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Paper Comments

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

All submissions should refer to File Number SR-MSRB-2016-09. 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 MSRB. 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-MSRB-2016-09 and should be submitted on or before August 10, 2016.

For the Commission, pursuant to delegated authority.¹⁵

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2016-17094 Filed 7-19-16; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78329; File No. SR-BatsBZX-2016-01]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Order Granting Approval of Proposed Rule Change, as Modified by Amendment No. 8 Thereto, to List and Trade Under BZX Rule 14.11(c)(4) Shares of the Following Series of VanEck Vectors ETF Trust: VanEck Vectors AMT-Free 6-8 Year Municipal Index ETF; VanEck Vectors AMT-Free 8-12 Year Municipal Index ETF; and VanEck Vectors AMT-Free 12-17 Year Municipal Index ETF

July 14, 2016.

I. Introduction

On March 29, 2016, Bats BZX Exchange, Inc. ("Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade under BZX Rule 14.11(c)(4) the shares ("Shares") of the following series of VanEck Vectors ETF Trust ("Trust"): VanEck Vectors AMT-Free 6-8 Year Municipal Index ETF; VanEck Vectors AMT-Free 8-12 Year Municipal Index ETF; and VanEck Vectors AMT-Free 12-17 Year Municipal Index ETF (individually, "Fund" and, collectively, "Funds"). The proposed rule change was published for comment in the **Federal Register** on April 18, 2016.³ On June 1, the Exchange filed Amendment No. 1 to the proposed rule change.⁴ On June 14,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 77596 (April 18, 2016), 81 FR 22681 ("Notice").

⁴ In Amendment No. 1, the Exchange: (a) Clarified the names of the exchange-traded funds ("ETFs") by replacing references to "Market Vectors" with "VanEck Vectors"; (b) added representations relating to continued listing compliance and Exchange delisting procedures in the event of non-compliance with respect to the proposal; (c) clarified certain holdings of the Funds by (i) replacing references to "to-be-announced" or "TBA" transactions with "when-issued" or "WT" transactions, (ii) deleting references to over-the-counter options on futures contracts, (iii) deleting statements relating to certain swaps, and (iv) deleting information relating to municipal bonds that are not included in the applicable underlying indices; (d) made conforming and clarifying changes in describing the calculation of net asset value of the Funds; (e) changed the creation unit size of the Funds from 100,000 Shares to 50,000 Shares; and (f) clarified that information with respect to the mid-point of the bid/ask spread would not be publicly available; and (g) added availability of information relating to the underlying indices. Because the changes in Amendment No. 1 to the proposed rule change clarify certain statements in the proposal and do not

2016, the Exchange filed Amendment No. 2 to the proposed rule change.⁵ On June 23, 2016, the Exchange filed Amendment No. 3 to the proposed rule change.⁶ On July 8, 2016, the Exchange filed: (1) Amendment No. 4 to the proposed rule change;⁷ (2) Amendment No. 5 to the proposed rule change;⁸ and (3) Amendment No. 6 to the proposed rule change.⁹ On July 12, 2016, the

materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 1, which amended and replaced the Notice in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-2.pdf>.

⁵ In Amendment No. 2, the Exchange: (a) Clarified the other portfolio holdings of the Funds with respect to other municipal bonds; (b) added statements with respect to certain swaps; (c) corrected a typographical error; and (d) clarified that each Fund will disclose on its Web site the identities and quantities of the portfolio of securities and other assets in the daily disclosed portfolio held by the Funds that formed the basis for each Fund's calculation of net asset value at the end of the previous business day. Because the changes in Amendment No. 2 to the proposed rule change are technical in nature and do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 2, which amended and replaced the proposed rule change, as modified by Amendment No. 1 thereto, in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-3.pdf>.

