

## II. Docketed Proceeding(s)

1. *Docket No(s)*: CP2016–99; *Filing Title*: Notice of the United States Postal Service of Filing Modification to Global Expedited Package Services 3 Negotiated Service Agreement; *Filing Acceptance Date*: September 28, 2016; *Filing Authority*: 39 CFR 3015.5; *Public Representative*: Kenneth R. Moeller; *Comments Due*: October 6, 2016.

This notice will be published in the **Federal Register**.

**Ruth Ann Abrams**,  
*Acting Secretary*.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78974; File No. SR–MIAX–2016–34]

### Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 519C, Mass Cancellation of Trading Interest

September 29, 2016.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that, on September 22, 2016, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 is filing a proposal to amend Exchange Rule 519C, Mass Cancellation of Trading Interest.

The text of the proposed rule change is available on the Exchange’s Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX’s principal office, and at the Commission’s Public Reference Room.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

#### 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend Rule 519C, Mass Cancellation of Trading Interest, to adopt new section (b) to provide that Exchange staff, upon request from a Member,<sup>4</sup> may remove all quotations<sup>5</sup> and cancel all orders<sup>6</sup> in the System<sup>7</sup> and block new incoming quotations and orders from entering the System. The block will remain in effect until the Member contacts Exchange staff<sup>8</sup> to have the block removed. The Exchange is also proposing to make technical amendments to the Rule as described below.

The proposal would allow a Member to submit a request to remove all of its outstanding quotations and cancel all of its open orders and block all new inbound quotations and orders by firm name or Market Participant Identifier (“MPID”). The form of such requests includes, but is not limited to, email or a phone call from authorized individuals. The removal of quotes and

<sup>4</sup> The term “Member” means an individual or organization approved to exercise trading rights associated with a Trading Permit. Members are deemed “members” under the Act. *See* Exchange Rule 100.

<sup>5</sup> The term “quotation” or “quote” means a bid or offer entered by a Market Maker that is firm and may update the Market Maker’s previous quote, if any. The Rules of the Exchange provide for the use of different types of quotes, including Standard quotes and eQuotes, as more fully described in Exchange Rule 517. A Market Maker may, at times, choose to have multiple types of quotes active in an individual option. *See* Exchange Rule 100.

<sup>6</sup> The term “order” means a firm commitment to buy or sell option contracts. *See* Exchange Rule 100.

<sup>7</sup> The term “System” means the automated trading system used by the Exchange for the trading of securities. *See* Exchange Rule 100.

<sup>8</sup> The Exchange’s Help Desk would receive such communication. The Help Desk is the Exchange’s control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer of the Exchange. *See* Exchange Rule 100.

the cancellation of orders as described herein does not disconnect Members from the Exchange’s System.

The Exchange is also proposing to make technical amendments to Exchange Rule 519C. The Exchange proposes to add a new heading entitled “Cancel” to the first paragraph, and also proposes to identify the first paragraph with the letter “(a)” for clarity and ease of reference. Additionally, the Exchange proposes to make a clarifying change to the wording of the first paragraph. The paragraph currently states that, “[a] Member may cancel all of its quotations and/or all or any subset of its orders [. . .].” The Exchange proposes to replace the word “cancel” with “remove” and to insert the word “cancel” after “and/or,” as this language more accurately describes the actions being performed by the Exchange. Further, this language is consistent with the rule text of another exchange that offers similar functionality.<sup>9</sup> Additionally, the Exchange is proposing to insert language indicating that a Member may effect the removal of its quotations and/or the cancellation of its orders, “by firm name or by Market Participant Identifier (“MPID”).”

The purpose of the proposed rule change is to add an additional risk control mechanism for Members. The Exchange has a number of other rules covering risk management processes available to Members and it believes this capability will provide Members with an additional risk management tool and enhance transparency in the Exchange’s rules. Additionally, the proposed technical change to the rule adds greater clarity and precision to the rule text.

###### 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>10</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>11</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed rule adds another risk protection tool for Members and

<sup>9</sup> *See* BOX Options Exchange LLC (“BOX”), Rule 7280.

