

proposals (SR-NYSE-2015-31 and SR-NYSEMKT-2015-56).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77043; File No. SR-DTC-2016-002]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding the Discontinuance of the Facsimile and Hardcopy Delivery Methods of Security Position Reports

February 3, 2016.

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 February 1, 2016, The Depository Trust Company (“DTC”) 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 DTC. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder.⁴ The proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change by DTC would discontinue the options for Users (as defined below) to receive facsimile or hardcopy delivery of Security Position Reports (“SPRs”), as more fully described below.⁵ Users could continue to access SPRs using the other currently available methods that DTC makes available for all Users, namely either directly through the secure DTC Web site dedicated to SPR processing (“SPR

Site”)⁶ or by using DTC’s Computer-to-Computer Facility (“CCF”).⁷ Consistent with the elimination of the facsimile and hardcopy methods described above, DTC would eliminate the provision in the DTC SPR Pricing Schedule (“Pricing Schedule”)⁸ relating to a special charge for facsimile delivery of SPRs by DTC and make technical changes to text in the DTC Operational Arrangements (“OA”),⁹ as described below.

II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Background

DTC may provide to Issuers, Trustees, and third party Agents authorized by the Issuer (collectively, “Users”), listings of Participants’ holdings of Issuer Securities on a specific date for specific Securities, by CUSIP number. These listings are known as SPRs or Security Position Listings.¹⁰ DTC charges fees for providing SPRs, as set forth in the Pricing Schedule.

All Users must be registered for the SPR Site and all requests for subscriptions or individual copies of SPRs must be made through the SPR Site. A User may request that the delivery of an SPR be made directly through the SPR Site in either Browser or Spreadsheet formats, by CCF,¹¹ or by

facsimile. Hardcopy delivery is also available for certain Users upon request.¹² For reports covered by SPR subscriptions, Users do not pay an additional delivery fee regardless of delivery method. However, for reports not covered by SPR subscriptions, *i.e.*, special requests and meeting record date requests, Users must pay an additional \$25.00 charge for facsimile and spreadsheet delivery.

DTC is proposing to eliminate the facsimile and hardcopy methods of SPR delivery for a number of reasons. First, doing so would improve efficiencies in terms of streamlining SPR processing away from more manually intensive delivery methods and thus lower costs to DTC. Second, eliminating physical delivery methods in favor of access to SPRs through electronic interface or transmission methods provides a higher level of security.¹³ Third, the elimination of these two delivery methods should not have a significant impact on Users because delivery of SPRs through facsimile and hardcopy delivery represents less than one percent of SPRs delivered. Fourth, there is no additional delivery-related charge to a User for access to SPRs via Browser or CCF, thus making those delivery options less costly for non-subscription Users that currently pay an additional charge of \$25.00 for facsimile delivery per report.¹⁴

Although Users that have SPR subscriptions would no longer have the option to receive SPRs by facsimile or hardcopy, the cost savings to DTC of eliminating these delivery methods is ultimately cost savings to the Users. The elimination of the facsimile and hardcopy methods would balance the costs to DTC and obviate the need for DTC to raise its SPR subscription fees.

Proposed Revisions to the Pricing Schedule and OA

In connection with this proposal to no longer offer facsimile and hard copy [sic] delivery methods, DTC would update its Pricing Schedule to remove the \$25.00 additional charge per report when facsimile service is specifically

through CCF. DTC does not charge Users for the establishment or maintenance of links to CCF.

¹² Hardcopy delivery is utilized by a small number of Users on a “grandfathered” basis and is not currently available as an option for new Users. Upon implementation of the proposed rule change these grandfathered Users would be required to migrate to another available delivery method.

¹³ As mentioned above, all Users have the ability to obtain SPRs directly through the SPR Site.

¹⁴ See the Pricing Schedule, *supra* note 8.

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ Terms not otherwise defined herein have the meaning set forth in the DTC Rules, By-laws and Organization Certificate (“DTC Rules”), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

⁶ Users choosing to access an SPR directly through the SPR Site could select to view the SPR in either a web browser format (“Browser”) or in a downloadable spreadsheet format (“Spreadsheet”).