⁶ In Amendment No. 3, the Exchange: (a) Deleted extraneous language previously corrected by Amendment No. 2 to the proposed rule change relating to certain swaps; and (b) corrected a technical redundancy with respect to a defined term. Because the changes in Amendment No. 3 to the proposed rule change are technical in nature and do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 3, which amended and replaced the proposed rule change, as modified by Amendment No. 2 thereto, in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-4.pdf>.

⁷ In Amendment No. 4, the Exchange corrected errors made with respect to the names of the Funds by adding "AMT-Free" to certain references made in the proposal. Because the changes in Amendment No. 4 to the proposed rule change are technical in nature and do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 4, which amended and replaced the proposed rule change, as modified by Amendment No. 3 thereto, in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-5.pdf>.

⁸ On July 8, 2016, the Exchange withdrew Amendment No. 5 to the proposed rule change.

⁹ In Amendment No. 6, the Exchange further corrected the names of the Funds by removing references to "AMT-Free." Because the changes in Amendment No. 6 to the proposed rule change are technical in nature and do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 6, which amended and replaced the proposed rule change, as modified by Amendment No. 4 thereto, in its entirety, is

Continued

¹⁵ 17 CFR 200.30-3(a)(12).

Exchange filed Amendment No. 7 to the proposed rule change.¹⁰ On July 13, 2016, the Exchange filed Amendment No. 8 to the proposed rule change.¹¹ The Commission received one comment on the proposed rule change.¹² This order grants approval of the proposed rule change, as modified by Amendment No. 8 thereto.

II. Exchange's Description of the Proposal

The Exchange proposes to list and trade Shares of the following series of the Trust under BZX Rule 14.11(c)(4): VanEck Vectors AMT-Free 6–8 Year Municipal Index ETF; VanEck Vectors AMT-Free 8–12 Year Municipal Index ETF; and VanEck Vectors AMT-Free 12–17 Year Municipal Index ETF. The Shares will be offered by the Trust, which was established as a Delaware statutory trust on March 15, 2001. The Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Funds on Form N–1A

available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-6.pdf>.

¹⁰ In Amendment No. 7, the Exchange (a) further corrected errors in the names of the Funds; and (b) clarified that (i) all statements and representations regarding each Fund's 80% Investment Policy (as defined herein) constitute continued listing requirements for listing the Shares on the Exchange, (ii) the issuer has represented to the Exchange that it will advise the Exchange of any failure by a Fund to comply with the continued listing requirements (or any changes made with respect to a Fund's 80% Investment Policy), 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 (iii) if the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12. See *infra* note 16 and accompanying text. Because the changes in Amendment No. 7 to the proposed rule change do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 7, which amended and replaced the proposed rule change, as modified by Amendment No. 6 thereto, in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-7.pdf>.

¹¹ In Amendment No. 8, the Exchange corrected an error identifying the Amendment number. Because the changes in Amendment No. 8 to the proposed rule change do not materially alter the substance of the proposed rule change or raise any novel regulatory issues, it is not subject to notice and comment. Amendment No. 8, which amended and replaced the proposed rule change, as modified by Amendment No. 7 thereto, in its entirety, is available on the Commission's Web site at: <https://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-8.pdf>.

¹² See Letter from Anonymous dated May 3, 2016, available at: <http://www.sec.gov/comments/sr-batsbzx-2016-01/batsbzx201601-1.htm> (commenting that the proposed rule change was "good").

("Registration Statement") with the Commission.¹³

Van Eck Associates Corporation will be the investment adviser ("Adviser") to the Funds. The Adviser will serve as the administrator for the Fund. The Bank of New York Mellon will serve as the custodian and transfer agent for the Funds. Van Eck Securities Corporation will be the distributor of the Shares. Barclays Inc. will be the index provider.

