

market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets [sic].

*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 Act.<sup>9</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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of 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.

**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-NASDAQ-2016-031 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-NASDAQ-2016-031. 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-NASDAQ-2016-031 and should be submitted on or before April 7, 2016.

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

**Lynn M. Powalski,**

*Deputy Secretary.*

[FR Doc. 2016-05989 Filed 3-16-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-77349; File No. SR-NYSEArca-2016-43]**

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rules 7.31P(j) and 7.34P(c) To Allow Q Orders To Participate in the Early Trading Session and Late Trading Session**

March 11, 2016.

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 March 9, 2016, 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 Rules 7.31P(j) (Orders and Modifiers) and 7.34P(c) (Trading Sessions) to allow Q Orders to participate in the Early Trading Session and Late Trading Session. 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 Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to amend Rules 7.31P(j) and 7.34P(c), which govern the operation of Q Orders on the Exchange's Pillar trading platform. A Q Order is a limit order submitted to the NYSE Arca Marketplace by a Market Maker, and designated by a Market Maker as a "Q Order" through such means as the Corporation shall specify.<sup>4</sup>

Rule 7.34(b)(1) describes the operation of Q orders on the current, or legacy, platform and states that Q Orders may be entered beginning at the start of the Core Trading Session or at such earlier time during the Opening Session as determined from time to time by the Corporation, and continuing until the end of the Core Trading Session. Further, Rule 7.34(d)(1), which describes which orders are permitted in

<sup>4</sup> See Rule 7.31P(j). The term "NYSE Arca Marketplace" is defined in Rule 1.1(e) as the electronic securities communications and trading facility designated by the Board of Directors through which orders of Users are consolidated for execution and/or display. The term "Market Maker" is defined in Rule 1.1(v) as an ETP Holder that acts as a Market Maker pursuant to Rule 7, which includes Lead Market Makers. The term "Corporation" is defined in Rule 1.1(k) to mean NYSE Arca Equities.

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

<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>9</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

the Opening Session at the Exchange on the current trading platform, does not restrict the entry of Q Orders during the Opening Session (the Early Trading Session in Pillar).<sup>5</sup> While Q Orders are not required for the Opening or Late Trading Session, on the current trading platform, Market Makers are permitted to enter such orders during those sessions.

As the Exchange described when it adopted Rule 7.31P(j)(2), Q Orders on the Pillar trading platform operate in a similar manner as they do on the trading platform that Pillar will replace.<sup>6</sup> However, for Pillar, Rule 7.34P provides that a Q Order is not eligible to participate in either the Early Trading Session or the Late Trading Session, and if a Q Order includes a designation for one of those sessions, it will be rejected.<sup>7</sup>

The Exchange understands that Market Makers registered on the Exchange currently enter Q Orders for participation in the Opening Session so that they may begin assessing pricing in Exchange-listed securities. To assist Market Makers with meeting their obligations to make two-sided markets in Exchange-listed securities, and to facilitate the price-discovery process and ability of Market Makers to price the security for the Core Trading Session, the Exchange proposes to amend the Pillar rules so that Q Orders can be entered during the Early Trading Session. With this change, Q Orders would function in Pillar no differently than they do on the current trading platform in terms of when they can be entered on the Exchange.

Additionally, while there is limited use for Market Makers to submit Q Orders during the Late Trading Session, the Exchange currently accepts Q Orders designated for the Late Trading Session, and proposes to continue to allow Market Makers to enter Q Orders designated for the Late Trading Session, to the extent they choose to do so, in order to ensure that the migration to Pillar is seamless and minimally disruptive for Market Makers. In addition, the Exchange believes that permitting Market Makers to include a designation for the Late Trading Session

for Q Orders would promote the display of liquidity on the Exchange during all trading sessions, and not just when a Market Maker has obligations to display liquidity during the Core Trading Session.

