

reduce their potential for losses, encourage better counterparty risk management and promote firms' financial stability.

The Commission does not believe that the proposed rule change will result in burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Commission believes FINRA has carefully crafted the proposed rule change to achieve its intended and necessary regulatory purpose while minimizing the burden on firms. Although the proposed rule change expands the number of firms required to file the OBS, the expansion is limited to non-clearing firms that have a minimum dollar net capital requirement equal to or greater than \$100,000, and at least \$10 million in reportable items pursuant to the OBS. In addition, the current de minimis exception continues to remain available to any firm that conducts off-balance sheet activity that is limited relative to its excess net capital.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,¹⁸ that the proposed rule change (SR-FINRA-2015-059) be and hereby is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Brent J. Fields,
Secretary.

[FR Doc. 2016-02990 Filed 2-12-16; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77093; File No. SR-CBOE-2016-008]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule To Amend the Fees Schedule

February 9, 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 4, 2016, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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 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 the Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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 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 Fees Schedule.³

CBOE Proprietary Products Sliding Scale

The CBOE Proprietary Products Sliding Scale table provides that Clearing Trading Permit Holder Proprietary transaction fees and transaction fees for Non-Clearing Trading Permit Holder Affiliates in Underlying Symbol List A⁴ are reduced provided a Clearing Trading Permit Holder ("Clearing TPH") (including its Non-Trading Permit Holder affiliates) reaches certain average daily volume ("ADV") thresholds in all underlying symbols excluding Underlying Symbol List A and mini-options on the Exchange in a month. The Exchange proposes to implement changes to the CBOE Proprietary Products Sliding Scale ("Proprietary Sliding Scale"). First, the Exchange proposes to amend the current qualifying ADV thresholds. Specifically, the threshold 20,000 ADV to 79,999 ADV would be changed to 25,000 ADV to 69,999 ADV, and the threshold 80,000 ADV and above would be changed to 70,000 ADV and above. The Exchange also proposes to increase the rates set forth in Tiers B1 through B3, as well as in Tiers A1 and A2. Specifically, the Exchange proposes to increase the rate in Tier B3 to \$0.22 from \$0.20, in Tier B2 to \$0.12 from \$0.10, in Tier B1 to \$0.05 from \$0.02, in Tier A2 to \$0.18 from \$0.16 and in Tier A1 to \$0.02 from \$0.01. The proposed changes are further detailed below.

Current			Proposed		
Tier	Proprietary product volume thresholds	Transaction fee per contract	Tier	Proprietary product volume thresholds	Transaction fee per contract
≥20,000 ADV ≤79,999 ADV in multi list products			≥25,000 ADV ≤69,999 ADV in multi list products		
B3	0.00%–6.50%	\$0.20	B3	0.00%–6.50%	\$0.22
B2	6.51%–8.50%	0.10	B2	6.51%–8.50%	0.12
B1	Above 8.50%	0.02	B1	Above 8.50%	\$0.05

¹⁸ See 15 U.S.C. 78s(b)(2).

¹⁹ See 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange initially filed the proposed fee changes on January 4, 2016 (SR-CBOE-2016-001). On January 27, 2016, the Exchange withdrew that filing and replaced it with SR-CBOE-2016-006. On February 4, 2016, the Exchange withdrew that filing and submitted this filing.

⁴ As of December 31, 2015, Underlying Symbol List A includes the following products: OEX, XEO, RUT, RLV, RLG, RUI, SPX (including SPXw), SPXpm, SRO, VIX, VXST, VOLATILITY INDEXES and binary options.

Current			Proposed		
Tier	Proprietary product volume thresholds	Transaction fee per contract	Tier	Proprietary product volume thresholds	Transaction fee per contract
≥80,000 ADV in multi list products			≥70,000 ADV in multi list products		
A2	0.00%–6.50%	0.16	A2	0.00%–6.50%	0.18
A1	Above 6.50%	0.01	A1	Above 6.50%	0.02

The purpose of amending the tier volume thresholds is to adjust for current volume trends and demographics across the Clearing TPH proprietary population and to rationalize fees across that population. The purpose of increasing the transaction Fee Per Contract rates (and thereby reducing the amount of the discount Clearing TPHs may receive on proprietary products) is to moderate the discount levels for these products in view of their growth and performance. Particularly, the Exchange does not believe it's necessary to maintain the existing discounted rates for these tiers, but still seeks to maintain an incremental incentive for Clearing TPHs to strive for the highest tier level.