The Exchange has made the following representations and statements in describing the Funds and their respective investment strategies, including the Funds' portfolio holdings and investment restrictions.¹⁴

A. Exchange's Description of the Funds' Principal Investments

According to the Exchange, the Funds and the Shares will seek to track the performance of a benchmark index that measures the investment-grade segment of the U.S. municipal bond market, as described below. Specifically, with respect to each of the VanEck Vectors AMT-Free 6–8 Year Municipal Index ETF, VanEck Vectors AMT-Free 8–12 Year Municipal Index ETF, and VanEck Vectors AMT-Free 12–17 Year Municipal Index ETF, the Shares will replicate as closely as possible, before fees and expense, the price and yield performance of the Barclays AMT-Free-6–8 Year Intermediate Continuous Municipal Index ("6–8 Year Index"); the Barclays AMT-Free-8–12 Year Intermediate Continuous Municipal Index ("8–12 Year Index"); and the Barclays AMT-Free-12–17 Year Intermediate Continuous Municipal Index ("12–17 Year Index," and together with the 6–8 Year Index and the 8–12 Year Index, collectively, "Indices"), respectively.

To be included in each of the Funds, the Exchange states that a bond must be rated Baa3/BBB- or higher by at least two of the following ratings agencies if all three agencies rate the security: Moody's, S&P and Fitch. If only two of

¹³ See Registration Statement on Form N–1A (File Nos. 333–123257 and 811–10325) dated October 29, 2015. According to the Exchange, the Trust has obtained certain exemptive relief from the Commission under the Investment Company Act of 1940 ("1940 Act"). See Investment Company Act Release No. 28021 (October 24, 2007) (File No. 812–13426).

¹⁴ The Commission notes that additional information regarding the Funds, the Trust, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, calculation of net asset value ("NAV"), distributions, and taxes, among other things, can be found in the Notice, as modified by Amendment No. 8 thereto, and the Registration Statement, as applicable. See Notice and Registration Statement, *supra* notes 3 and 13, respectively. See also Amendment No. 8 to the proposed rule change, *supra* note 11.

the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be at least Baa3/BBB-. Potential constituents must have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated date within the last five years, and have an effective maturity that tracks each respective Fund. The following types of bonds are excluded from each of the Funds: Bonds subject to the alternative minimum tax, taxable municipal bonds, floating rate bonds, and derivatives. The Funds are calculated using a market value weighting methodology.

The composition of each of the Funds is rebalanced monthly. Interest and principal payments earned by the component securities are held in the Fund without a reinvestment return until month end when they are removed. Qualifying securities issued, but not necessarily settled, on or before the month end rebalancing date qualify for inclusion in each of the Funds in the following month. The Exchange notes that when-issued transactions ("WIs")¹⁵ representing securities in the 6–8 Year, 8–12 Year, and 12–17 Year Indices may be used by the Fund in seeking performance that corresponds to the 6–8 Year, 8–12 Year, and 12–17 Year Indices, respectively, and, in such cases, would count towards the respective Fund's 80% policy.

Each of the Funds normally will invest at least 80% of its total assets in securities that comprise the Fund's corresponding benchmark index. The Funds will be comprised of publicly traded municipal bonds that cover the U.S. dollar-denominated intermediate term tax-exempt bond market with final maturities corresponding to the Index timeframe. Each Fund's 80% investment policy is non-fundamental and may be changed without shareholder approval upon 60 days' prior written notice to shareholders.¹⁶

¹⁵ According to the Exchange, when-issued is a transaction that is made conditionally because a security has been authorized but not yet issued. Treasury securities, stock splits, and new issues of stocks and bonds are all traded on a when-issued basis.

¹⁶ While each Fund's policy to invest 80% of its total assets in securities that comprise the Fund's benchmark index ("80% Investment Policy") is non-fundamental and may be changed without shareholder approval upon 60 days' prior written notice to shareholders, the Exchange represents that, notwithstanding the foregoing, all statements and representations made in this filing regarding (a) the description of the portfolios, (b) limitations on portfolio holdings or reference assets (including, for example, each Fund's 80% Investment Policy), or (c) the applicability of Exchange rules and

B. Exchange's Description of the Funds' Other Investments

While each of the Funds normally will invest at least 80% of its total assets in securities that compose the 6–8 Year, 8–12 Year, and 12–17 Year Indices, as described above, the Funds may invest their remaining assets in other financial instruments, as described below.

