

*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-BatsBZX-2016-57 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-BatsBZX-2016-57. 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 will also 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-BatsBZX-2016-57 and should be submitted on or before October 5, 2016.

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

**Brent J. Fields,**  
Secretary.

[FR Doc. 2016-22028 Filed 9-13-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-78601; File No. SR-NYSEArca-2016-113]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Extending the Pilot Period for the Exchange's Retail Liquidity Program**

August 17, 2016.

*Correction*

In notice document 2016-20062, appearing on pages 57632-57634 in the Issue of Tuesday, August 23, 2016, make the following correction:

On page 57634, in the third column, beginning on the fifteenth line, the entry "September 12, 2016" should read "September 13, 2016".

[FR Doc. C1-2016-20062 Filed 9-12-16; 11:15 am]

**BILLING CODE 1505-01-D**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-78786; File No. SR-CBOE-2016-066]

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

September 8, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 1, 2016, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend its Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary,

and at the Commission's Public Reference Room.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

**A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

**1. Purpose**

The Exchange proposes to amend its Fees Schedule. Specifically, the Exchange proposes to (1) increase the payment to the Designated Primary Market-Maker(s) appointed in FTSE 100 Index ("UKXM") and the China 50 Index ("FXTM") and (2) eliminate the transaction fee for Professional Customers and Voluntary Professionals ("W" origin code) ("Professionals") for all manual transactions in all penny and non-penny equity, index (excluding Underlying Symbol List A<sup>3</sup>), ETF and ETN options classes.

Currently, the Exchange offers a compensation plan to the DPM(s) appointed in FXTM or UKXM to offset the initial DPM costs. More specifically, Footnote 43 to the Fees Schedule provides that DPM(s) appointed for an entire month in either FXTM or UKXM will receive a payment of \$5,000 per class per month through December 31, 2016. The Payment was adopted to offset the initial DPM costs. The Exchange notes that the startup and ongoing costs to support these products still exceeds the current DPM payment. As such, the Exchange proposes to increase the payment to \$7,500 per class per month in order to help offset the ongoing costs.

Next, the Exchange proposes to reduce the transaction fee for Professionals for all manual transactions in all penny and non-penny equity, index (excluding Underlying Symbol List A), ETF and ETN options classes to \$0.00 per contract. Currently, Professionals are assessed \$0.25 per contract for manual executions in those

<sup>15</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.

<sup>3</sup> See CBOE Fees Schedule, Footnote 34.

classes. The Exchange notes that the proposed change is consistent with the amount assessed to similar transactions for Professionals at another Exchange.<sup>4</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of section 6(b) of the Act.<sup>5</sup> Specifically, the Exchange believes the proposed rule change is consistent with the section 6(b)(5)<sup>6</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with section 6(b)(4) of the Act,<sup>7</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes that it's reasonable to increase the FXTM and UKXM DPM payment because the initial setup and ongoing costs exceed the DPM payment. Additionally, the Exchange believes it is equitable and not unfairly discriminatory to compensate DPM(s) that are appointed for an entire month in either FXTM or UKXM because the DPM(s) incur costs when receiving and maintaining an appointment, and in the case of FXTM and UKXM, the Exchange believes it is appropriate to continue to provide and increase compensation to the DPM(s) to offset those costs.

The Exchange believes it's reasonable to reduce the transaction fee for Professionals for all manual transactions in all penny and non-penny equity, index (excluding Underlying Symbol List A), ETF and ETN options classes to \$0.00 per contract because Professionals would not incur a fee for those transactions. The Exchange notes that Customers are also not charged

transaction fees for these transactions. The Exchange believes it's equitable and not unfairly discriminatory to propose to reduce the transaction fee for Professionals only because it is designed to attract a greater number of Professional orders in these classes. This increased volume creates greater trading opportunities that benefit all market participants. Specifically, while only Customer and Professional orders are not charged a transaction fee for manual executions, an increase in Customer and Professional order flow will bring greater volume and liquidity, which benefit all market participants by providing more trading opportunities and tighter spreads. In addition, another Exchange also does not charge Professionals a transaction fee for manual executions for similar transactions.<sup>8</sup> The Exchange lastly notes that assessing a different fee amount for manual executions than for electronic executions is equitable and not unfairly discriminatory because the Exchange has expended considerable resources to develop its electronic trading platforms and seeks to recoup the costs of such expenditures.

