

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81112; File No. SR-NYSEMKT-2017-31]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change To Adopt Rule 6900 To Establish the Procedures for Resolving Potential Disputes Related to CAT Fees Charged to Industry Members

July 10, 2017.

On May 16, 2017, NYSE MKT LLC (“NYSE MKT” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt Rule 6900 (Consolidated Audit Trail—Fee Dispute Resolutions). The proposed rule change was published for comment in the *Federal Register* on June 1, 2017.<sup>3</sup> The Commission received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. The proposed rule change would establish the procedures for resolving potential disputes related to CAT Fees charged to Industry Members.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates August 30, 2017, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to

disapprove the proposed rule change (File Number SR-NYSEMKT-2017-31).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

Jill M. Peterson,

Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81108; File No. SR-ISE-2017-65]

### Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Priority Customer Taker Fees for Regular Orders in Select Symbols

July 10, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 30, 2017, Nasdaq ISE, 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 its Schedule of Fees, as described further below.

The text of the proposed rule change is available on the Exchange’s Web site at [www.ise.com](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 amend the Schedule of Fees to make changes to the Priority Customer<sup>3</sup> taker fees for regular orders in Select Symbols,<sup>4</sup> as described in more detail below.

Currently, the Exchange charges a taker fee for regular orders in Select Symbols that is \$0.44 per contract for Market Maker<sup>5</sup> orders, \$0.45 per contract for Non-Nasdaq ISE Market Maker,<sup>6</sup> Firm Proprietary,<sup>7</sup> Broker-Dealer,<sup>8</sup> and Professional Customer<sup>9</sup> orders, and \$0.40 per contract for Priority Customer orders. In addition, the Exchange charges a reduced Priority Customer taker fee of \$0.35 per contract for regular orders in SPY, which is the most actively traded name on the Exchange.

The Exchange now proposes to further reduce the Priority Customer taker fee for regular orders in SPY from \$0.35 per contract to \$0.30 per contract. The Exchange also proposes to reduce the Priority Customer taker fee for QQQ, IWM and VXX from \$0.40 per contract to \$0.35 per contract. SPY, QQQ, IWM and VXX are some of the most actively traded names on the Exchange. As such, the Exchange believes that this reduction in fees will attract Priority Customer orders in those symbols to ISE. Finally, the Exchange proposes to increase the Priority Customer taker fee for regular orders in all other Select Symbols from \$0.40 per contract to \$0.44 per contract.

<sup>3</sup> 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 Nasdaq ISE Rule 100(a)(37A).

<sup>4</sup> “Select Symbols” are options overlying all symbols listed on the Nasdaq ISE that are in the Penny Pilot Program.

<sup>5</sup> The term “Market Makers” refers to “Competitive Market Makers” and “Primary Market Makers” collectively. See ISE Rule 100(a)(25).

<sup>6</sup> A “Non-Nasdaq 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.

<sup>7</sup> A “Firm Proprietary” order is an order submitted by a member for its own proprietary account.

<sup>8</sup> A “Broker-Dealer” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

<sup>9</sup> A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

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

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

<sup>3</sup> Securities Exchange Act Release No. 80782 (May 26, 2017), 82 FR 25379 (“Notice”).

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<sup>7</sup> 15 U.S.C. 78s(b)(1).

<sup>8</sup> 17 CFR 240.19b-4.