The Funds may invest remaining assets in securities not included in the respective Indices, including only the following instruments: Municipal bonds (not described above); money market instruments, including repurchase agreements or other funds which invest exclusively in money market instruments; convertible securities; structured notes (notes on which the amount of principal repayment and interest payments are based on the movement of one or more specified factors, such as the movement of a particular stock or stock index);¹⁷ certain derivative instruments described below; and, to the extent permitted by the 1940 Act, affiliated and unaffiliated funds, such as open-end or closed-end management investment companies, including other ETFs.¹⁸ In addition to the use described above, WIs not included in each of the Indices may also be used by each of the Funds in managing cash flows.

The Funds 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.

surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange. As noted herein, the issuer also has represented to the Exchange that it will advise the Exchange of any failure by a Fund to comply with the continued listing requirements (or any changes made with respect to a Fund's 80% Investment Policy), 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 the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12.

¹⁷ Structured notes are derivative securities for which the amount of principal repayment and/or interest payments is based on the movement of one or more factors, including, but not limited to, currency exchange rates, interest rates (such as the prime lending rate or LIBOR), referenced bonds, and stock indices.

¹⁸ For purposes of this proposal, ETFs include: Index Fund Shares (as described in BZX Rule 14.11(c)); Portfolio Depositary Receipts (as described in BZX Rule 14.11(b)); and Managed Fund Shares (as described in BZX Rule 14.11(j)). The ETFs all will be listed and traded in the U.S. on registered exchanges. The Funds may invest in the securities of ETFs registered under the 1940 Act consistent with the requirements of Section 12(d)(1) of the 1940 Act, or any rule, regulation or order of the Commission or interpretation thereof. While the Funds may invest in inverse ETFs, the Funds will not invest in leveraged (e.g., 2X, -2X, 3X, or -3X) ETFs.

The Funds may use exchange-traded futures contracts and exchange-traded options thereon, together with positions in cash and money market instruments, to simulate full investment.

The Funds may use cleared or non-cleared index, interest rate or credit default swap agreements. According to the Exchange, interest rate swaps and credit default swaps on indexes currently may be cleared; however, credit default swaps on a specific security are currently uncleared.

The Funds may invest in exchange-traded warrants, which are equity securities in the form of options issued by a corporation which give the holder the right to purchase stock, usually at a price that is higher than the market price at the time the warrant is issued.

The Funds may invest in participation notes, which are issued by banks or broker-dealers and are designed to offer a return linked to the performance of a particular underlying equity security or market.

The Funds will only enter into transactions in derivative instruments with counterparties that the Adviser reasonably believes are capable of performing under the contract and will post collateral as required by the counterparty.¹⁹

C. Exchange's Description of the Indices and Bats BZX Rule 14.11(c)(4)

The Exchange is submitting this proposed rule change because the Indices underlying the corresponding Funds do not meet all of the "generic" listing requirements of BZX Rule 14.11(c)(4) applicable to the listing of Index Fund Shares based on fixed income securities indexes.

1. *6–8 Year Index.* According to the Exchange, the 6–8 Year Index meets all of the requirements of BZX Rule 14.11(c)(4) except for those set forth in BZX Rule 14.11(c)(4)(B)(i)(b).²⁰ Specifically, as of December 31, 2015, only 9.8% of the weight of the 6–8 Year Index components have a minimum

¹⁹ The Funds will seek, where possible, to use counterparties, as applicable, whose financial status is such that the risk of default is reduced; however, the risk of losses resulting from default is still possible. The Adviser will evaluate the creditworthiness of counterparties on a regular basis. In addition to information provided by credit agencies, the Adviser will review approved counterparties using various factors, which may include the counterparty's reputation, the Adviser's past experience with the counterparty and the price/market actions of debt of the counterparty.

