auction process.

Pending such analysis, the Exchange proposes to amend Rule 1.1(s) on an interim basis to add to the rule price collar thresholds for Trading Halt Auctions that would be based on the thresholds for determining whether an execution is clearly erroneous. The Exchange proposes that this proposed rule change will sunset six months after the operative date of this rule change.

For such interim measure, the Exchange proposes new Rule 1.1(s)(B) to specify that when the Trading Halt Auction Price is established by NYSE Arca Equities Rule 7.35(f)(4)(A), the Limit Orders eligible for determining the Indicative Match Price would be limited by specified price collar thresholds. As further proposed, the specified percentage for the price collar thresholds for Trading Halt Auctions would be 10% for securities with a consolidated last sale price of \$25.00 or less, 5% for securities with a consolidated last sale price greater than \$25.00 but less than or equal to \$50.00, and 3% for securities with a consolidated last sale price greater than \$50.00. These proposed percentages are based on the corresponding “numerical guideline” percentages set forth in paragraph (c)(1) of Rule 7.10 (Clearly Erroneous Executions) for the Core Trading Session.<sup>6</sup>

The Exchange believes that by adopting price collar thresholds for Trading Halt Auctions based on the clearly erroneous execution guidelines, the Exchange would be widening the thresholds from their current percentages, thereby ending the use of the current overly-narrow price collar thresholds. The Exchange further believes that using temporary price collar thresholds tied to the clearly erroneous execution guidelines is appropriate because an auction trade is subject to these guidelines for purposes of determining whether such execution is clearly erroneous. In addition, the Exchange’s proposed rule change is similar to how BATS Exchange, Inc. (“BATS”) prices its Halt Auctions for ETPs. Like BATS, the Exchange is the primary listing market only for ETPs and would, therefore only have Trading Halt Auctions for ETPs. BATS Rule 11.23(d)(2)(C) provides that BATS

<sup>6</sup> As set forth in Rule 7.10(c)(1), for securities priced between \$0.00 and \$25.00, the numerical guideline is 10%, for securities priced between \$25.01 and \$50.00, the numerical guideline is 5%, and for securities priced greater than \$50.00, the numerical guideline is 3%.

executes orders in ETPs in a Halt auction at a price level within a “Collar Price Range” that maximizes the number of shares executed in the auction. Similar to the Exchange’s proposal, BATS uses Collar Price Ranges that are based on the numerical guidelines set forth in the market-wide clearly erroneous execution rules.<sup>7</sup> The Exchange’s proposal differs from BATS’s pricing mechanism because the Exchange would use the consolidated last sale price as the reference price, rather than the midpoint of a “Valid NBBO.” The Exchange believes that using the consolidated last sale price tracks the market-wide clearly erroneous execution rules, which similarly use the consolidated last sale price for determining whether an execution is clearly erroneous.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5),<sup>9</sup> in particular, because it is 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 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.

The Exchange believes that the proposed amendment to add Rule 1.1(s)(B) would remove impediments to and perfect the mechanism of a fair and orderly market because it would provide for price collar thresholds that are wider than the current thresholds used by the Exchange, but yet are based on an existing standard for assessing whether an auction trade is clearly erroneous. In particular, the proposed rule change responds to market events of August 24, 2015 by aligning the price collar thresholds applicable to Trading Halt Auctions with the clearly erroneous execution guidelines. The Exchange

<sup>7</sup> As set forth in BATS Rule 11.23(a)(6), the Collar Price Range is 10% for securities with a Collar Midpoint of \$25.00 or less, 5% for securities with a Collar Midpoint is [sic] greater than \$25.00 but less than or equal to \$50.00, and 3% for securities with a Collar Midpoint greater than \$50.00. BATS Rule 11.23(a)(6) defines the Collar Midpoint as the Volume Based Tie Breaker, which is defined in BATS Rule 11.23(a)(23) as the midpoint of the NBBO if it is a Valid NBBO, with a Valid NBBO being less than the Maximum Percentage away from both the NBB and the NBO.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

believes the proposed price collar thresholds, which would be based on the numerical guidelines set forth in Rule 7.10(c)(1), would also remove impediments to and perfect the mechanism of a fair and orderly market and protect investors and the public interest because they would reduce the potential for a Trading Halt Auction to be a clearly erroneous execution. To this end, the Exchange's proposal is similar to how BATS prices its Halt Auctions, which are also subject to collar price ranges that are based on the numerical guidelines for clearly erroneous executions. The Exchange further believes that using the last consolidated sale price as the reference price for the Trading Halt Auction price collar thresholds would remove impediments to and perfect the mechanism of a fair and orderly market because determinations of whether an execution is clearly erroneous are also based on price movements away from the consolidated last sale prices.

#### *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. The proposed change is not designed to address any competitive issue but rather to provide for a price protection mechanism to prevent Trading Halt Auctions from occurring at prices that could be a clearly erroneous execution.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEARCA-2015-121 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-NYSEARCA-2015-121. This file number should be included on the subject line if email 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 Web site (<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 Web site 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 the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSEARCA-2015-121 and should be submitted on or before January 14, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015-32386 Filed 12-23-15; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-76692; File No. SR-BX-2015-081]

### **Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Fees and Rebates and Tiers Related to BX Options**

December 18, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on December 11, 2015, NASDAQ OMX BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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**

The Exchange proposes to amend its Options Pricing at Chapter XV Section 2, entitled "BX Options Market—Fees and Rebates," which governs pricing for BX members using the BX Options Market ("BX Options"). The Exchange proposes to modify certain fees and rebates (per executed contract) and to adopt tiers applicable to fees and rebates (each a "Tier" and together the "Tiers").

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxbx.cchwallstreet.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### **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

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

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