

so, by whom and how often. The Commission seeks commenters' views on the sufficiency of the Exchange's discussion regarding dissemination of the value of the Benchmark on which the investment objectives of the Funds are based.

Furthermore, in its filing the Exchange fails to include a representation that all statements and representations in the proposal regarding the applicability of Exchange listing rules specified in the proposal shall constitute continued listing requirements for listing the Shares on the Exchange.²⁶ The Commission seeks commenter's views on whether the Exchange's statements in the filing relating to the applicability of continued listing requirements for listing and trading of the Shares on the Exchange are sufficient to support a determination that the listing and trading of the Shares would be consistent with Section 6(b)(5) of the Act.

IV. Procedure: Request for Written Comments

The Commission requests that interested persons provide written submissions of their views, data, and arguments with respect to the issues identified above, as well as any other concerns they may have with the proposal. In particular, the Commission invites the written views of interested persons concerning whether the proposal is consistent with Section 6(b)(5) or any other provision of the Act, or the rules and regulations thereunder. Although there do not appear to be any issues relevant to approval or disapproval that would be facilitated by an oral presentation of views, data, and arguments, the Commission will consider, pursuant to Rule 19b-4, any request for an opportunity to make an oral presentation.²⁷

²⁶ The Commission notes that the Exchange has made this representation in other proposed rule changes to list and trade Trust Issued Receipts. See, e.g., Amendment No. 1 to Securities Exchange Act Release No. 79917 (February 1, 2017), 82 FR 9620 (February 7, 2017) (SR-NYSEArca-2017-07), available at: <https://www.sec.gov/comments/sr-nysearca-2017-07/nysearca201707-1630210-137426.pdf>; Amendment No. 2 to Securities Exchange Act Release No. 79742 (January 5, 2017), 82 FR 3366 (January 11, 2017) (SR-NYSEArca-2016-173), available at: <https://www.sec.gov/comments/sr-nysearca-2016-173/nysearca2016173-1678044-149322.pdf>.

²⁷ Section 19(b)(2) of the Act, as amended by the Securities Act Amendments of 1975, Pub. L. 94-29 (June 4, 1975), grants the Commission flexibility to determine what type of proceeding—either oral or notice and opportunity for written comments—is appropriate for consideration of a particular proposal by a self-regulatory organization. See Securities Act Amendments of 1975, Senate Comm. on Banking, Housing & Urban Affairs, S. Rep. No. 75, 94th Cong., 1st Sess. 30 (1975).

Interested persons are invited to submit written data, views, and arguments regarding whether the proposal should be approved or disapproved by June 12, 2017. Any person who wishes to file a rebuttal to any other person's submission must file that rebuttal by June 26, 2017. The Commission asks that commenters address the sufficiency of the Exchange's statements in support of the proposal, which are set forth in the Notice,²⁸ in addition to any other comments they may wish to submit about the proposed rule change.

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-2017-05 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 Numbers SR-NYSEArca-2017-05. 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

²⁸ See *supra* note 4.

should refer to File Number SR-NYSEArca-2017-05 and should be submitted on or before June 12, 2017. Rebuttal comments should be submitted by June 26, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁹

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80610; File No. SR-MSRB-2017-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Withdrawal of a Proposed Rule Change To Add New MSRB Rule G-49, on Transactions Below the Minimum Denomination of an Issue, to the Rules of the MSRB, and To Rescind Paragraph (f), on Minimum Denominations, From MSRB Rule G-15

May 5, 2017.

On January 24, 2017, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act" or "Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to add new MSRB Rule G-49, on transactions below the minimum denomination of an issue, to the rules of the MSRB, and, in MSRB Rule G-15, on confirmation, clearance, settlement, and other uniform practice requirements with respect to transactions with customers, to rescind paragraph (f), on minimum denominations. The proposed rule change was published for comment in the **Federal Register** on February 9, 2017.³ The Commission received four comment letters on the proposal.⁴ On March 21, 2017, pursuant to Section 19(b)(2) of the Exchange Act,⁵ the MSRB

²⁹ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 79978 (February 6, 2017), 82 FR 10123.