⁷ CCF is a transmission system for input and output based on various protocols between the mainframe computer facility of a user of DTC’s services and DTC’s mainframe computer facility.

⁸ Available at <http://www.dtcc.com/asset-services/issuer-services/spr-pricing>.

⁹ Available at <http://www.dtcc.com/~media/Files/Downloads/legal/issue-eligibility/eligibility/operational-arrangements.pdf>.

¹⁰ Users need access to SPRs to identify Participants holding securities in order to conduct functions they perform relating to security holders, including but not limited to proxy and record date functions.

¹¹ CCF delivery of SPRs may be requested by Users who have set up a link to interface with DTC

requested for special requests and record date meeting requests.¹⁵

The OA would also be amended in the section relating to SPRs to:

- (i) update references to the link to the DTC public Web page that provides information on SPR service options, pricing, and guidance on use of the SPR service,¹⁶ and
- (ii) remove text stating that SPRs may reflect Participant holdings in Securities of Trustees or third party Agents because an SPR reflects Participant holdings in the Security of an Issuer.

Implementation

The effective date of the proposed rule change would be February 4, 2016.

2. Statutory Basis

Section 17A(b)(3)(F)¹⁷ of the Act requires that the rules of the clearing agency be designed, *inter alia*, in general, to protect investors and the public interest. DTC believes the proposed rule change is consistent with this provision because (i) no longer offering facsimile and hardcopy delivery would promote efficiency and enhance security with respect to the delivery of SPRs to Users that are needed by Users to identify Participants holding Securities on the books of DTC and perform security holder-related functions, and (ii) the technical changes to the OA text described above would facilitate enhanced transparency for Users with respect to their use of the SPR service. Thus, by (i) facilitating efficient and secure delivery of SPR reports, and (ii) providing for enhanced transparency in the OA text relating to use of the SPR Service in this regard, the proposed rule change would protect investors and the public interest.

(B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change would have any impact or impose any burden on competition because it would not have a material effect on User access to SPRs. All Users would continue to be required to register for the SPR Site in order to gain access to SPRs, as described above, and each User would have the same ability as other Users to obtain SPRs that it is authorized to access.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

DTC has not solicited and does not intend to solicit comments regarding the proposed rule change. DTC has not received any unsolicited written comments from interested parties. To the extent DTC receives written comments on the proposed rule change, DTC will forward such comments to the Commission. DTC has discussed the proposed discontinuance of facsimile and hardcopy delivery of SPRs with Users that have used those methods of delivery to receive SPRs.

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

Because the foregoing 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 for 30 days

from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)¹⁸ of the Act and Rule 19b-4(f)(6) thereunder.¹⁹

A proposed rule change filed under Rule 19b-4(f)(6)²⁰ normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b-4(f)(6)(iii)²¹ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

DTC has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. According to DTC, the proposed rule change does not present any novel or controversial issues. Rather, DTC is merely enhancing its process for delivery of SPRs to Users to facilitate efficiency and security in DTC's processing of SPR requests in a way that would not have a material effect on User access to SPRs. Accordingly, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest as it will allow DTC to facilitate efficiency and security in processing SPRs. Therefore, the Commission designates the proposed rule change to be operative upon filing.²²

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. Please include File Number SR-DTC-2016-002 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-DTC-2016-002. 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 also will be available for inspection and copying at the principal office of DTC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). All comments received will be posted without change; the

considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁵ This proposed rule change does not change the additional \$25.00 charge that applies to Spreadsheet delivery of special requests and record date meeting requests for SPRs.

¹⁶ Available at <http://www.dtcc.com/spr>.

¹⁷ 15 U.S.C. 78q-1(b)(3)(F).

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f)(6).

²⁰ *Id.*

²¹ 17 CFR 240.19b-4(f)(6)(iii).

²² For purposes only of waiving the 30-day operative delay, the Commission has also

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-DTC-2016-002 and should be submitted on or before March 1, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77042; File No. SR-OCC-2015-018]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving the Adoption of a Charter of a New Committee of The Options Clearing Corporation's Board of Directors, the Technology Committee

February 3, 2016.

On December 8, 2015, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-OCC-2015-018 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² On December 24, 2015, the proposed rule change was published for comment in the *Federal Register*.³ The Commission did not receive any comments on the proposed rule change. This order approves the proposed rule change.

