

essence of the competition the Exchange Act is designed to promote.<sup>7</sup>

*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>8</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-2016-046 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-2016-046. 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 offices 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-2016-046, and should be submitted on or before April 27, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2016-07937 Filed 4-6-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-77499; File No. SR-BATS-2016-04]**

**Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing of Amendment No. 2, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 2, To List and Trade Shares of the SPDR DoubleLine Short Duration Total Return Tactical ETF of the SSgA Active Trust**

April 1, 2016.

**I. Introduction**

On February 4, 2016, BATS Exchange, Inc. ("BATS" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares ("Shares") of the SPDR DoubleLine Short Duration Total Return Tactical ETF ("Fund") of the

SSgA Active Trust ("Trust") pursuant to BATS Rule 14.11(i). A notice of the proposed rule change was published in the **Federal Register** on February 12, 2016.<sup>3</sup> On March 8, 2016, the Exchange filed Amendment No. 1 to the proposed rule change. On March 24, 2016, the Exchange withdrew Amendment No. 1 and filed Amendment No. 2 to the proposed rule change.<sup>4</sup> On March 25, 2016, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>6</sup> The Commission received no comments on the proposal. The Commission is publishing this notice to solicit comments on Amendment No. 2 from interested persons, and is approving the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

**II. The Exchange's Description of the Proposal**

The Exchange proposes to list and trade the Shares under BATS Rule 14.11(i), which governs the listing and

<sup>3</sup> See Securities Exchange Act Release No. 77078 (February 8, 2016), 81 FR 7599.

<sup>4</sup> In Amendment No. 2, which replaced the original filing in its entirety, the Exchange: (1) Modified the name of the Fund by replacing the word "Term" with "Duration;" (2) clarified that, under normal circumstances, at least 80% of the Fund's net assets (plus the amount of borrowings for investment purposes) will be invested in its principal holdings; (3) stated that the Fund may invest up to 20% of its portfolio in securities issued or guaranteed by state or local governments or their agencies or instrumentalities; (4) clarified which assets held by the Fund would trade on markets that are members of the Intermarket Surveillance Group or that have entered into a comprehensive surveillance agreement with the Exchange; (5) clarified the application of the investment restrictions to derivatives and restricted securities; (6) described how fixed income instruments, including municipal securities, would be valued for purposes of calculating the net asset value of the Fund; (7) clarified that all statements and representations made in the filing regarding the description of the portfolio, limitations on portfolio holdings or reference assets, or the applicability of Exchange rules and surveillance procedures constitute continued listing requirements for listing the Shares on the Exchange; (8) stated that the issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements, and if the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12; and (9) made other technical amendments. Amendment No. 2 is available at: <http://www.sec.gov/comments/sr-bats-2016-04/bats201604.shtml>.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> See Securities Exchange Act Release No. 77451, 81 FR 18660 (March 31, 2016).

<sup>7</sup> The Chicago Mercantile Exchange is currently using FPGA technology in order entry ports for the trading of futures. See <https://www.cmegroup.com/globex/files/NewLinkArchitecture2014.pdf>.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>9</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.

trading of Managed Fund Shares on the Exchange. The Shares will be offered by the Trust, which is registered with the Commission as an investment company.<sup>7</sup> The investment adviser to the Fund will be SSGA Funds Management, Inc. (“Adviser”), and the sub-adviser to the Fund will be DoubleLine Capital LP (“Sub-Adviser”).<sup>8</sup> The Adviser will serve as the Fund’s administrator. State Street Global Markets, LLC will be the principal underwriter and distributor of the Fund’s Shares. State Street Bank and Trust Company will serve as the sub-administrator, custodian, transfer agent, and, where applicable, lending agent for the Fund.

The investment objective of the Fund is to seek to maximize current income with a dollar-weighted average effective duration between one and three years. To achieve its objective, the Fund will invest, under normal circumstances,<sup>9</sup> in a diversified portfolio of fixed income securities of any credit quality, subject to certain limitations set forth below.