⁴ See letters from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association, dated March 2, 2017; Mike Nichols, Chief Executive Officer, Bond Dealers of America, dated March 2, 2017; Paige W. Pierce, President and Chief Executive Officer, RW Smith, dated March 3, 2017; and James J. Angel, Associate Professor of Finance, Georgetown University, McDonough School of Business, dated March 7, 2017.

⁵ 15 U.S.C. 78s(b)(2).

granted an extension of time for the Commission to act on this filing until May 10, 2017. On May 1, 2017, the MSRB withdrew the proposed rule change (SR-MSRB-2017-01).

For the Commission, pursuant to delegated authority.⁶

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80611; File No. SR-BatsBZX-2017-24]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.15 of Bats BZX Exchange, Inc. To Authorize the Exchange To Share a User's Risk Settings With the Clearing Member That Clears Transactions on Behalf of the User

May 5, 2017.

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 April 24, 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 and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6) thereunder,⁴ which renders it 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 Rule 11.15 to authorize the Exchange to share a User's⁵ risk settings with the Clearing Member that clears transactions on behalf of the User.

The text of the proposed rule change is available at the Exchange's Web site

at www.batstrading.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 is proposing to update Rule 11.15, Clearance and Settlement; Anonymity, to authorize the Exchange to share any of the User's risk settings with the Clearing Member that clears transactions on behalf of the User, and to capitalize the term "Clearing Member".

Current Exchange Rule 11.15 requires that all transactions passing through the facilities of the Exchange shall be cleared and settled through a Qualified Clearing Agency⁶ using a continuous net settlement system. This requirement may be satisfied by direct participation, use of direct clearing services, or by entry into a correspondent clearing arrangement with another Member that clears trades through a Qualified Clearing Agency ("Clearing Member"). Rule 11.15 provides that if a Member clears transactions through another Member that is a Clearing Member,⁷ such Clearing Member shall affirm to the Exchange in writing, through letter of authorization, letter of guarantee or other agreement acceptable to the Exchange, its agreement to assume responsibility for clearing and settling any and all trades executed by the Member designating it as its clearing firm. The rules of any such clearing agency shall govern with respect to the

clearance and settlement of any transactions executed by the Member on the Exchange.

Thus, while not all Members are Clearing Members, all Members are required to either clear their own transactions or to have in place a relationship with a Clearing Member's that has agreed to clear transactions on their behalf (or on behalf of any Sponsored Participants⁸ for which the Member is a Sponsoring Member⁹) in order to conduct business on the Exchange. Each Member that transacts through a Clearing Member on the Exchange is required to execute a Letter of Guarantee which codifies the relationship between the Member and the Clearing Member as it relates to the Exchange, and provides the Exchange with notice of which Clearing Members have relationships with which Members. Because the Clearing Member that guarantees the Member's transactions on the Exchange has a financial interest in understanding the risk settings utilized within the System¹⁰ by the Member, the Exchange is proposing to amend Rule 11.15 to authorize the Exchange to share any of the User's risk settings (as described below) with the Clearing Member that clears transactions on behalf of the User. The proposal would provide the Exchange with authority to directly provide Clearing Members with information that would otherwise be available to such Clearing Members by virtue of their relationship with the respective Users (*i.e.*, such Clearing Members could instead require each User to provide such information as a condition to continuing to clear transactions for such Users). At this time, the Exchange offers a variety of risk settings related to the size of an order (*e.g.*, maximum notional value per order and maximum shares per order), the order type (*e.g.*, pre-market, post-market, short sales and ISOs), restricted securities, easy to borrow securities, and

⁸ A Sponsored Participant is defined as "a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to Rule 11.3." See Exchange Rule 1.5(x).

⁹ A Sponsoring Member is defined as "a broker-dealer that has been issued a membership by the Exchange who has been designated by a Sponsored Participant to execute, clear and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through which transactions may be cleared or (ii) a correspondent firm with a clearing arrangement with any such clearing firm." See Exchange Rule 1.5(y).

¹⁰ System is defined as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away." See Exchange Rule 1.5(aa).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6).

⁵ A User is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." See Exchange Rule 1.5(cc).

⁶ Qualified Clearing Agency is defined as "a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange." See Exchange Rule 1.5(u).

⁷ The Exchange notes that it also proposes to amend Rule 11.15(a) to capitalize the term "Clearing Member" to ensure consistency within Exchange Rules.