VIX Sliding Scale

The Exchange proposes to adopt a new Clearing Trading Permit Holder Proprietary VIX Sliding Scale (the "VIX Sliding Scale"). The VIX Sliding Scale allows VIX volatility index options ("VIX options") transaction fees for Clearing TPH (including its Non-Trading Permit Holder affiliates) proprietary orders to be reduced provided a Clearing TPH (including its Non-Trading Permit Holder affiliates) reaches certain proprietary VIX options volume thresholds during a month. The proposed applicable transaction fees for the different volume tiers on the VIX Sliding Scale are as follows:

Tier	Percentage thresholds of total VIX volume	Transaction fee per contract
1	0.00%–1.00%	\$0.25
2	1.01%–5.50%	0.17
3	5.51%–8.00%	0.05
4	Above 8.00% ..	0.01

The VIX Sliding Scale applies to orders bearing the origin codes "F" and "L". The purpose of the VIX Sliding Scale is to encourage greater Clearing TPH proprietary trading of VIX options.

In conjunction with the adoption of the VIX Sliding Scale, the Exchange proposes to amend Footnote 11 of its Fees Schedule. Footnote 11 provides the details regarding the Clearing Trading Permit Holder Fee Cap ("Fee Cap") in all products except Underlying Symbol

List A (excluding binary options) and the CBOE Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders, both of which apply to Clearing TPH proprietary orders. Because the VIX Sliding Scale also applies to Clearing TPH proprietary orders, and because many of the details regarding the Fee Cap and the Proprietary Products Sliding Scale will also apply to the VIX Sliding Scale, the Exchange proposes to reference the VIX Sliding Scale in Footnote 11 as well.

First, Footnote 11 defines the CBOE Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders as the "Sliding Scale". In order to avoid confusion that could arise due to the addition of the VIX Sliding Scale, the Exchange proposes to define CBOE Proprietary Products Sliding Scale for Clearing Trading Permit Holder Proprietary Orders as the "Proprietary Products Sliding Scale". As such, any references within Footnote 11 to the "Sliding Scale" will now be referred to as the "Proprietary Products Sliding Scale". Any references to the Clearing Trading Permit Holder Proprietary VIX Sliding Scale within Footnote 11 will be referred to as the "VIX Sliding Scale."

Like the Fee Cap and the Proprietary Sliding Scale, the VIX Sliding Scale will apply to (i) Clearing TPH proprietary orders ("F" origin code), and (ii) orders of Non-Trading Permit Holder Affiliates of a Clearing TPH.⁵ A "Non-Trading Permit Holder Affiliate" would be defined for the purposes of the VIX Sliding Scale the same way it is defined for the Fee Cap and Proprietary Sliding Scale: A 100% wholly-owned affiliate or subsidiary of a Clearing TPH that is registered as a United States or foreign broker-dealer and that is not a CBOE Trading Permit Holder ("TPH"). As with the Fee Cap and the Proprietary Sliding Scale, only proprietary orders of the Non-Trading Permit Holder Affiliate ("L" origin code) effected for purposes of hedging the proprietary over-the-counter trading of the Clearing TPH or its affiliates will be included in calculating the VIX Sliding Scale, and

⁵ See CBOE Fees Schedule, Footnote 11.

such orders must be marked with a code approved by the Exchange identifying the orders as eligible for the VIX Sliding Scale. As with the Fee Cap and the Proprietary Sliding Scale, each Clearing TPH is responsible for notifying the TPH Department of all of its affiliations so that fees and contracts of the Clearing TPH and its affiliates may be aggregated for purposes of the VIX Sliding Scale and is required to certify the affiliate status of any Non-Trading Permit Holder Affiliate whose trading activity it seeks to aggregate. In addition, each Clearing TPH is required to inform the Exchange immediately of any event that causes an entity to cease to be an affiliate.

