

Multiply-Listed FLEX option transactions in the Strategy Fee Cap may encourage members and member organizations to execute additional Multiply-Listed FLEX options and strategy executions on the Exchange. The proposed change would therefore result in greater amounts of liquidity on the Exchange, which should benefit the quality of the Exchange's market and investors, generally. This proposed change is further reasonable because the Exchange understands that other option markets similarly include Multiply Listed FLEX option transactions in certain fee caps applicable to strategy executions on such other markets.<sup>21</sup>

The Exchange believes that the proposed change is equitable and not unfairly discriminatory because all members and member organizations are eligible to transact Multiply Listed FLEX options and are eligible for the Strategy Fee Cap.

#### *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 not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited.

The pricing proposed herein are intended to continue to incentivize market participants to execute additional Multiply Listed FLEX options and strategy executions on the Exchange and for this reason imposes no inter-market burden on competition. The proposal could increase competition on the Exchange by including Multiply Listed FLEX option transactions in the Strategy Fee Cap. This could result in members and

member organizations engaging in both additional Multiply Listed FLEX option transactions and strategy executions in order to reach the fee cap levels. The proposed change could also increase competition between the Exchange and other option markets by making the Exchange a more desirable market with respect to pricing for Multiply Listed FLEX option transactions and strategy executions.

If the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

The Exchange's proposal to permit Multiply Listed FLEX options to be eligible for the Section II Strategy Caps does not impose an undue burden on intra-market competition because all members and member organizations are eligible to transact Multiply Listed FLEX options and are eligible for the Strategy Fee Cap.

#### *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**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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-Phlx-2016-100 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-Phlx-2016-100. 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-Phlx-2016-100 and should be submitted on or before November 7, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-24980 Filed 10-14-16; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

### **Submission for OMB Review; Comment Request**

*Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services,*

<sup>21</sup> See note 6 above.

<sup>22</sup> 17 CFR 200.30-3(a)(12).

100 F Street, NE., Washington, DC 20549-2736.

Extension:

Rule 17a-4. SEC File No. 270-198, OMB Control No. 3235-0279.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information provided for in Rule 17a-4 (17 CFR 240.17a-4), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 17a-4 requires approximately 4,104 active, registered exchange members, brokers and dealers (“broker-dealers”) to preserve for prescribed periods of time certain records required to be made by Rule 17a-3 and other Commission rules, and other kinds of records which firms make or receive in the ordinary course of business. Rule 17a-4 also permits broker-dealers to employ, under certain conditions, electronic storage media to maintain these required records. The records required to be maintained under Rule 17a-4 are used by examiners and other representatives of the Commission to determine whether broker-dealers are in compliance with, and to enforce their compliance with, the Commission’s rules.

There are approximately 4,104 active, registered broker-dealers. The staff estimates that the average amount of time necessary to preserve the books and records as required by Rule 17a-4 is 254 hours per broker-dealer per year. In addition, the Commission is moving into this information collection the annual burden hours for paragraph (b)(11) of Rule 17a-4, which requires any broker-dealer that sponsors an internal broker-dealer system to maintain certain records relating to such system for at least three years. The Commission estimates that paragraph (b)(11) of Rule 17a-4 imposes an annual burden of 3 hours per year to maintain the requisite records. The Commission estimates that there are approximately 150 internal broker-dealer systems, resulting in an annual recordkeeping burden of 450 hours. Therefore, the Commission estimates that compliance with Rule 17a-4 requires 1,042,866 hours each year ((4,104 broker-dealers × 254 hours) + (150 broker-dealers × 3 hours)). These burdens are recordkeeping burdens.

The staff believes that compliance personnel would be charged with ensuring compliance with Commission

regulation, including Rule 17a-4. The staff estimates that the hourly salary of a Compliance Clerk is \$65 per hour.<sup>1</sup> Based upon these numbers, the total internal cost of compliance for 4,104 respondents is the dollar cost of approximately \$67.8 million (1,042,416 yearly hours × \$65). The total burden hour decrease of 242,062 is due to a decrease in the number of respondents from 5,057 to 4,104.

Based on conversations with members of the securities industry and the Commission’s experience in the area, the staff estimates that the average broker-dealer spends approximately \$5,000 each year to store documents required to be retained under Rule 17a-4. Costs include the cost of physical space, computer hardware and software, etc., which vary widely depending on the size of the broker-dealer and the type of storage media employed. The Commission estimates that the annual reporting and recordkeeping cost burden is \$20,520,000. This cost is calculated by the number of active, registered broker-dealers multiplied by the reporting and recordkeeping cost for each respondent (4,104 active, registered broker-dealers × \$5,000).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view the background documentation for this information collection at the following Web site: [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta\\_Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or by sending an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: October 11, 2016.

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-24977 Filed 10-14-16; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>1</sup> This figure is based on SIFMA’s *Office Salaries in the Securities Industry 2016*, modified by Commission staff to account for an 1,800-hour work-year multiplied by 2.93 to account for bonuses, firm size, employee benefits, and overhead.

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79078; File No. SR-NYSEArca-2016-135]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Rules To Remove Definitions and Trading Rules That Are No Longer Operative After the Completed Full Migration of All Symbols to the Pillar Trading Platform

October 11, 2016.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”),<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on September 28, 2016, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its rules to remove definitions and trading rules that are no longer operative after the completed full migration of all symbols to the Pillar trading platform. The proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

<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.