

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. Please include File Number SR-NASDAQ-2016-150 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR-NASDAQ-2016-150. 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-NASDAQ-2016-150 and should be submitted on or before December 7, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Brent J. Fields,
Secretary.

[FR Doc. 2016-27472 Filed 11-15-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79275; File No. SR-NYSEArca-2016-146]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Temporarily Widen Price Collar Thresholds for the Core Open Auction and Trading Halt Auctions

November 9, 2016.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act"),² and Rule 19b-4 thereunder,³ notice is hereby given that on November 9, 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 temporarily widen price collar thresholds for the Core Open Auction and Trading Halt Auctions, which would be operative on November 9, 2016 only. The proposed rule change is available on the Exchange's Web site at 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.

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 temporarily widen price collar thresholds for the Core Open Auction and Trading Halt Auctions, which would be operative for November 9, 2016 only.

On November 8, 2016, the United States held an election to decide, among other things, the next President of the United States. This election result has caused market volatility. This spike in market volatility has also impacted the pricing of Exchange Traded Products ("ETP"), the majority of which are listed on the Exchange.

Because of the level of market volatility, the Exchange believes that widening the Auction Collars for the Core Open Auction and Trading Halt Auctions for November 9, 2016 only would assist the Exchange in conducting fair and orderly auctions.

As set forth in Rule 7.35(a)(10), the price collar thresholds for the Core Open Auction and Trading Halt Auctions are currently set at 10% for securities with an Auction Reference Price of \$25.00 or less, 5% for securities with an Auction Reference Price greater than \$25.00 but less than or equal to \$50.00, and 3% for securities with an Auction Reference Price greater than \$50.00.⁴

The Exchange proposes to apply Auction Collars of 10% for all Auction-Eligible Securities,⁵ regardless of the Auction Reference Price. The Exchange believes that for securities priced greater than \$25.00, the proposed wider price collar threshold will allow for additional price movements that is expected because of the volatility in the market, while continuing to prevent auctions from occurring at prices significantly away from the applicable Auction Reference Price. The proposed 10% price collar threshold for the Core Open Auction is the same as currently

⁴ The Auction Reference Price for the Core Open Auction is the midpoint of the Auction NBBO or, if the Auction NBBO is locked, the locked price. If there is no Auction NBBO, the prior trading day's Official Closing Price. The Auction Reference Price for the Trading Halt Auction is the last consolidated round-lot price of that trading day, and if none, the prior trading day's Official Closing Price. See NYSE Arca Equities Rule 7.35(a)(8).

⁵ For the Core Open Auction, Auction-Eligible Securities are all securities for which the Exchange is the primary listing market and UTP Securities designated by the Exchange. For the Trading Halt Auction, Auction-Eligible Securities are securities for which the Exchange is the primary listing market. See NYSE Arca Equities Rule 7.35(a)(1)(A) and (B).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁷ 17 CFR 200.30-3(a)(12).

used by the Nasdaq Stock Market LLC (“Nasdaq”) for its opening crosses.⁶

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁸ 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, and 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.

In particular, the Exchange believes that the impact of the results of the presidential election on November 8, 2016 has resulted in global market volatility and the U.S. ETP market is not immune. In response to this market volatility, the Exchange believes that it would promote the protection of investors and the public interest to temporarily widen the price collar thresholds for the Core Open Auction and Trading Halt Auctions on November 9, 2016 only because it would promote fair and orderly auctions. The Exchange further believes that widening the price collar thresholds would remove impediments to and perfect the mechanism of a national market system because it is designed to allow for greater price movement, while at the same time preventing auction trades from occurring at prices significantly away from the applicable Auction Reference Price. Accordingly, investors would be protected from executions significantly away from the last sale in a security or other applicable reference price, but natural price fluctuations resulting from the market volatility would be permitted. In addition, the Exchange believes that widening the Auction Collars could reduce the possibility of securities triggering multiple trading pauses under the Regulation NMS Plan to Address Market Volatility.

B. Self-Regulatory Organization’s Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to

address any competitive issues but rather is designed to ensure a fair and orderly market by temporarily widening the price collar thresholds for the Core Open Auction and Trading Halt Auctions on a trading day with market volatility due to the results of the presidential election. In addition, the proposed rule change is intended to be in effect for November 9, 2016 only to respond to unique events relating to U.S. presidential election and therefore will not create a burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the 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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and Rule 19b-4(f)(6) thereunder.¹⁰

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹¹ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹² permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange stated that waiver of the operative delay would allow the Exchange to immediately implement the proposed rule change, thereby promoting the operation of a fair and orderly market on a day with market volatility due to the U.S. presidential election. The Commission believes the waiver of the operative delay is

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6). The Exchange has requested that the Commission waive the requirement that the Exchange provide the Commission written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date on which the Exchange filed the proposed rule change pursuant to Rule 19b-4(f)(6)(iii). The Commission hereby grants this request.