<sup>10</sup> 15 U.S.C. 78f(b).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

provides that the Exchange may take action on their behalf. The proposed rule protects investors and the public interest by increasing the number of risk protection tools available to Members on the Exchange. The Exchange notes that a similar rule is currently operative on another exchange.<sup>12</sup>

The technical amendments organize the rule text and clarify the actions being performed by the Exchange and are intended to remove impediments to and perfect the mechanisms of a free and open market by adding precision and ease of reference to the Exchange's rules, thus promoting transparency and clarity for Exchange Members.

Additionally, harmonizing the language in the rule text to that of another exchange that offers similar functionality will minimize any confusion regarding the actions being performed by the Exchange under the proposed rule.

The Exchange notes that the proposed rule change will not relieve Exchange Market Makers of their continuous quoting obligations under Exchange Rule 604 and under Reg NMS Rule 602.<sup>13</sup> Specifically, any interest that is executable against a Member's quotes and orders that is received by the Exchange prior to the time the removal of quotes or cancellation of orders request is received by the System will automatically execute at the price up to the Member's size. Market Makers that request their quotes be removed will not be relieved of the obligation to provide continuous two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a Market Maker for failing to meet their continuous quoting obligation each trading day.

The proposed rule change is intended to remove impediments to and perfect the mechanisms of a free and open market by introducing additional risk protection tools for Exchange Members and by adding precision and ease of reference to the Exchange's rules, thus promoting transparency and clarity for Exchange Members.

#### *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 believes the proposed rule change will not impose any burden on intra-market competition because every Member of the Exchange has the

opportunity to benefit from the procedure described in the proposed rule. The proposed rule is meant to provide all Members with the same protection in the event the Member is experiencing an issue that would require the Member to withdraw its quotations and cancel its orders from the market and prevent new quotations and orders from being received in order to ensure a fair and orderly market on the Exchange.

The Exchange believes the proposed rule change will not impose any burden on inter-market competition because the process of cancellation of quotations and orders on the Exchange is substantially similar to processes currently operative on other exchanges.<sup>14</sup>

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>15</sup> and Rule 19b-4(f)(6)<sup>16</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 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-MIAX-2016-34 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2016-34. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-MIAX-2016-34 and should be submitted on or before October 26, 2016.

<sup>12</sup> See *supra* note 9.

<sup>13</sup> 17 CFR 242.602.

<sup>14</sup> See *supra* note 9.

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-23997 Filed 10-4-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78992; File Nos. SR-NYSE-2016-57; SR-NYSEMKY-2016-80; SR-NYSEArca-2016-119]

### Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE MKT LLC; NYSE Arca, Inc.; Order Approving Proposed Rule Change, as Modified by Amendment No. 2 Thereto, Amending and Restating the Second Amended and Restated Certificate of Incorporation of the Exchanges' Ultimate Parent Company, Intercontinental Exchange, Inc.

September 29, 2016.

#### I. Introduction

On August 17, 2016, each of New York Stock Exchange LLC ("NYSE"), NYSE MKT LLC ("NYSE MKT"), and NYSE Arca, Inc. ("NYSE Arca" and, with NYSE and NYSE MKT, the "Exchanges") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend and restate the Second Amended and Restated Certificate of Incorporation ("ICE Certificate") of the Exchanges' ultimate parent company, Intercontinental Exchange, Inc. ("ICE"), to increase ICE's authorized share capital and to make other, non-substantive changes. The proposed rule changes were published for comment in the **Federal Register** on August 30, 2016.<sup>3</sup> On August 25, 2016, the Exchanges each filed Amendment No. 1 to its respective proposed rule change.<sup>4</sup> On August 29, 2016, the Exchanges each filed Amendment No. 2 to its respective proposed rule change.<sup>5</sup> The Commission

received no comments on the proposed rule changes, as amended. This order approves the proposed rule changes, as modified by Amendment No. 2.

#### II. Description of the Proposed Rule Change

The Exchanges propose to revise the ICE Certificate<sup>6</sup> to increase the total number of authorized shares of ICE common stock, par value \$0.01 per share ("Common Stock"), and to make other, non-substantive changes. More specifically, the Exchanges propose to make the following amendments to the ICE Certificate:

- In Article IV, Section A, the total number of shares of stock that ICE is authorized to issue would be changed from 600,000,000 to 1,600,000,000 shares, and the portion of that total constituting Common Stock would be changed from 500,000,000 to 1,500,000,000 shares.
- In Article V, Section A.5, the reference to "this Section A of ARTICLE VI" would be corrected to refer to "this Section A of ARTICLE V".
- References to the "Second Amended and Restated Certificate of Incorporation" would be changed throughout to refer to the "Third Amended and Restated Certificate of Incorporation," and related technical and conforming changes would be made to the recitals and signature page of the ICE Certificate.

