

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80478; File No. SR-BatsBZX-2017-22]

### Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on Bats BZX Exchange, Inc.

April 18, 2017.

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 April 12, 2017, Bats BZX Exchange, Inc. (the "Exchange" or "BZX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange's Web site at [www.bats.com](http://www.bats.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 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 amend its fee schedule applicable to its equities trading platform ("BZX Equities") to: (i) Add new tiers under footnotes 1 and 4; and (ii) eliminate tier 4 under footnote 3.

###### Add Volume Tiers Under Footnote 1

The Exchange currently offers nine Add Volume Tiers under footnote 1, which provide an enhanced rebate of \$0.0025 to \$0.0032 per share for qualifying orders which yield fee codes B, V, or Y.<sup>6</sup> The Exchange now proposes to add two additional tiers which will provide an enhanced rebate per share for qualifying orders which yield fee code HA.<sup>7 8</sup>

- Under the proposed Non-Displayed Add Volume Tier 1, a Member may receive an enhanced rebate of \$0.0020 per share where they add an ADV greater than or equal to 0.09% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.

- Under the proposed Non-Displayed Add Volume Tier 2, a Member may receive an enhanced rebate of \$0.0025 per share where they add an ADV greater than or equal to 0.18% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.

<sup>6</sup> Fee codes B, V, and Y are appended to displayed orders that add liquidity in tape B, A, or C, respectively. See the Exchange's fee schedule available at [http://www.bats.com/us/equities/membership/fee\\_schedule/bzx/](http://www.bats.com/us/equities/membership/fee_schedule/bzx/).

<sup>7</sup> Fee code HA is appended to non-displayed orders which add liquidity. *Id.*

<sup>8</sup> The Exchange proposes to add additional labels to the table in footnote 1 to further clarify which tiers apply to orders yielding the differentiating fee codes. The Exchange also proposes to append footnote 1 to fee code HA in connection with this change.

###### Single MPID Investor Tier Under Footnote 4

The Exchange currently offers one Single MPID Investor Tier under footnote 4, which provides an enhanced rebate of \$0.0031 per share for qualifying orders which yield fee codes B, V, or Y. The distinction between the existing tier under footnote 4 and other tiers offered by the Exchange, is that the volume measured to determine whether a Member qualifies is performed on an MPID by MPID basis. The Exchange now proposes to add an additional single MPID tier which will provide an enhanced rebate per share for qualifying orders which yield fee codes B, V, or Y. Under the proposed Step-Up Add Tier under footnote 4, a Member may receive an enhanced rebate of \$0.0027 per share where the MPID has a Step-Up ADAV from November 2016, greater than or equal to 500,000 shares.

###### Eliminate Tier 4 Under Footnote 3

The Exchange currently offers five Cross-Asset Step-Up Tiers under footnote 3, which provide an enhanced rebate per contract ranging from \$0.0027 to \$0.0032 per share for qualifying orders. Tiers 1 through 4 apply to orders which yield fee codes B, V, or Y. Tier 5 applies to orders which yield fee codes BB, N, or W.<sup>9</sup> The Exchange now proposes to eliminate Tier 4 under footnote 3, which provides a rebate of \$0.0032 per share for Members that have an Options Step-Up Add TCV in Customer orders from October 2016 baseline greater than or equal to 0.35%.<sup>10</sup>

###### Implementation Date

The Exchange proposes to implement these amendments to its fee schedule immediately.<sup>11</sup>

###### 2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,<sup>12</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>13</sup> in particular, as it is designed to provide

<sup>9</sup> Fee codes BB, N, and W are appended to orders that remove liquidity in tape B, C, or A, respectively. See the Exchange's fee schedule available at [http://www.bats.com/us/equities/membership/fee\\_schedule/bzx/](http://www.bats.com/us/equities/membership/fee_schedule/bzx/).

<sup>10</sup> In connection with the elimination of Tier 4, the Exchange proposes that Tier 5 be renamed to Tier 4.

<sup>11</sup> The Exchange initially filed the proposed amendments to its fee schedule on March 31, 2017 (SR-BatsBZX-2017-21). On April 12, 2017, the Exchange withdrew SR-BatsBZX-2017-21 and then subsequently submitted this filing (SR-BatsBZX-2017-22).

<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> 15 U.S.C. 78f(b)(4).

<sup>12</sup> 17 CFR 200.30-3(a)(44).

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> 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).

for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange.

#### Addition of New Volume Tiers

The Exchange believes that the proposed modifications to the tiered pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive or incentives provided to be insufficient. The proposed structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it is reasonable to offer and incrementally modify incentives intended to help to contribute to the growth of the Exchange.

Volume-based pricing such as that proposed herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) The value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provisions and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes.

*Add Volume Tiers.* The proposed additions of two Non-Displayed Add Volume Tiers reinforces the purpose of the Add Volume Tier by incentivizing Members to send Non-Displayed orders to the Exchange. Thus, the Exchange believes that the proposed modifications to the tiered pricing structure under footnote 1 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because they will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow and because such an incentive is open to all Members on an equal basis.