¹¹ 17 CFR 240.19b-4(f)(6).

¹² 17 CFR 240.19b-4(f)(6)(iii).

consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal operative upon filing.¹³

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 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. Please include File Number SR-NYSEArca-2016-146 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-NYSEArca-2016-146. 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

¹³ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

⁶ See Nasdaq Rule 4752(d)(2)(E) and http://www.nasdaqtrader.com/content/productservices/trading/crosses/openclose_faqs.pdf.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2016-146, and should be submitted on or before December 7, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Brent J. Fields,
Secretary.

[FR Doc. 2016-27470 Filed 11-15-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79273; File No. SR-BatsEDGX-2016-62]

Self-Regulatory Organizations; Bats EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Fees for Use of the Exchange's Equity Options Platform

November 9, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 1, 2016, Bats EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 the Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the fee schedule applicable to Members³ and non-Members of the

Exchange pursuant to EDGX Rules 15.1(a) and (c).

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 parts 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 fee schedule to specify in new footnote 5 that when Customer⁴ orders are submitted with a Designated Give Up, as defined below, the applicable rebates for such orders when executed on the Exchange (yielding fee code NC or PC)⁵ are provided to the Member who routed the order to the Exchange.

The Exchange recently amended Rule 21.12 (Clearing Member Give Up) to expand upon the procedure related to the "give up" of a Clearing Member⁶ by Users⁷ on the Exchange.⁸ As amended, Rule 21.12 provides that, in addition to its own Clearing Member (or itself, if the firm is self-clearing), a User may identify to the Exchange a Designated Give Up, as that term is defined in the Rule. Specifically, amended Rule 21.12(b)(1) defines the term Designated Give Up as any Clearing Member that a

⁴ As defined in the Exchange's fee schedule available at http://www.bats.com/us/options/membership/fee_schedule/edgx/.

⁵ Fee codes NC and PC are appended to Customer orders in Non-Penny Pilot and Penny Pilot Securities, respectively. *Id.*

⁶ A Clearing Member is defined as "an Options Member that is self-clearing or an Options Member that clears EDGX Options Transactions for other Members of EDGX Options." See Exchange Rule 16.1(a)(15). An Option Member is defined as "a firm, or organization that is registered with the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on EDGX Options as an 'Options Order Entry Firm' or 'Options Market Maker.'" See Exchange Rule 16.1(a)(38).

⁷ A User is defined as "any Options Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3 (Access)." See Exchange Rule 16.1(a)(63).

⁸ See Securities Exchange Act Release No. 79184 (October 28, 2016) (SR-BatsEDGX-2016-58).

User (other than a Market Maker⁹) identifies to the Exchange, in writing, as a Clearing Member the User requests the ability to give up. With this change, a Member acting as an options routing firm on behalf of one or more other Exchange Members (a "Routing Firm") is able to route orders to the Exchange and to immediately give up the party (a party other than the Routing Firm itself or the Routing Firm's own clearing firm) who will accept and clear any resulting transaction. Because the Routing Firm is responsible for the decision to route the order to the Exchange, the Exchange believes that such Member should be provided the rebate when orders that yield fee code NC or PC are executed. In connection with this change, the Exchange proposes to append new footnote 5 to fee codes NC and PC in the Fee Codes and Associated Fees table of the fee schedule.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.¹⁰ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹¹ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls.

The Exchange notes that the U.S. options markets are highly competitive, and the proposed fee structure is intended to provide an incentive for Members utilizing the Exchange's new give up procedure to direct orders to the Exchange. The proposal would only apply to fee codes NC and PC, related to Customer orders, because these are the primary rebates in place on the Exchange¹² and reflect the primary liquidity that the Exchange is seeking to attract from Routing Firms that are likely to utilize the give up procedure.

The Exchange believes that the proposed amendments to its fee

⁹ For purposes of this filing, Market Maker refers to Members acting in the capacity of Market Maker and includes all Exchange Market Maker capacities e.g., Primary Market Makers.

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4).

¹² The Exchange notes that Market Maker orders yielding fee codes NM and PM do indeed receive rebates to the extent a Member qualifies for Market Maker Volume Tier 6 pursuant to footnote 2 of the fee schedule. The Exchange, however, again notes that Market Makers are expressly excluded from utilizing the give up procedure.

¹⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term "Member" is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).