

aggregate global market capitalization of publicly-held shares falls below \$40 million.³⁰ As noted above, current rules set these dollar limits at \$125 million and \$100 million, respectively. The proposal would further lower the threshold for Exchange notification of the SPAC if aggregate global market capitalization falls below \$75 million, as opposed to \$150 million under the current rule, and aggregate global market capitalization attributable to publicly-held shares falls below \$60 million, as opposed to \$125 million under the current rule. The Commission notes that, despite the fact that the proposed reduction to SPAC listing and continued listing standards are significant on a percentage basis, the proposed requirements remain higher than comparable listing standards on other markets that list and trade SPACs and should be sufficient to promote fair and orderly markets.³¹

Lastly, the Exchange proposes to add additional continued listing standards after the consummation of a business combination in connection with the lowering of the initial listing standards for a SPAC. These new standards, as noted above, will be in addition to the existing continued listing standards that currently apply to the post-business combination company.³² The Commission notes that the additional requirements should strengthen the continued listing standards applicable to the post-business combination company by requiring, in order to remain listed on the Exchange, such company to meet at least a price per share of \$4 and the initial listing distribution standards set forth in Section 102.01A of the Manual³³ as

³⁰ The Commission notes that the current distribution standards and other continued listing standards applicable to pre-business combination SPAC will remain unchanged. See NYSE Listed Company Manual Section 801 and 802.

³¹ For example, initial listing standards on Nasdaq's Global Market and NYSE MKT require, among other things, a market value of listed securities of \$75 million and a market value of publicly-held shares of at least \$20 million. See Nasdaq Rule 5405 and Section 101(d) of NYSE MKT Company Guide. The continued listing standards for Nasdaq Global Market and NYSE MKT require, among other things, at least \$50 million in market value and \$15 million market value in publicly-held shares. See Nasdaq Rule 5450 and Section 1003(a) of NYSE MKT Company Guide. The Exchange's other quantitative standards for SPACs to list, and continue to be listed, such as, for example, the holder requirements, will also continue to be comparable to Nasdaq Global Market standards with the changes being approved in this order.

³² See note 20, *supra* and accompanying text.

³³ The distribution standards of Section 102.01A of the Manual set forth minimum standards for the number of round lot shareholders and number of publicly-held shares required for initial listing. See NYSE Listed Company Manual Section 102.01A.

well as have sufficient market capitalization and market value of publicly-held shares to ensure adequate depth and liquidity.³⁴ The proposed standards would also require a SPAC that is planning to consummate a business combination to submit an original listing application that must be approved by the Exchange prior to the listing of the post-business combination company. The Commission believes the additional requirement for the SPAC to submit, and receive Exchange approval of its, listing application to continue to list on the Exchange as a post-business combination company should allow the Exchange to reevaluate whether the newly formed operating company is suitable for continued listing and will have sufficient market depth and liquidity for continued trading.³⁵ The new requirements also make the continued listing process for a post-business combination company more similar to the process for any new listing applicant, which is consistent with the unique characteristics of a SPAC that lists with the intention to find a business combination with an operating company.

Based on the foregoing, the Commission finds that the proposed changes to listing standards are consistent with the requirements of the Exchange Act.

IV. Conclusion

It is therefore ordered that pursuant to Section 19(b)(2) of the Exchange Act³⁶ that the proposed rule change (SR–NYSE–2016–72) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁷

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017–05137 Filed 3–14–17; 8:45 am]

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³⁴ The Exchange proposes to require at a minimum \$150 million of global market capitalization and \$40 million of aggregate market value of publicly-held shares. See proposed NYSE Listed Company Manual Section 802.01B.

³⁵ The continued application of the back-door listing provisions should also help ensure that a company not otherwise qualified for original listing could get listed on the Exchange through a business combination with a SPAC. See NYSE Listed Company Manual Section 802.01B of the Manual. See also note 27, *supra* and accompanying text.

³⁶ 15 U.S.C. 78s(b)(2).