²⁰ BZX Rule 14.11(c)(4)(B)(i)(b) provides that components that in the aggregate account for at least 75% of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more.

original principal amount outstanding of \$100 million or more.

According to the Exchange, as of December 31, 2015, 95.1% of the weight of the 6–8 Year Index components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding \$100 million or more for all maturities of the offering. In addition, the total dollar amount outstanding of issues in the 6–8 Year Index was approximately \$57.4 billion, and the average dollar amount outstanding of issues in the 6–8 Year Index was approximately \$19.8 million. Further, the most heavily weighted component represented 1.07% of the weight of the 6–8 Year Index, and the five most heavily weighted components represented 3.0% of the weight of the 6–8 Year Index.²¹ In addition, the Exchange notes that the 6–8 Year Index is comprised of approximately 2,894 issues, and that 63.8% of the 6–8 Year Index weight consisted of issues with a rating of AA/Aa2 or higher.

The 6–8 Year Index value, calculated and disseminated at least once daily, as well as the components of the 6–8 Year Index and their percentage weighting, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed on the Fund's Web site.

2. *8–12 Year Index.* According to the Exchange, the 8–12 Year Index for the Fund meets all of the requirements of BZX Rule 14.11(c)(4), except for those set forth in BZX Rule 14.11(c)(4)(B)(i)(b).²² Specifically, as of December 31, 2015, only 5.7% of the weight of the 8–12 Year Index components have a minimum original principal amount outstanding of \$100 million or more.

According to the Exchange, as of December 31, 2015, 95.1% of the weight of the 8–12 Year Index components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding of \$100 million or more for all maturities of the offering. In addition, the total dollar amount outstanding of issues in the 8–12 Year Index was approximately \$108.6 billion, and the average dollar amount outstanding of issues in the 8–12 Year Index was approximately \$19.2

²¹ BZX Rule 14.11(c)(4)(B)(i)(d) provides that no component fixed-income security (excluding Treasury Securities, as defined therein) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component fixed-income securities in the index or portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio.

²² See *supra* note 20.

million. Further, the most heavily weighted component represented 0.26% of the weight of the 8–12 Year Index, and the five most heavily weighted components represented 1.04% of the weight of the 8–12 Year Index.²³ In addition, the Exchange represents that the 8–12 Year Index is comprised of approximately 5,662 issues, and that 64.7% of the 8–12 Year Index weight consisted of issues with a rating of AA/Aa2 or higher.

The 8–12 Year Index value, calculated and disseminated at least once daily, as well as the components of the 8–12 Year Index and their percentage weighting, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed on the Fund's Web site.

3. *12–17 Year Index.* According to the Exchange, the 12–17 Year Index meets all of the requirements of BZX Rule 14.11(c)(4), except for those set forth in BZX Rule 14.11(c)(4)(B)(i)(b).²⁴ Specifically, as of December 31, 2015, only 8.3% of the weight of the 12–17 Year Index components have a minimum original principal amount outstanding of \$100 million or more.

According to the Exchange, as of December 31, 2015, 95.3% of the weight of the 12–17 Year Index components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding \$100 million or more for all maturities of the offering. In addition, the total dollar amount outstanding of issues in the 12–17 Year Index was approximately \$123.5 billion, and the average dollar amount outstanding of issues in the 12–17 Year Index was approximately \$20 million. Further, the most heavily weighted component represented 0.29% of the weight of the 12–17 Year Index, and the five most heavily weighted components represented 1.11% of the weight of the 12–17 Year Index.²⁵ The Exchange further represents that the 12–17 Year Index is comprised of approximately 6,171 issues, and that 61.2% of the 12–17 Year Index weight consisted of issues with a rating of AA/Aa2 or higher.

The 12–17 Year Index value, calculated and disseminated at least once daily, as well as the components of the 12–17 Year Index and their percentage weighting, will be available from major market data vendors. In addition, the portfolio of securities held by the Fund will be disclosed on the Fund's Web site.

²³ See *supra* note 21.