As with the Fee Cap and the Proprietary Sliding Scale, the Exchange will aggregate the fees and trading activity of separate Clearing TPHs for the purposes of the VIX Sliding Scale if there is at least 75% common ownership between the Clearing TPHs as reflected on each Clearing TPH's Form BD, Schedule A. As with the Fee Cap and the Proprietary Sliding Scale, a Clearing TPH's fees and contracts executed pursuant to a CMTA agreement (*i.e.*, executed by another clearing firm and then transferred to the Clearing TPH's account at the OCC) are aggregated with the Clearing TPH's non-CMTA fees and contracts for purposes of the VIX Sliding Scale.

For calculating a Clearing TPH's total proprietary product transaction fees, CBOE will use the following methodology: If using the VIX Sliding Scale plus the Proprietary Sliding Scale (minus VIX options volume) results in lower total Clearing TPH proprietary transaction fees than just using the Proprietary Sliding Scale, CBOE will apply the new VIX Sliding Scale plus the Proprietary Sliding Scale (deducting the VIX options volume from the Proprietary Sliding Scale). If using the VIX Sliding Scale plus the Proprietary Sliding Scale (minus VIX options volume) results in higher total Clearing TPH proprietary transaction fees than just using the Proprietary Sliding Scale, CBOE will apply only the Proprietary Sliding Scale. The purpose of this methodology is to provide a Clearing TPH with the most beneficial fee

arrangement (the lowest fees) without double-counting VIX options volume.

For example, consider a situation in which, in a month, a Clearing TPH has a combined total for both the Regular Trading Hours (“RTH”) session and Extended Trading Hours (“ETH”) session (i) qualifying ADV of 66,000 in all underlying symbols excluding Underlying Symbol List A and mini-options, (ii) qualifying proprietary VIX options volume of 500,000 contracts, and (iii) qualifying volume of other proprietary products of 350,000 contracts (totaling 850,000 contracts of proprietary products).⁶ Total firm proprietary options contracts executed in the month was 15,298,000, including total VIX volume of 6,433,000. The Clearing TPH’s total 850,000 proprietary contracts represent 5.56% of the total monthly firm proprietary option contracts volume (*i.e.*, 850,000/15,298,000). As such, the Clearing TPH’s transaction fees for its proprietary volume under the Proprietary Sliding Scale (including the proposed rate change) would be \$0.22 per contract, or a total of \$187,000 (*i.e.*, 850,000 × \$0.22).

Continuing with the example, the Clearing TPH’s fees using the VIX Sliding Scale plus the Proprietary Sliding Scale (minus VIX options volume) would be calculated. Under the VIX Sliding Scale, the Clearing TPH total 500,000 VIX contracts represent 7.77% of the total monthly firm VIX option contracts volume (*i.e.*, 500,000/6,433,000). As such, the Clearing TPH would be assessed a \$0.25-per-contract fee for contracts 1–64,330 (totaling \$16,082.50), a \$0.17-per-contract fee for contracts 64,331–353,815 (totaling \$49,212.45), and a \$0.05-per-contract fee for contracts 353,816–500,000 (totaling \$7,309.25). Therefore, under the VIX Sliding Scale, the Clearing TPH’s proprietary transaction fees are \$72,604.20 (\$16,082.50 + \$49,212.45 + \$7,309.25). To this the Clearing TPH’s proprietary fees under the Proprietary Sliding Scale (subtracting out the VIX options volume) would be added. Under the Proprietary Sliding Scale, the Clearing TPH’s total non-VIX proprietary contracts represent 3.85% of the total monthly firm non-VIX proprietary option contracts volume (*i.e.*, 350,000 non-VIX proprietary volume/8,865,000 total non-VIX proprietary volume (15,298,000 total proprietary volume – 6,433,000 VIX volume)). The Clearing TPH’s transaction fees for its non-VIX