#### A. The Fund’s Principal Investments

The Fund intends to achieve its investment objective by investing, under normal circumstances, at least 80% of its net assets (plus the amount of borrowings for investment purposes) in a diversified portfolio of Fixed Income Securities, which are defined as the following instruments: Securities issued or guaranteed by the U.S. government or

its agencies, instrumentalities or sponsored corporations; inflation protected public obligations of the U.S. Treasury; securities issued or guaranteed by state or local governments or their agencies or instrumentalities;<sup>10</sup> asset-backed securities (“ABS”), which include the following: Agency and non-agency residential mortgage-backed securities, agency and non-agency commercial mortgage-backed securities, and any other agency and non-agency asset-backed securities, collateralized debt obligations, collateralized loan obligations, collateralized bond obligations, collateralized mortgage obligations, Real Estate Mortgage Investment Conduits (“REMICs”), and REMICs that have been resecuritized;<sup>11</sup> stripped securities; zero coupon securities; foreign (including emerging markets) and domestic corporate bonds;<sup>12</sup> sovereign debt; bank loans;<sup>13</sup> preferred securities; and exchange traded products (“ETPs”) that invest in Fixed Income Securities.<sup>14</sup> To the extent applicable, debt instruments that comprise Fixed Income Securities may be either fixed rate securities, floating securities, or variable rate securities.

#### B. The Fund’s Non-Principal Investments

While the Adviser and Sub-Adviser, under normal circumstances, will invest at least 80% of the Fund’s net assets (plus the amount of any borrowings for

investment purposes) in the instruments described above, the Adviser and Sub-Adviser may invest up to 20% of the Fund’s net assets in other securities and financial instruments, as described below.

The Fund may invest in repurchase agreements with commercial banks, brokers or dealers to generate income from its excess cash balances and to invest securities lending cash collateral. The Fund may also enter into reverse repurchase agreements.<sup>15</sup>

The Fund may invest in exchange-traded<sup>16</sup> and over-the-counter (“OTC”) U.S. common stocks, exchange-traded common stocks of foreign corporations,<sup>17</sup> and unsponsored ADRs.

The Fund may invest in convertible securities.

The Fund may lend its portfolio securities in an amount not to exceed 33⅓% of the value of its total assets via a securities lending program.<sup>18</sup>

In addition to repurchase agreements, the Fund may invest in short-term instruments, including money market instruments, cash, and cash equivalents, on an ongoing basis to provide liquidity or for other reasons.<sup>19</sup>

<sup>15</sup> The Fund’s exposure to reverse repurchase agreements will be covered by securities having a value equal to or greater than such commitments. The Fund does not expect to engage, under normal circumstances, in reverse repurchase agreements with respect to more than 10% of its net assets.

<sup>16</sup> All exchange-traded equity securities in which the Fund may invest will trade on markets that are members of the Intermarket Surveillance Group (“ISG”) or that have entered into a comprehensive surveillance agreement with the Exchange.

<sup>17</sup> The Fund’s investments in common stocks of foreign corporations may also be in the form of American Depositary Receipts (“ADRs”), Global Depositary Receipts, and European Depositary Receipts (collectively “Depositary Receipts”). The Fund may invest in sponsored or unsponsored ADRs; however, not more than 10% of the net assets of the Fund will be invested in unsponsored ADRs.

<sup>18</sup> A securities lending program allows the Fund to receive a portion of the income generated by lending its securities and investing the respective collateral. The Fund will receive collateral for each loaned security which is at least equal to 102% of the market value of that security, marked to market each trading day.