²⁴ See *supra* note 20.

²⁵ See *supra* note 21.

D. Additional Exchange Representations

The Exchange represents that: (1) Except for BZX Rule 14.11(c)(4)(B)(i)(b), the 6–8 Year Index, the 8–12 Year Index, and the 12–17 Year Index currently and will continue to satisfy all of the generic listing standards under BZX Rule 14.11(c)(4); (2) the continued listing standards under BZX Rule 14.11(c) applicable to Index Fund Shares will apply to the Shares of each Fund; and (3) the Trust is required to comply with Rule 10A–3 under the Act²⁶ for the initial and continued listing of the Shares of each Fund. In addition, the Exchange represents that the Shares of the Funds will comply with all other requirements applicable to Index Fund Shares including, but not limited to, requirements relating to the dissemination of key information such as the value of the Indices and the Intraday Indicative Value (“IIV”), rules governing the trading of equity securities, trading hours, trading halts, surveillance, and the information circular, as set forth in Exchange rules applicable to Index Fund Shares and the orders approving such rules.

III. Discussion and Commission's Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act²⁷ and the rules and regulations thereunder applicable to a national securities exchange.²⁸ In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act,²⁹ which requires, among other things, that the Exchange's rules 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.

The Commission also finds that the proposal to list and trade the Shares on the Exchange is consistent with Section 11A(a)(1)(C)(iii) of the Act,³⁰ which sets forth Congress' finding that it is in the

²⁶ 17 CFR 240.10A–3.

²⁷ 15 U.S.C. 78f.

²⁸ 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).

²⁹ 17 U.S.C. 78f(b)(5).

³⁰ 15 U.S.C. 78k–1(a)(1)(C)(iii).

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. Quotation and last-sale information for the Shares will be available via the Consolidated Tape Association (“CTA”). *The current value of the Indices will be widely disseminated by one or more major market data vendors*³¹ at least once per day. In addition, during Regular Trading Hours³² an IIV for the Shares of the Funds will be disseminated by one or more major market data vendors and updated at least every 15 seconds.³³ On each business day, before commencement of trading in Shares during Regular Trading Hours on the Exchange, each Fund will disclose on its Web site the identities and quantities of the portfolio of securities and other assets in the daily disclosed portfolio held by the Funds that formed the basis for each Fund's calculation of NAV at the end of the previous business day.³⁴

³¹ The Exchange further states that the components of the Indices and their percentage weighting will be available from major market data vendors.

³² Regular Trading Hours are 9:30 a.m. to 4:00 p.m. Eastern Time.

³³ According to the Exchange, several major market data vendors display and/or make widely available IIVs taken from the CTA or other data feeds. See Notice, as modified by Amendment No. 8 thereto, *supra* note 11, at n.29.

³⁴ The NAV of each Fund will be determined each business day as of the close of trading (ordinarily 4:00 p.m. Eastern Time) on the Exchange. Any assets or liabilities denominated in currencies other than the U.S. dollar are converted into U.S. dollars at the current market rates on the date of valuation as quoted by one or more sources. The values of each Fund's portfolio securities are based on the securities' closing prices, when available. In the absence of a last reported sales price, or if no sales were reported, and for other assets for which market quotes are not readily available, values may be based on quotes obtained from a quotation reporting system, established market makers or by an outside independent pricing service. Fixed income securities, repurchase agreements, and money market instruments with maturities of more than 60 days are normally valued on the basis of quotes from brokers or dealers, established market makers, or an outside independent pricing service. Prices obtained by an outside independent pricing service may use information provided by market makers or estimates of market values obtained from yield data related to investments or securities with similar characteristics and may use a computerized grid matrix of securities and its evaluations in determining what it believes is the fair value of the portfolio securities. Short-term investments and money market instruments having a maturity of 60 days or less are valued at amortized cost. Futures contracts will be valued at the settlement price established each day by the board or exchange on which they are traded. Exchange-traded options will be valued at the closing price in the market where such contracts are principally traded. Swaps, structured notes, participation notes, convertible securities, and WIs will be valued based on valuations provided by independent, third-party