proprietary volume under the Proprietary Sliding Scale (including the proposed rate change) would be \$0.22 per contract, or a total of \$77,000 (*i.e.*, 350,000 × \$0.22). The Clearing TPH’s fees under the VIX Sliding Scale (\$72,604.20) added to the fees using the Proprietary Sliding Scale (minus VIX volume) (\$77,000), totals \$149,604.20. Because this amount is less than the Clearing TPH’s fees using just the Proprietary Sliding Scale (including the VIX options volume) of \$187,000, the Exchange would apply the VIX Sliding Scale plus the Proprietary Sliding Scale to determine the Clearing TPH’s proprietary fees, and assess the lower fee of \$149,604.20.

In conjunction with the proposed changes, the Exchange proposes to make a number of related non-substantive clarifying and reorganizational changes to its Fees Schedule. First, the Exchange proposes to rename the CBOE Proprietary Products Sliding Scale rate table to the “Clearing Trading Permit Holder Proprietary Products Sliding Scales.” The Exchange also proposes to specify that Table A represents the Proprietary Products Sliding Scale and Table B represents the VIX Sliding Scale. Additionally, in light of renaming the table and adding the VIX Sliding Scale, the Exchange proposes to update the corresponding reference to the “CBOE Proprietary Products Sliding Scale” in the Specified Proprietary Index Options Rate Table to “CBOE Clearing Trading Permit Holder Proprietary Products Sliding Scales”. The Exchange also proposes to eliminate Footnote 23 (which footnote relates to the CBOE Proprietary Sliding Scale) and consolidate the notes currently located within Footnote 23 with the notes currently located within the Notes section of the CBOE Proprietary Products Sliding Scale table, as well as update the Notes section with a description of how the sliding scales will work. The Exchange believes maintaining both a Notes section and a footnote is unnecessary and that the proposed change will alleviate potential confusion and make the Fees Schedule easier to read. Lastly, in light of the additional language that is being added regarding the VIX Sliding Scale, the Exchange proposes a few non-substantive and clarifying changes to the language contained within the Notes section of the CBOE Proprietary Products Sliding Scales table, which the Exchange believes will enhance the section’s readability. For example, the Exchange has eliminated the sentence “Mini-options and SROs are excluded from the CBOE Proprietary Products

Sliding Scale” and instead clarified where and when those products are excluded (*i.e.*, SROs are not eligible for the reduce [sic] transaction fee discounts and Mini-Options are not counted towards the ADV volume thresholds). Additionally, the Exchange is amending the last sentence of the Notes section relating to ETH and RTH volume, which the Exchange believes will make the sentence easier to read and avoid potential confusion. For example, the Exchange proposes to eliminate the reference to “VIX and SPX/SPXW” volume and “Underlying Symbol List A”. The Exchange notes that these changes are not substantive and do not change the applicability of the sliding scales to ETH or make any other changes as to how the sliding scales apply.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ 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. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,⁹ which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes the proposal to change the qualifying volume thresholds for the reduced fees in the Proprietary Sliding Scale is reasonable because it adjusts for current volume trends and demographics across the Clearing TPH proprietary population and rationalizes fees across that population. The Exchange notes that the rebalance of tiers also still allows the Exchange to maintain an incremental

⁶ For this example, all volumes listed exclude volume in SROs, Mini-Options and contracts for which a strategy cap has been applied.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b)(4).

incentive for Clearing TPHs to strive for the highest tier level. The Exchange believes it is equitable and not unfairly discriminatory because the proposed changes to the qualifying volume thresholds apply to all Clearing TPHs.

The Exchange believes increasing the rates in each of the tiers of the Proprietary Sliding Scale (and thereby reducing the overall discount) is reasonable because it still provides Clearing TPHs an opportunity to receive notable discounted rates on classes in Underlying Symbol list A for reaching certain qualifying volume thresholds that they would not otherwise receive (now just a smaller discount). Additionally, the Exchange notes that lower fees for executing more contracts is equitable and not unfairly discriminatory because it provides market participants with an incentive to execute more contracts on the Exchange. This brings greater liquidity and trading opportunity, which benefits all market participants. The Exchange believes that the proposed change is not unfairly discriminatory because it will apply to all Clearing TPHs that meet the qualifying volume thresholds. The Exchange also believes offering lower fees under the Proprietary Sliding Scale to Clearing TPHs and not other CBOE market participants is equitable and not unfairly discriminatory because Clearing TPHs must take on certain obligations and responsibilities, such as clearing and membership with the Options Clearing Corporation, as well as significant regulatory burdens and financial obligations, that other market participants are not required to undertake.