<sup>19</sup> Money market instruments are generally short-term investments that may include but are not limited to: (1) Shares of money market funds; (2) obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities (including government-sponsored enterprises); (3) negotiable certificates of deposit, bankers’ acceptances, fixed time deposits, and other obligations of U.S. and foreign banks (including foreign branches) and similar institutions; (4) commercial paper rated at the date of purchase “Prime-1” by Moody’s or “A-1” by S&P, or if unrated, of comparable quality as determined by the Adviser; (5) non-convertible corporate debt securities with remaining maturities at the date of purchase of not more than 397 days and that satisfy the rating requirements set forth in Rule 2a-7 under the 1940 Act; and (6) short-term U.S. dollar-

<sup>7</sup> The Trust is registered under the Investment Company Act of 1940 (“1940 Act”). See Registration Statement on Form N-1A for the Trust, dated October 8, 2015 (File Nos. 333-173276 and 811-22542) (“Registration Statement”). In addition, the Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 29524 (December 13, 2010) (File No. 812-13487).

<sup>8</sup> The Adviser and Sub-Adviser are not registered as broker-dealers, but the Adviser is affiliated with a broker-dealer and has implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of or changes to the portfolio. In the event (a) the Adviser or Sub-Adviser become registered broker-dealers or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is a registered broker-dealer or becomes affiliated with a broker-dealer, it will implement a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the composition of or changes to the portfolio, and it will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

<sup>9</sup> The term “under normal circumstances” includes, but is not limited to, the absence of extreme volatility or trading halts in the fixed income markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

<sup>10</sup> No more 20% of the Fund’s net assets will be invested in securities issued or guaranteed by state or local governments or their agencies or instrumentalities. See Amendment No. 2, *supra* note 4.

<sup>11</sup> The Fund intends to invest at least 25% of its net assets in mortgage-backed securities of any maturity or type guaranteed by, or secured by collateral that is guaranteed by, the United States Government, its agencies, instrumentalities or sponsored corporations. The Fund may invest up to 20% of its net assets in the aggregate in non-agency ABS.

<sup>12</sup> The Sub-Adviser expects that, under normal circumstances, the Fund will generally seek to invest in corporate bond issuances that have at least \$100,000,000 par amount outstanding in developed countries and at least \$200,000,000 par amount outstanding in emerging market countries. Corporate bonds that in the aggregate account for at least 75% of the weight of the Fund’s corporate bonds will have a minimum original principal outstanding of \$100 million or more.

<sup>13</sup> No more 20% of the Fund’s net assets will be invested in junior bank loans.

<sup>14</sup> For purposes of this filing, ETPs include those securities described in BATS Rule 14.11, and all ETPs held by the Fund will be listed and traded in the U.S. on national securities exchanges. While the Fund may invest in inverse ETPs, the Fund will not invest in leveraged or inverse leveraged ETPs. The Fund may invest up to 20% of its net assets in one or more ETPs that are qualified publicly traded partnerships and whose principal activities are the buying and selling of commodities or options, futures, or forwards with respect to commodities.

The Fund may conduct foreign currency transactions on a spot or forward basis.

The Fund may invest in inverse floating rate debt instruments.

In addition to ETPs that invest in Fixed Income Securities, the Fund may also invest in the securities of non-exchange traded investment companies, including affiliated funds and money market funds, subject to applicable limitations under Section 12(d)(1) of the 1940 Act.

The Fund may invest in the securities of real estate investment trusts.

The Fund may invest up to 20% of its assets in the following derivatives: Exchange-traded futures on Treasuries or Eurodollars; U.S. exchange-traded or OTC put and call options contracts, and OTC or exchange-traded swap agreements on Fixed Income Securities and/or derivatives on indices based on Fixed Income Securities (including interest rate swaps, total return swaps, excess return swaps, and credit default swaps).<sup>20</sup>

The Fund may also invest in Restricted Securities.<sup>21</sup>

### C. The Fund's Investment Restrictions

The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment), including Restricted Securities deemed illiquid by the Adviser or Sub-Adviser<sup>22</sup> under the 1940 Act. The Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets,

denominated obligations of foreign banks (including U.S. branches) that, in the opinion of the Adviser, are of comparable quality to obligations of U.S. banks which may be purchased by the Fund.