### 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 Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because, while only the DPM(s) appointed in UKXM and FXTM receive the increased DPM Payment, the DPM(s) have costs and obligations that other market participants do not. Additionally, while reducing the transaction rate to \$0.00 for manual executions in penny and non-penny equity, index (excluding Underlying Symbol List A), ETF and ETN option classes only applies to Professionals, the proposed change is designed to encourage increased Professional options volume, which provides greater trading opportunities for all market participants. The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes only affect trading on CBOE. To the extent that the proposed changes make CBOE a more attractive

marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A) of the Act<sup>9</sup> and paragraph (f) of Rule 19b-4<sup>10</sup> thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2016-066 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-CBOE-2016-066. 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

<sup>4</sup> See NYSE Arca Options Fees and Charges, Trade-Related Charges for Standard Options.

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> See supra note 4.

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

<sup>10</sup> 17 CFR 240.19b-4(f).

submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2016-066 and should be submitted on or before October 5, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

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

[FR Doc. 2016-22027 Filed 9-13-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78790; File No. SR-ISEGemini-2016-08]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rule 100(a)(37C) (Definitions) To Add Specificity to the Definition of a Professional

September 8, 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 August 31, 2016, ISE Gemini, LLC ("ISE Gemini" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to amend Exchange Rule 100(a)(37C) (Definitions) to add specificity to the definition of a Professional with respect to the manner in which the volume threshold will be calculated by the Exchange.

The text of the proposed rule change is available on the Exchange's Web site at [www.ise.com](http://www.ise.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.

##### 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 the definition of "Professional" in Rule 100(a)(37C) to specify the manner in which the Exchange calculates orders to determine if an order should be treated as Professional Order.

###### Background

Exchange Rule 100(a)(37C) currently states, that the term Professional Order means an order that is for the account of a person or entity that is not a Priority Customer. A Priority Customer means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).<sup>3</sup> In order to properly represent orders entered on the Exchange, members are required to indicate whether orders are "Professional Orders." To comply with this requirement, members are required to review their Priority Customers' activity on at least a quarterly basis to determine whether orders that are not

for the account of a broker-dealer should be represented as Priority Customer Orders or Professional Orders.<sup>4</sup>

The Exchange accepts orders routed from other markets that are marked Professional Orders. The designation of Professional Order does not result in any different treatment of such orders for purposes of Exchange rules concerning away market protection. That is, all non-broker or dealer orders, including those that meet the definition of Professional Orders, are treated equally for purposes of Exchange away market protection rules.<sup>5</sup> The Exchange continues to believe that identifying Professional Orders based upon the average number of orders entered in qualified accounts is an appropriately objective approach to reasonably distinguish such persons and entities from retail investors or market participants.

###### Proposal

The Exchange proposes to count each Professional Order, regardless of the options exchange to which the order was routed in determining Professional Orders.<sup>6</sup>

###### Cancel and Replace

A cancel and replace order is a type of order that replaces a prior order. The Exchange believes that the second order (the replacement order) should be counted as a new order. With respect to "single-strike algorithms," which are a series of cancel and replace orders in an individual strike which track the Best Bid and Offer ("BBO") or National Best Bid and Offer ("NBBO"), these orders shall be counted as new orders.<sup>7</sup> The Exchange believes that because the Priority Customer is specifically instructing the executing broker in the "single-strike algorithm" scenario to cancel and replace these orders, that this type of activity is akin to market

<sup>4</sup> Orders for any customer that had an average of more than 390 orders per day during any month of a calendar quarter must be represented as Professional Orders for the next calendar quarter. Members will be required to conduct a quarterly review and make any appropriate changes to the way in which they are representing orders within five days after the end of each calendar quarter. While Members only will be required to review their accounts on a quarterly basis, if during a quarter the Exchange identifies a customer for which orders are being represented as Priority Customer Orders but that has averaged more than 390 orders per day during a month, the Exchange will notify the Member and the Member will be required to change the manner in which it is representing the customer's orders within five days.

<sup>5</sup> See International Securities Exchange, LLC Rules at 1901, 1902 and 1903, which are referenced in the Exchange's rules.

<sup>6</sup> All order types count toward the 390 orders on average per day.

<sup>7</sup> Cancel messages do not count as an order.

<sup>11</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.

<sup>3</sup> Rule 100(a)(37A).