The Exchanges state that the proposed amendments to the ICE Certificate were approved by the board of directors of ICE ("ICE Board") on August 1, 2016.<sup>7</sup> The Exchanges further state that the amendments to the ICE Certificate would be effective when filed with the Department of State of Delaware, which would not occur until approval of the amendments by the stockholders of ICE is obtained at a Special Meeting of Stockholders on October 12, 2016.<sup>8</sup>

According to the Exchanges, the trading price of ICE's Common Stock has risen significantly since ICE's initial public offering in 2005, and the ICE Board believes that such price appreciation may impact the liquidity of ICE's Common Stock, making it more

difficult to efficiently trade and potentially less attractive to certain investors.<sup>9</sup> Accordingly, the ICE Board approved pursuing a 5-for-1 stock split by way of a stock dividend, pursuant to which the holders of record of shares of Common Stock would receive, by way of a dividend, four shares of Common Stock for each share of Common Stock held by such holder ("Stock Dividend"). The Exchanges state that the ICE Board's approval of the Stock Dividend was contingent upon Commission and ICE stockholder approval of the proposed amendments to the ICE Certificate.

Further, the Exchanges state that the number of shares of Common Stock proposed to be issued in the Stock Dividend exceeds ICE's authorized but unissued shares of Common Stock. The proposed rule changes would increase ICE's authorized shares of Common Stock and shares of capital stock to allow ICE to effectuate the Stock Dividend.

According to the Exchanges, the proposed changes to the ICE Certificate would not alter the limitations on voting and ownership set forth in Section V of the ICE Certificate.<sup>10</sup> Such limitations were introduced at the time of ICE's acquisition of the Exchanges, to "minimize the potential that a person could improperly interfere with or restrict the ability of the Commission, the Exchange, or its subsidiaries to effectively carry out their regulatory oversight responsibilities under the Act."<sup>11</sup>

#### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule changes, as modified by Amendment No. 2, are consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>12</sup>

The Commission finds that the proposed rule changes by the Exchanges to modify the ICE Certificate are consistent with the requirements of Section 6 of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>13</sup> In

<sup>9</sup> See *id.*

<sup>10</sup> See *id.*

<sup>11</sup> See Securities Exchange Act Release No. 70210 (August 15, 2013), 78 FR 51758 (August 21, 2013) (SR-NYSE-2013-42; SR-NYSEMKY-2013-50; and SR-NYSEArca-2013-62), at 51760.

<sup>12</sup> In approving the proposed rule changes, the Commission has considered their impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>13</sup> Certain provisions of the ICE Certificate are considered rules of NYSE, NYSE MKT, and NYSE Arca if they are stated policies, practices, or interpretations, as defined in Rule 19b-4 under the Act, of NYSE, NYSE MKT, and NYSE Arca, and

<sup>17</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 Securities Exchange Act Release Nos. 78661 (August 24, 2016), 81 FR 59699 (August 30, 2016) ("NYSE Notice"); 78663 (August 24, 2016), 81 FR 59696 (August 30, 2016); and 78662 (August 24, 2016), 81 FR 59674 (August 30, 2016).

<sup>4</sup> On August 26, 2016, the Exchanges withdrew Amendment No. 1.

<sup>5</sup> Amendment No. 2 made technical, non-substantive changes to the ICE Certificate to remove unnecessary underlining and to italicize a comma. Because Amendment No. 2 adds clarification and

does not materially alter the substance of the proposed rule changes or raise unique or novel regulatory issues, Amendment No. 2 is not subject to notice and comment.

<sup>6</sup> ICE owns 100% of the equity interest of Intercontinental Exchange Holdings, Inc., which in turn owns 100% of the equity interest of NYSE Holdings LLC. NYSE Holdings LLC owns 100% of the equity interest of NYSE Group, Inc., which in turn directly owns 100% of the equity interest of each Exchange. ICE is a publicly traded company listed on the NYSE.

<sup>7</sup> See, e.g., NYSE Notice, *supra* note 3.

<sup>8</sup> See *id.*