<sup>20</sup> This 20% limit on derivatives will be calculated according to the total absolute notional value of the Fund's derivatives. Additionally, to the extent that the derivatives held by the Fund overlie any of the assets subject to limitations described in the proposed rule change, such derivatives will be counted toward those limitations.

<sup>21</sup> "Restricted Securities," for purposes of this filing, are defined as Rule 144A securities. To the extent that the Fund's holding of Restricted Securities include any of the assets subject to limitations described in the proposed rule change, such holdings will be subject to those limitations.

<sup>22</sup> In reaching liquidity decisions, the Adviser and Sub-Adviser may consider factors including: The frequency of trades and quotes for the security; the number of dealers wishing to purchase or sell the security and the number of other potential purchasers; dealer undertakings to make a market in the security; and the nature of the security and the nature of the marketplace in which it trades (e.g., the time needed to dispose of the security, the method of soliciting offers, and the mechanics of transfer).

or other circumstances, more than 15% of the Fund's net assets are invested in illiquid assets. Illiquid assets include securities subject to contractual or other restrictions on resale and other instruments that lack readily available markets as determined in accordance with Commission staff guidance.

The Fund intends to qualify each year as a regulated investment company under the Internal Revenue Code.

The Fund's investments will be consistent with its investment objective and will not be used to seek to achieve leveraged or inverse leveraged returns.

Under normal circumstances, the combined total of corporate, sovereign, non-agency, and all other debt rated below investment grade will not exceed 40% of the Fund's net assets.

The Fund may invest up to 15% of its net assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest up to 20% of its net assets in securities and instruments that are economically tied to emerging market countries.

### III. Discussion and Commission Findings

After careful review, the Commission finds that the Exchange's proposal to list and trade the Shares is consistent with the Exchange Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>23</sup> In particular, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Exchange Act,<sup>24</sup> which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, 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 Commission also finds that the proposal is consistent with Section 11A(a)(1)(C)(iii) of the Exchange Act,<sup>25</sup> which sets forth Congress's finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities.

<sup>23</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>24</sup> 15 U.S.C. 78f(b)(5).

<sup>25</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

Quotation and last-sale information for the Shares will be available on the facilities of the Consolidated Tape Association ("CTA"). With respect to the Fund, an estimated value, defined in BATS Rule 14.11(i)(3)(C) as the "Intraday Indicative Value," which reflects an estimated intraday value of the Fund's portfolio, will be based upon the current value for the components of the Disclosed Portfolio<sup>26</sup> and will be updated and widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's Regular Trading Hours.<sup>27</sup> On each business day, before commencement of trading in Shares during Regular Trading Hours, the Fund will disclose on its Web site the Disclosed Portfolio that will form the basis for the Fund's calculation of the net asset value ("NAV") at the end of the business day.<sup>28</sup> The Fund's Web site will also include a form of the prospectus for the Fund and additional data relating to NAV and other applicable quantitative information. Information regarding market price and volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. The previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers. The intra-day, closing, and settlement prices of exchange-listed instruments (including exchange-traded Depositary Receipts, preferred securities, convertible securities, common stock, futures, ETPs, and QPTPs) will be readily available from the exchanges trading such instruments as well as automated quotation systems, published or other public sources, or online information services such as Bloomberg or Reuters.

<sup>26</sup> The term "Disclosed Portfolio" is defined in BATS Rule 14.11(i)(3)(B). The Disclosed Portfolio will include, as applicable: Ticker symbol; CUSIP number or other identifier, if any; a description of the holding (including the type of holding); the identity of the security, commodity, index, or other asset or instrument underlying the holding, if any; for options, the option strike price; quantity held (as measured by, for example, par value, notional value, or number of shares, contracts, or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in the Fund's portfolio. The Web site information will be publicly available at no charge.