To effect this change, the Exchange proposes to amend Rule 7.31P(j)(2) to delete the first sentence of that rule, which provides that Q Orders are only eligible to participate in the Core Trading Session. The Exchange also proposes to amend the third sentence of the current rule to provide that Market Makers are not obligated to but may enter Q Orders during the Early or Late Trading Session. The Exchange further proposes to amend Rules 7.34P(c)(1)(A) and (c)(3)(A) to remove any reference to Q Orders as not being eligible to participate in the Early Trading Session or Late Trading Session or that if a Q Order is designated for either the Early or Late Trading Session, it will be rejected. The proposed amendments to current Rules 7.34P(c)(1)(A) and 7.34P(c)(3)(A) would make clear that Q Orders are eligible to participate in the Early Trading Session and the Late Trading Session, respectively, and if such orders are submitted with a designation for the Early Trading Session or the Late Trading Session, they would not be rejected.

## 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.

Specifically, the Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by assisting Market Makers in Exchange-listed securities to meet their obligation to make markets in their registered securities by using Q Orders during the Early Trading Session to gauge market interest in securities so that they may be priced appropriately for the Core Trading Session. In addition, the

Exchange believes that permitting Market Makers to include a designation for the Late Trading Session for Q Orders would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would promote the display of liquidity on the Exchange during all trading sessions, and not just when a Market Maker has obligations to display liquidity during the Core Trading Session. To this end, the proposed rule change would allow Pillar to operate no differently than the trading platform Pillar will replace, in terms of when Q Orders can be entered on the Exchange. Accordingly, the proposed rule change would provide that on Pillar, Market Makers would not be obligated to enter Q Orders in securities in which they are registered during the Early or Late Trading Sessions, but would be permitted to do so.

## 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 make amendments to Rules 7.31P and 7.34P relating to Q Orders so that they may be entered during the Early Trading Session and Late Trading Session.

## 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

Because the 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) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date

<sup>5</sup> Rule 7.34(d)(3)(A), however, provides that Orders eligible for the Display Order Process (other than Q Orders) and for the Working Order Process, including NOW Orders and PNP Orders, that have been designated as available for the Late Trading Session are eligible for entry into and execution on the NYSE Arca Marketplace [sic].

<sup>6</sup> See Securities Exchange Act Release Nos. 75497 (July 21, 2015), 80 FR 45022 (July 28, 2015) (Notice of Filing of SR-NYSEArca-2015-56); and 76267 (October 26, 2015), 80 FR 66951 (October 30, 2015) (Order Approving SR-NYSEArca-2015-56).

<sup>7</sup> See Rule 7.34P(c)(1)(A) and 7.34P(c)(3)(A).

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

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

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>12</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>13</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange stated that it intends to begin migrating symbols to the Pillar platform within thirty days from the date of this filing. According to the Exchange, waiver of the operative delay will allow Market Makers registered on the Exchange to enter Q Orders designated for the Early and Late Trading Sessions on the Pillar platform, which the Exchange believes will facilitate the price discovery process on the Exchange. The Commission believes the waiver of the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>14</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. If the Commission takes such action, the Commission shall 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

of filing of the proposed rule change, or such shorter time as designated by the Commission.

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2016-43 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-NYSEArca-2016-43. 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 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-NYSEArca-2016-43, and should be submitted on or before April 7, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

**Lynn M. Powalski,**

*Deputy Secretary.*

[FR Doc. 2016-05973 Filed 3-16-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77354; File No. SR-NASDAQ-2016-032]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Market Quality Incentive Programs Under Rule 7014

March 11, 2016.

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 March 1, 2016, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II, 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: (i) Change the qualification requirements of, and add an additional rebate to, the Qualified Market Maker Program; (ii) modify the maximum fee assessed for participation in the Exchange Opening and Closing Crosses, and extend the program to include participation in the Exchange Halt Cross, under the Lead Market Maker Program; and (iii) modify the requirements and rebates provided under the NBBO Program.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.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 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.

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

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

<sup>15</sup> 17 CFR 200.30-3(a)(12).