The daily disclosed portfolio will include, as applicable: the ticker symbol; CUSIP number or other identifier, if any; a description of the holding (including the type of holding, such as the type of swap); the identity of the security, 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 each Fund's portfolio. Quotation information for investment company securities (excluding ETFs) may be obtained through nationally recognized pricing services through subscription agreements or from brokers and dealers who make markets in such securities. Price information regarding municipal bonds, convertible securities, and non-exchange traded assets, including investment companies, derivatives, money market instruments, repurchase agreements, structured notes, participation notes, and WIs is available from third party pricing services and major market data vendors. For exchange-traded assets, including investment companies, futures, warrants, and options, such intraday information is available directly from the applicable listing exchange. Rules governing the Indices are available on Barclays' Web site and in each respective Fund's prospectus. The Web site for the Funds also will include the prospectus for the Funds and additional data relating to the NAV and other applicable quantitative information.

The Commission 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. Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with

pricing agents. Securities of non-exchange-traded investment companies will be valued at NAV. Exchange-traded instruments, including investment companies and warrants, will be valued at the last reported sale price on the primary exchange or market on which they are traded. If a market quotation for a security is not readily available or the Adviser believes it does not otherwise accurately reflect the market value of the security at the time the Fund calculates its NAV, the security will be fair valued by the Adviser in accordance with the Trust's valuation policies and procedures approved by the Board of Trustees and in accordance with the 1940 Act.

trading the Shares. With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Funds. The Exchange will halt trading in the Shares under the conditions specified in BZX 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. These may include: (1) the extent to which trading is not occurring in the securities and/or the financial instruments composing the daily disclosed portfolio of the Funds; or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. Trading in the Shares also will be subject to BZX Rule 14.11(c)(1)(B)(iv), which sets forth circumstances under which Shares of a Fund may be halted.

Based on the Exchange's representations, the Commission believes that the Indices are sufficiently broad-based to deter potential manipulation. The Exchange represents that, as of December 31, 2015, the 6–8 Year Index had the following characteristics: there were 2,894 issues; 9.8% of the weight of components had a minimum original principal amount outstanding of \$100 million or more; 95.1% of the weight of components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding of \$100 million or more for all maturities of the offering; the total dollar amount outstanding of all issues was approximately \$57.4 billion, and the average dollar amount outstanding per issue was approximately \$19.8 million; and the most heavily weighted component represented 1.07% of the 6–8 Year Index, and the five most heavily weighted components represented 3.0% of the 6–8 Year Index. The Exchange also represents that, as of December 31, 2015, the 8–12 Year Index had the following characteristics: there were 5,662 issues; 5.7% of the weight of components had a minimum original principal amount outstanding of \$100 million or more; 95.1% of the weight of components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding of \$100 million or more for all maturities of the offering; the total dollar amount outstanding of all issues was approximately \$108.6 billion, and the average dollar amount outstanding per issue was approximately \$19.2

million; and the most heavily weighted component represented 0.26% of the 8–12 Year Index, and the five most heavily weighted components represented 1.04% of the 8–12 Year Index. Likewise, the Exchange represents that, as of December 31, 2015, the 12–17 Year Index had the following characteristics: there were 6,171 issues; 8.3% of the weight of components had a minimum original principal amount outstanding of \$100 million or more; 95.3% of the weight of components was comprised of individual maturities that were part of an entire municipal bond offering with a minimum original principal amount outstanding of \$100 million or more for all maturities of the offering; the total dollar amount outstanding of all issues was approximately \$123.5 billion, and the average dollar amount outstanding per issue was approximately \$20 million; and the most heavily weighted component represented 0.29% of the 12–17 Year Index, and the five most heavily weighted components represented 1.11% of the 12–17 Year Index.