<sup>27</sup> According to the Exchange, several major market data vendors display and/or make widely available Intraday Indicative Values published via the CTA or other data feeds.

<sup>28</sup> The NAV of the Shares generally will be calculated once daily Monday through Friday as of the close of regular trading on the Exchange, generally 4:00 p.m. Eastern Time ("NAV Calculation Time") on each day that the Exchange is open for trading, based on prices at the NAV Calculation Time.

Price information regarding U.S. exchange-listed equities will also be available on the facilities of the CTA. Intraday and closing price information for exchange-traded options and futures will be available from the applicable exchange and from major market data vendors. In addition, price information for U.S. exchange-traded options will be available from the Options Price Reporting Authority. Quotation information from brokers and dealers or pricing services will be available for Fixed Income Securities. Price information regarding spot currency transactions and OTC-traded derivative instruments, including options, swaps, and forward currency transactions, as well as equity securities traded in the OTC market, including Restricted Securities, inverse floaters, short-term instruments, OTC-traded preferred securities, OTC-traded ADRs, and OTC-traded convertible securities, is available from major market data vendors. Price information for repurchase and reverse repurchase agreements will generally be available through nationally recognized data service providers through subscription arrangements.

The Commission further believes that the proposal to list and trade the Shares is reasonably designed to promote fair disclosure of information that may be necessary to price the Shares appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. The Exchange will halt trading in the Shares under the conditions specified in BATS Rule 11.18. Trading may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable.<sup>29</sup> Trading in the Shares also will be subject to BATS Rule 14.11(i)(4)(B)(iv), which sets forth circumstances under which Shares of the Fund may be halted. The Exchange states it prohibits the distribution of material non-public information by its employees. The Adviser and Sub-Adviser are not registered as broker-dealers, but the Adviser is affiliated with a broker-dealer and has

implemented a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of or changes to the portfolio.<sup>30</sup>

Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. The Exchange represents that trading in the Shares will be subject to the Exchange's surveillance procedures, which are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws.

The Exchange represents that it deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. In support of this proposal, the Exchange has made the following representations:

(1) The Shares will be subject to BATS Rule 14.11(i), which sets forth the initial and continued listing criteria applicable to Managed Fund Shares.

(2) The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions.

(3) The Exchange believes that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable federal securities laws. Trading of the Shares through the Exchange will be subject to the Exchange's surveillance procedures for derivative products, including Managed Fund Shares.

(4) The Exchange may obtain information regarding trading in the Shares and the underlying exchange traded investment companies, equity securities, futures, and options via the ISG, from other exchanges who are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, the Exchange is able to access, as needed, trade information for certain fixed income instruments reported to FINRA's Trade Reporting and Compliance Engine. The Exchange can also access municipal bond trading activity for surveillance purposes in connection with trading in the Shares through the Municipal

Securities Rulemaking Board's Electronic Municipal Market Access.

(5) All of the exchange-listed assets will trade on markets that are a member of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

(6) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (i) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (ii) BATS Rule 3.7, which imposes suitability obligations on Exchange members with respect to recommending transactions in the Shares to customers; (iii) how information regarding the Intraday Indicative Value and the Disclosed Portfolio is disseminated; (iv) the risks involved in trading the Shares during the Pre-Opening and After Hours Trading Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminated; (v) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (vi) trading information.

(7) For initial and continued listing, the Fund must be in compliance with Rule 10A-3 under the Act.<sup>31</sup>

(8) The Fund will not invest more than 20% of its net assets in the aggregate in non-agency ABS.

(9) Under normal circumstances, the Fund will generally seek to invest in corporate bond issuances that have at least \$100,000,000 par amount outstanding in developed countries and at least \$200,000,000 par amount outstanding in emerging market countries. Corporate bonds that in the aggregate account for at least 75% of the weight of the Fund's corporate bonds will have a minimum original principal outstanding of \$100 million or more.