³⁷ 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80194; File No. SR–ISE–2017–20]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Correct a Typographical Error in Section 413 of the Exchange's Rules

March 9, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b–4 thereunder,² notice is hereby given that on February 28, 2017, the International Securities Exchange, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II 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 Rule 413 of the Exchange's Rules, as described in further detail below.

The text of the proposed rule change is available on the Exchange's Web site at <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 purpose of the proposed rule change is to correct a typographical error. Rule 413(a) of the Rules of the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

Exchange (the “Rules”), which provides for exemptions from position limits, presently states that “hedge transactions and positions established pursuant to paragraphs eight (8) and nine (9)” thereunder are “subject to a position limit equal to five (5) times the standard limit established under Rule 412(d).” The reference in this text to paragraphs (8) and (9) is incorrect. The Rule text should properly reference paragraphs (6) and (8).

Paragraph (6) of Rule 413(a) provides for a position limit exemption for a long call position accompanied by a short put position with the same strike price and a short call position accompanied by a long put position with a different strike price (a “box spread”). Paragraph (8) provides for a position limit exemption for a listed option position hedged on a one-for-one basis with an over-the-counter (“OTC”) option position on the same underlying security. Meanwhile, paragraph (9) merely states that for strategies described under paragraphs (2)–(5) of subsection (a) of the Rule, one component of the option strategy can be an OTC option contract guaranteed or endorsed by the firm maintaining the proprietary position or carrying the customer account.

The Exchange notes that the position limit exemptions set forth in the rules of other options exchanges, including ISE’s sister exchange, Phlx, as well as CBOE, provide for position limit exemptions for OTC and box spread hedges of up to five times the standard limits.³

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁵ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 Exchange asserts that the proposed correction will serve

³ See PHLX Rule 1001(l) (providing that “[h]edge transactions and positions established pursuant to paragraphs (6) [OTC options hedges] and (7) [box spread hedges] below are subject to a position limit equal to five (5) times the standard limit . . .”); CBOE Rule 4.11, Interpretation .04(a) (providing that “[h]edge transactions and positions established pursuant to paragraphs six (6) [box spread hedges] and seven (7) [OTC options hedges] are subject to a position limit equal to five (5) times the standard limit . . .”).

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

the Act’s goals by ensuring that the Exchange’s Rules are accurate.

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 as it is designed to correct a typographical error.

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

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 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)(iii) of the Act⁶ and subparagraph (f)(6) of Rule 19b–4 thereunder.⁷

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act⁸ normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)⁹ 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 Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to correct a typographical error immediately and therefore reduce confusion in the application of the Exchange’s rules. Accordingly, the Commission hereby waives the

⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

⁷ 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.

⁸ 17 CFR 240.19b–4(f)(6).

⁹ 17 CFR 240.19b–4(f)(6)(iii).

operative delay and designates the proposal operative upon filing.¹⁰

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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. Please include File Number SR–ISE–2017–20 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–ISE–2017–20. 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 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).

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-ISE-2017-20 and should be submitted on or before April 5, 2017.

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

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017-05083 Filed 3-14-17; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80188; File No. SR-ISE-2017-16]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Schedule of Fees

March 9, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 24, 2017, the International Securities Exchange, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II, 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 the Exchange’s Schedule of Fees, as described in further detail below.

The text of the proposed rule change is available on the Exchange’s Web site at 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 purpose of the proposed rule change is to amend the Exchange’s Schedule of Fees to make changes to (1) the Market Maker Plus³ program, (2) Priority Customer⁴ regular order taker fees in Select Symbols,⁵ (3) Priority Customer complex order rebates in Select Symbols and Non-Select Symbols,⁶ and (4) the threshold of net zero complex contracts. Each of these changes is described below.