The adoption of the VIX Sliding Scale is reasonable because it will allow Clearing TPHs who engage in VIX options trading the opportunity to pay lower fees for such transactions. Similarly, aggregating the fees and trading activity of separate Clearing TPHs for the purposes of the VIX Sliding Scale if there is at least 75% common ownership between the Clearing TPHs and aggregating a Clearing TPH's fees and contracts executed pursuant to a CMTA agreement with the Clearing TPH's non-CMTA fees and contracts for the purpose of the VIX Sliding Scale is reasonable because this will allow more Clearing TPHs to qualify for the lowered fees at the higher volume tiers in the VIX Sliding Scale.

The proposed methodology to be used in calculating a Clearing TPH's total proprietary product transaction fees is reasonable because it provides Clearing TPHs who engage in VIX options trading with a second way to maximize

their ability to reduce their proprietary products transaction fees. Subtracting VIX options volume from the Proprietary Sliding Scale when taking into account the VIX Sliding Scale to calculate proprietary product transaction fees is reasonable because it would be illogical (and not financially viable) to count VIX options volume twice (once in the VIX Sliding Scale and once in the Proprietary Sliding Scale) to allow a Clearing TPH to qualify for a lowered fee rate when the VIX options transactions (and volume such transactions created) only occurred once and fees were therefore only assessed on such transactions once.

Applying the VIX Sliding Scale to Clearing TPH (and their affiliates, in the manner described above) proprietary orders only is equitable and not unfairly discriminatory because, as noted above, Clearing TPHs take on a number of obligations and responsibilities (such as membership with the Options Clearing Corporation), significant regulatory burdens, and financial obligations that other market participants are not required to undertake. Further, the VIX Sliding Scale is designed to encourage increased Clearing TPH proprietary VIX options volume, which provides increased VIX options volume and greater trading opportunities for all market participants. Similarly, applying lower fee rates for Clearing TPHs who hit the higher VIX options contract volume tiers on the VIX Sliding Scale is equitable and not unfairly discriminatory because this is designed to encourage increased TPH proprietary VIX options volume, which provides increased VIX options volume and greater trading opportunities for all Clearing TPHs, including those who are not able to reach the higher-volume tiers. Moreover, the Exchange already offers other fee-lowering programs (such as the Fee Cap and Proprietary Sliding Scale) which entail lower fees for Clearing TPHs (and their affiliates, in the manner described above) and are limited to Clearing TPHs (and their affiliates, in the manner described above).

Applying the VIX Sliding Scale to VIX options and not to other products is equitable and not unfairly discriminatory because the Exchange has expended considerable time and resources in developing VIX options.

The Exchange believes (i) redefining the Proprietary Sliding Scale and adding references to the VIX Sliding Scale in Footnote 11 of the Fees Schedule and (ii) updating the reference to the "CBOE Proprietary Products Sliding Scale" to "CBOE Clearing Trading Permit Holder Proprietary Products Sliding Scales" in

the Specified Proprietary Index Options Rate Table alleviates potential confusion by investors reading the Fees Schedule in light of the proposed change. Additionally, the Exchange believes its proposal to make non-substantive clarifying language changes to the Notes section, as well as its proposal to eliminate Footnote 23 and consolidate the description set forth in Footnote 23 within the Notes section of the current CBOE Proprietary Products Sliding Scale table will alleviate potential confusion and make the Fees Schedule easier to read and more streamlined. This avoidance of confusion removes impediments to and perfects the mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while it applies only to Clearing TPH proprietary orders, Clearing TPHs take on a number of obligations and responsibilities (such as membership with the Options Clearing Corporation), significant regulatory burdens, and financial obligations that other market participants are not required to undertake. Further, the VIX Sliding Scale is designed to encourage increased Clearing TPH proprietary VIX options volume, which provides increased VIX options volume and greater trading opportunities for all market participants. Therefore, the Exchange believes that any potential effects on intramarket competition that the proposed changes to the Proprietary Sliding Scale and adoption of the VIX Sliding Scale may cause are therefore justifiable. The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change applies only to CBOE. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