I. Description

OCC is adopting a Charter for a new committee of OCC's Board of Directors ("Board"), the Technology Committee ("TC"). Additionally, OCC is adding a description of the TC into Article III, Section 9 of OCC's By-Laws. The Board formed the TC in order to enhance the Board's understanding and oversight of key technology, information security, and cyber-security risk issues at OCC. Consistent with OCC's other Board-level committee charters, the TC Charter sets forth: (i) The purpose, functions, and responsibilities of the TC; and (ii) the composition and organization of the TC.

As set forth in the TC Charter, the TC will be responsible for: (i) Overseeing major information technology ("IT") related strategies, projects, and technology architecture decisions; (ii) monitoring whether OCC's IT programs effectively support OCC's business objectives and strategies; (iii) monitoring OCC's IT risk management efforts as well as the security of OCC's information systems and physical security of information system assets; and (iv) conferring with OCC's senior IT management team and informing the Board on IT-related matters.

Further, and with respect to the TC Charter's role in the oversight of OCC's IT strategy and projects, the TC Charter provides that the TC will be specifically tasked with: (i) Evaluating OCC's IT strategy, including the financial, tactical, and strategic benefits of IT projects and technology architecture initiatives; (ii) critically reviewing IT projects and technology architecture decisions, including review of the process related to approval of capital expenditures as they relate to IT projects; and (iii) making recommendations to the Board with respect to IT-related projects and investments that require Board approval. In addition, the TC Charter will require that the TC: (i) Monitor the quality and effectiveness of OCC's IT and physical security, including periodically reviewing and appraising OCC's disaster recovery capabilities and crisis management plans; (ii) in coordination and cooperation with the Audit Committee of the Board, monitor the quality and effectiveness of OCC's IT systems and processes that relate to or affect OCC's internal controls and assess OCC's management of IT-related compliance risks; (iii) report to the Board and the Audit Committee about IT risks and controls; and (iv) serve in an advisory role with respect to IT decisions at OCC. In connection with carrying out its responsibilities, the TC will also, in general, inform and make recommendations to the Board and other Board-level committees with respect to IT-related matters.

The TC Charter will provide that the TC be comprised of three or more directors, and meet at least four times per year.⁴ The TC will function in a manner similar to the other Board-level committees in that it will have the ability to hire specialists and meet in executive session as well as be required to report to the Board on an annual basis. The TC will also have to annually confirm to the Board that its

responsibilities, as set forth in the TC Charter, have been carried out and evaluate its and its members' performance on a regular basis.

II. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act⁵ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that the rule change, as proposed, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization.

The Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act. This section requires, among other things, that the rules of a clearing agency promote the prompt and accurate clearance and settlement of securities transactions.⁶ The rule change should enhance the effectiveness of the Board's oversight on OCC's business and operational processes. Specifically, it should enhance technology-related processes (such as disaster recovery and crisis management plans), as well as IT systems that relate to internal controls and compliance risks, through a dedicated Board-level committee's oversight of such processes. Accordingly, the proposed rule change will increase the likelihood that OCC's technology processes work as expected, including those processes tied to the clearance and settlement of securities transactions.

Additionally, the Commission finds that the proposed rule change is consistent with Rule 17Ad-22(d)(8). This rule requires a clearing agency's the written policies and procedures to: (i) Have governance arrangements that are clear and transparent to fulfill the public interest requirements in Section 17A of the Act; (ii) support the objectives of OCC's owners and participants; and (iii) promote the effectiveness of OCC's risk management procedures.⁷ First, the TC Charter delineates a clear and transparent governance arrangement designed to increase the likelihood that OCC's technology processes work as expected (including those processes tied to the clearance and settlement of securities transactions). By increasing the likelihood that OCC's technology processes work as expected, the TC Charter also supports the objective of OCC's owners and participants to promote the prompt and accurate clearance and settlement of securities

⁵ 15 U.S.C. 78s(b)(2)(C).

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 17 CFR 240.17Ad-22(d)(8).

²³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 76686 (December 18, 2015), 80 FR 80422 (December 24, 2015) (SR-OCC-2015-018).

⁴ Members of the TC will not need to be technology experts.