Market Maker Plus

In order to promote and encourage liquidity in Select Symbols, the Exchange offers Market Makers⁷ that meet the quoting requirements for Market Maker Plus enhanced rebates for

³ A “Market Maker Plus” is a Market Maker who is on the National Best Bid or National Best Offer a specified percentage of the time for series trading between \$0.03 and \$3.00 (for options whose underlying stock’s previous trading day’s last sale price was less than or equal to \$100) and between \$0.10 and \$3.00 (for options whose underlying stock’s previous trading day’s last sale price was greater than \$100) in premium in each of the front two expiration months. The specified percentage is at least 80% but lower than 85% of the time for Tier 1, at least 85% but lower than 95% of the time for Tier 2, and at least 95% of the time for Tier 3. A Market Maker’s single best and single worst quoting days each month based on the front two expiration months, on a per symbol basis, will be excluded in calculating whether a Market Maker qualifies for this rebate, if doing so will qualify a Market Maker for the rebate.

⁴ A “Priority Customer” is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s), as defined in ISE Rule 100(a)(37A).

⁵ “Select Symbols” are options overlying all symbols listed on the ISE that are in the Penny Pilot Program.

⁶ “Non-Select Symbols” are options overlying all symbols, excluding Select Symbols.

⁷ The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See ISE Rule 100(a)(25).

adding liquidity in those symbols. These Market Maker Plus rebates are provided on a per symbol basis in three tiers based on the time the Market Maker is quoting at the national best bid or offer (“NBBO”).⁸ Currently, the rebate is \$0.10 per contract for Tier 1, \$0.18 per contract for Tier 2, and \$0.22 per contract for Tier 3.⁹ The Exchange now proposes to increase the rebate for Tier 1 to \$0.15 per contract. The rebates for Tier 2 and Tier 3, including the special rebates for Market Makers that achieve Market Maker Plus in SPY or QQQ, will remain at the same amounts as described herein.

Priority Customer Taker Fees

The Exchange charges a taker fee for regular orders in Select Symbols. This fee is \$0.44 per contract for Market Maker orders, and \$0.45 per contract for Non-ISE Market Maker,¹⁰ Firm Proprietary¹¹/Broker-Dealer,¹² and Professional Customer¹³ orders. For Priority Customer orders this fee is \$0.31 per contract, or \$0.26 per contract for members with a total affiliated Priority Customer average daily volume (“ADV”) that equals or exceeds 200,000 contracts.¹⁴ The Exchange now

⁸ For all Market Maker Plus tiers, a \$0.30 per contract fee applies when trading against Priority Customer complex orders that leg into the regular order book. No fee is charged or rebate provided when trading against non-Priority Customer complex orders that leg into the regular order book).

⁹ In addition, the Exchange also offers lower rebates for Market Makers that achieve Market Maker Plus in SPY or QQQ. Specifically, Market Makers that achieve Tier 2 or Tier 3 of Market Maker Plus in either SPY or QQQ will receive the SPY or QQQ rebate based on the highest Market Maker tier achieved in either product. For example, a Market Maker that achieves Tier 1 Market Maker Plus in QQQ but Tier 3 Market Maker Plus in SPY will receive a Tier 3 rebate in both SPY and QQQ. Instead of the Tier 2 and Tier 3 rebates described above, however, Market Maker Plus orders in SPY or QQQ are entitled to a rebate of \$0.16 per contract for Tier 2, and \$0.20 per contract for Tier 3.

¹⁰ A “Non-ISE Market Maker” is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

¹¹ A “Firm Proprietary” order is an order submitted by a member for its own proprietary account.

¹² A “Broker-Dealer” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

¹³ A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

¹⁴ Priority Customer ADV includes all volume in all symbols and order types. All eligible volume from affiliated members will be aggregated in determining total affiliated Priority Customer ADV, provided there is at least 75% common ownership between the members as reflected on each member’s Form BD, Schedule A. For purposes of determining Priority Customer ADV, any day that the regular order book is not open for the entire trading day or the Exchange instructs members in writing to route their orders to other markets may be excluded from such calculation; provided that

¹¹ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.