In support of this proposal, the Exchange has also made representations, including:

(1) The Shares of each Fund will conform to the initial and continued listing criteria under BZX Rule 14.11(c)(4), except for those set forth in 14.11(c)(4)(B)(i)(b).

(2) Except for BZX Rule 14.11(c)(4)(B)(i)(b), the 6–8 Year Index, the 8–12 Year Index, and the 12–17 Year Index currently and will continue to satisfy all of the generic listing standards under BZX Rule 14.11(c)(4)

(3) The continued listing standards under BZX Rule 14.11(c) applicable to Index Fund Shares will apply to the Shares of each Fund.

(4) The Shares of the Funds will comply with all other requirements applicable to Index Fund Shares including, but not limited to, requirements relating to the dissemination of key information such as the value of the Indices and the Intraday Indicative Value, rules governing the trading of equity securities, trading hours, trading halts, surveillance, and the information circular, as set forth in Exchange rules applicable to Index Fund Shares and the orders approving such rules.

(5) The Exchange represents that trading in the Shares will be subject to the existing Exchange trading surveillances procedures. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal

securities laws applicable to trading on the Exchange.

(6) The Exchange may obtain information regarding trading in the Shares and the underlying shares in exchange traded equity securities via the Intermarket Surveillance Group (“ISG”), from other exchanges that are members or affiliates of the ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement.³⁵ In addition, the Exchange is able to access, as needed, trade information for certain fixed income instruments reported to the Financial Industry Regulatory Authority’s Trade Reporting and Compliance Engine. The Exchange also can access data obtained from the Municipal Securities Rulemaking Board relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares. In addition, the Exchange may obtain information regarding trading in the Shares and the underlying shares in exchange-traded investment companies, futures, options, and warrants from markets or other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange prohibits the distribution of material, non-public information by its employees.

(7) For initial and continued listing of the Shares, the Trust is required to comply with Rule 10A-3 under the Act.³⁶

(8) The Funds generally will invest at least 80% of their respective assets in the securities of the corresponding Indices. The Funds may invest up to 20% of their respective assets in other securities and financial instruments as described above and in the Notice, as modified by Amendment No. 3 thereto.

(9) If the Exchange becomes aware that the NAV is not being disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants.

The Exchange represents that all statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets (including, for example, each Fund’s 80% Investment Policy), or (c) the applicability of Exchange rules and surveillance procedures shall 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 (or any changes made with respect to a Fund’s 80% Investment Policy), 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 the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Exchange Rule 14.12. This approval order is based on all of the Exchange’s representations, including those set forth above and in the Notice, as modified by Amendment No. 3 thereto, and the Exchange’s description of the Funds.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 8 thereto, is consistent with Section 6(b)(5) of the Act³⁷ and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,³⁸ that the proposed rule change (SR-BatsBZX-2016-01), as modified by Amendment No. 8 thereto, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁹

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2016-17089 Filed 7-19-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78328; File No. SR-NYSEArca-2016-63]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Relating to the Listing and Trading of Shares of BlackRock Government Collateral Pledge Unit Under NYSE Arca Equities Rule 8.600

July 14, 2016.

On May 19, 2016, NYSE Arca, Inc. filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities

Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares of the BlackRock Government Collateral Pledge Unit. The proposed rule change was published for comment in the **Federal Register** on June 2, 2016.³ The Commission received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act⁴ provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day after publication of the notice for this proposed rule change is July 17, 2016. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates August 31, 2016, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-NYSEArca-2016-63).

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

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2016-17098 Filed 7-19-16; 8:45 am]

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³⁵ For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all components of the portfolio for a Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

³⁶ See 17 CFR 240.10A-3.

³⁷ 15 U.S.C. 78f(b)(5).

³⁸ 15 U.S.C. 78s(b)(2).

³⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 77941 (May 27, 2016), 81 FR 35425.

⁴ 15 U.S.C. 78s(b)(2).

⁵ *Id.*

⁶ 17 CFR 200.30-3(a)(31).