(10) Under normal circumstances, the combined total of corporate, sovereign, non-agency, and all other debt rated below investment grade will not exceed 40% of the Fund's net assets.

(11) The Fund will not invest more than 15% of its net assets in securities denominated in foreign currencies, and will not invest more than 20% of its net assets in securities and instruments that are economically tied to emerging market countries.

<sup>29</sup> These may include: (1) The extent to which trading is not occurring in the securities and/or the financial instruments composing the Disclosed Portfolio of the Fund; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present.

<sup>30</sup> See *supra* note 8. The Exchange represents that an investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940.

<sup>31</sup> 17 CFR 240.10A-3.

(12) No more 20% of the Fund's net assets will be invested in junior bank loans.

(13) While the Fund may invest in inverse ETPs, the Fund will not invest in leveraged or inverse leveraged ETPs.

(14) A minimum of 100,000 Shares for the Fund will be outstanding at the commencement of trading on the Exchange.

The Exchange represents that all statements and representations made in the filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange rules and surveillance procedures constitute continued listing requirements for listing the Shares on the Exchange. In addition, the issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If a Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under BATS Rule 14.12.

This approval order is based on all of the Exchange's representations, including those set forth above and in Amendment No. 2. The Commission notes that the Fund and the Shares must comply with the requirements of BATS Rule 14.11(i) to be initially and continuously listed and traded on the Exchange.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with Section 6(b)(5) of the Exchange Act<sup>32</sup> and Section 11A(a)(1)(C)(iii) of the Exchange Act<sup>33</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Solicitation of Comments on Amendment No. 2

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 2 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-2016-04 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-2016-04. 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 No. SR-BATS-2016-04, and should be submitted on or before April 28, 2016.

#### V. Accelerated Approval of the Proposed Rule Change, as Modified by Amendment No. 2

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 2, prior to the thirtieth day after the date of publication of Amendment No. 2 in the **Federal Register**. The additional information in Amendments No. 2 helped the Commission to evaluate the Shares' susceptibility to manipulation and the Exchange's ability to investigate possible manipulative activity. Amendment No. 2 also provided clarifications and additional details to the proposed rule change. Accordingly, the Commission finds good cause for approving the proposed rule change, as modified by Amendment No. 2, on an

accelerated basis, pursuant to Section 19(b)(2) of the Act.<sup>34</sup>

#### VI. Conclusion

*It Is Therefore Ordered*, pursuant to Section 19(b)(2) of the Exchange Act,<sup>35</sup> that the proposed rule change (SR-BATS-2016-04), as modified by Amendment No. 2, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2016-07938 Filed 4-6-16; 8:45 am]

**BILLING CODE 8011-01-P**

## DEPARTMENT OF STATE

[Public Notice: 9512]

### Certification Related to the Government of Haiti Under the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016

Pursuant to the authority vested in the Secretary of State, including under section 7045(c)(2) of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2016 (Div. K, Pub. L. 114-113), I hereby certify that the Government of Haiti is taking effective steps to:

- Hold free and fair parliamentary elections and seat a new Haitian parliament;
- Strengthen the rule of law in Haiti, including by selecting judges in a transparent manner; respect the independence of the judiciary; and improve governance by implementing reforms to increase transparency and accountability;
- Combat corruption, including by implementing the anti-corruption law enacted in 2014 and prosecuting corrupt officials; and
- Increase government revenues, including by implementing tax reforms, and increase expenditures on public services.

Dated: March 31, 2016.

**John F. Kerry,**  
*Secretary of State.*

[FR Doc. 2016-08066 Filed 4-6-16; 8:45 am]

**BILLING CODE 4710-29-P**

<sup>34</sup> 15 U.S.C. 78s(b)(2).

<sup>35</sup> 15 U.S.C. 78s(b)(2).

<sup>36</sup> 17 CFR 200.30-3(a)(12).

<sup>32</sup> 15 U.S.C. 78f(b)(5).

<sup>33</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).