*Single MPID Investor Tier.* The proposed addition of a Single MPID Step-Up Add Tier reinforces the

purpose of the Single MPID Investor Tier by incentivizing Members to send higher level of orders to the Exchange. By applying the tier on a single MPID rather than across a Member's entire trading activity, the Exchange is also allowing more Members to potentially receive the enhanced rebates for their trading activity related to liquidity provision. Thus, the Exchange believes that the proposed modification to the tiered pricing structure under footnote 4 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because it will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow. As is true for the Add Volume Tiers described above, the proposed tier under footnote 4 is available to all Members.

#### Elimination of Unused Tiers

The Exchange believes that the proposed modifications to eliminate Tier 4 under footnote 3 is reasonable, fair, and equitable because the current tier was not providing the desired result of incentivizing Members to increase their participation in BZX Equities and in the Exchange's equity options platform ("BZX Options"). Therefore, eliminating this tier will have a negligible effect on order flow and market behavior. The Exchange believes the proposed change is not unfairly discriminatory because it will apply equally to all participants.

#### 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. The Exchange does not believe that any of the proposed change to the Exchange's tiered pricing structure burden competition, but instead, that they enhance competition as they are intended to increase the competitiveness of BZX by modifying pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The proposed changes are generally intended to enhance the rebates for liquidity added to the Exchange, which is intended to draw additional liquidity to the Exchange, and to eliminate a rebate that has not achieved its desired

result. The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available to all Members uniformly.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

#### 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>14</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>15</sup> 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.

#### 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 No. SR-BatsBZX-2017-22 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 No. SR-BatsBZX-2017-22. 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

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f).

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 No. SR-BatsBZX-2017-22, and should be submitted on or before May 15, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Extension: Rule 17Ac3-1(a) and Form TA-W; SEC File No. 270-96, OMB Control No. 3235-0151]

### Proposed Collection; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

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") is soliciting comments on the existing collection of information provided for in Rule 17Ac3-1(a) and Form TA-W, under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act"). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Section 17A(c)(4)(B) of the Exchange Act authorizes transfer agents registered

with an appropriate regulatory agency ("ARA") to withdraw from registration by filing a written notice of withdrawal with the ARA and by agreeing to such terms and conditions as the ARA deems necessary or appropriate in the public interest, for the protection of investors, or in the furtherance of the purposes of Section 17A.

In order to implement Section 17A(c)(4)(B) of the Exchange Act, the Commission promulgated Rule 17Ac3-1(a) (17 CFR 240.17Ac3-1(a)) and accompanying Form TA-W (17 CFR 249b.101) on September 1, 1977. Rule 17Ac3-1(a) provides that notice of withdrawal from registration as a transfer agent with the Commission shall be filed on Form TA-W. Form TA-W requires the withdrawing transfer agent to provide the Commission with certain information, including: (1) The locations where transfer agent activities are or were performed; (2) the reasons for ceasing the performance of such activities; (3) disclosure of unsatisfied judgments or liens; and (4) information regarding successor transfer agents.

The Commission uses the information disclosed on Form TA-W to determine whether the registered transfer agent applying for withdrawal from registration as a transfer agent should be allowed to deregister and, if so, whether the Commission should attach to the granting of the application any terms or conditions necessary or appropriate in the public interest, for the protection of investors, or in furtherance of the purposes of Section 17A of the Exchange Act. Without Rule 17Ac3-1(a) and Form TA-W, transfer agents registered with the Commission would not have a means to voluntarily deregister when it is necessary or appropriate to do so.

On average, respondents have filed approximately 17 TA-Ws with the Commission annually from 2014 to 2017. A Form TA-W filing occurs only once, when a transfer agent is seeking to deregister. Approximately 80 percent of Form TA-Ws are completed by the transfer agent or its employees and approximately 20 percent of Form TA-Ws are completed by an outside filing agent that is hired by the registrant to prepare the form and file it electronically. In view of the readily-available information requested by Form TA-W, its short and simple presentation, and the Commission's experience with the filers, we estimate that approximately 30 minutes is required to complete and file Form TA-W. For transfer agents that complete Form TA-W themselves, we estimate the internal labor cost of compliance per filing is \$25 (0.5 hours × \$50 average

hourly rate for clerical staff time). We estimate that outside filing agents charge \$100 to complete and file at TA-W on behalf of a registrant, reflecting an external labor cost to respondents. The total annual time burden to the transfer agent industry is approximately 9 hours (17 filings × 0.5 hours). The total annual external labor cost to respondents is \$340 (17 annual forms × \$100 × 20%).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: April 18, 2017.

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80482; File No. SR-GEMX-2017-03]

### Self-Regulatory Organizations; Nasdaq GEMX, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Rulebook and Schedule of Fees To Incorporate Certain Name Changes

April 18, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the

<sup>16</sup> 17 CFR 200.30-3(a)(12).