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 Act¹⁰ and paragraph (f) of Rule 19b-4¹¹ 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
- Send an email to rule-comments@sec.gov. Please include File Number SR-CBOE-2016-008 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-CBOE-2016-008. 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 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-CBOE-2016-008 and should be submitted on or before March 8, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Brent J. Fields,

Secretary.

[FR Doc. 2016-02986 Filed 2-12-16; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77089; File No. 4-694]

Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d-2; Order Approving and Declaring Effective a Proposed Plan for the Allocation of Regulatory Responsibilities Between the Financial Industry Regulatory Authority, Inc. and the National Stock Exchange, Inc.

February 9, 2016.

On December 23, 2015, the National Stock Exchange, Inc. ("NSX") and the Financial Industry Regulatory Authority, Inc. ("FINRA") (together with NSX, the "Parties") filed with the Securities and Exchange Commission ("Commission" or "SEC") a plan for the allocation of regulatory responsibilities, dated December 22, 2015 ("17d-2 Plan" or the "Plan"). The Plan was published for comment on January 14, 2016.¹ The Commission received no comments on the Plan. This order approves and declares effective the Plan.

¹² 17 CFR 200.30-3(a)(12).

¹ See Securities Exchange Act Release No. 76856 (January 8, 2016), 81 FR 1971.

I. Introduction

Section 19(g)(1) of the Securities Exchange Act of 1934 ("Act"),² among other things, requires every self-regulatory organization ("SRO") registered as either a national securities exchange or national securities association to examine for, and enforce compliance by, its members and persons associated with its members with the Act, the rules and regulations thereunder, and the SRO's own rules, unless the SRO is relieved of this responsibility pursuant to Section 17(d) or Section 19(g)(2) of the Act.³ Without this relief, the statutory obligation of each individual SRO could result in a pattern of multiple examinations of broker-dealers that maintain memberships in more than one SRO ("common members"). Such regulatory duplication would add unnecessary expenses for common members and their SROs.

Section 17(d)(1) of the Act⁴ was intended, in part, to eliminate unnecessary multiple examinations and regulatory duplication.⁵ With respect to a common member, Section 17(d)(1) authorizes the Commission, by rule or order, to relieve an SRO of the responsibility to receive regulatory reports, to examine for and enforce compliance with applicable statutes, rules, and regulations, or to perform other specified regulatory functions.

To implement Section 17(d)(1), the Commission adopted two rules: Rule 17d-1 and Rule 17d-2 under the Act.⁶ Rule 17d-1 authorizes the Commission to name a single SRO as the designated examining authority ("DEA") to examine common members for compliance with the financial responsibility requirements imposed by the Act, or by Commission or SRO rules.⁷ When an SRO has been named as a common member's DEA, all other SROs to which the common member belongs are relieved of the responsibility to examine the firm for compliance with the applicable financial responsibility rules. On its face, Rule 17d-1 deals only with an SRO's obligations to enforce member compliance with financial responsibility requirements. Rule 17d-1 does not relieve an SRO from its

² 15 U.S.C. 78s(g)(1).

³ 15 U.S.C. 78q(d) and 15 U.S.C. 78s(g)(2), respectively.

⁴ 15 U.S.C. 78q(d)(1).

⁵ See Securities Act Amendments of 1975, Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany S. 249, S. Rep. No. 94-75, 94th Cong., 1st Session 32 (1975).

⁶ 17 CFR 240.17d-1 and 17 CFR 240.17d-2, respectively.

⁷ See Securities Exchange Act Release No. 12352 (April 20, 1976), 41 FR 18808 (May 7, 1976).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f).