

organizations with consistency across affiliated exchanges, thereby enabling the Exchange to compete with unaffiliated exchange competitors that similarly operate multiple exchanges on the same trading platforms.

*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**

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>17</sup> and Rule 19b-4(f)(6) thereunder.<sup>18</sup> 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 Act<sup>19</sup> and subparagraph (f)(6) Rule 19b-4 thereunder.<sup>20</sup>

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)<sup>21</sup> of the Act 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2017-35 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-NYSE-2017-35. 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-NYSE-2017-35 and should be submitted on or before August 23, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

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

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81250; File No. SR-NASDAQ-2017-075]

**Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Delay the Effective Date of the TotalView and OpenView Depth-of-Book Products**

July 28, 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 July 21, 2017, The NASDAQ Stock Market LLC ("Nasdaq" 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 delay the effective date of the merger of TotalView and OpenView by 31 days, until September 1, 2017.

**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 the Statutory Basis for, the Proposed Rule Change*

**1. Purpose**

The purpose of this filing is to delay the effective date of the merger of TotalView and OpenView by 31 days, from August 1, 2017, until September 1, 2017.

On May 26, 2017, the Exchange filed with the Commission a proposed rule change ("Proposal") to merge the

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

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

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>18</sup> 17 CFR 240.19b-4(f)(6).

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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.

<sup>21</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>22</sup> 17 CFR 200.30-3(a)(12).

OpenView depth-of-book product into TotalView, and to amend the Exchange's fees at Rules 7023 and 7026 to reflect the merger of these two products. The SEC published the Proposal in the **Federal Register** for notice and comment on June 8, 2017.<sup>3</sup> The comment period expired on July 5, 2017, and no comments have been received.

The Exchange has recently been informed that certain Distributors will require additional time to modify systems and procedures to accommodate the merger of OpenView into TotalView, and the Exchange has agreed to modify the effective date of the Proposal from August 1, 2017, to September 1, 2017, to allow all Distributors an additional 31 days to prepare for the merger.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>4</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>5</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. All Distributors will be able to use their current systems and procedures to obtain the products that they now purchase during the period of delay, and such service will not be interrupted. Those Distributors that require additional time will be able to implement the merger of OpenView into TotalView, and those Distributors that do not require additional time will not be harmed because they will be able to continue using their current systems and procedures to obtain the products that they purchase.

### *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 delay will not change the current competitive position of any Distributor because all Distributors will be able to use their current systems and procedures to obtain the products that they purchase.

<sup>3</sup> Securities Exchange Act Release No. 80891 (June 8, 2017), 82 FR 27318 (June 14, 2017) (SR-NASDAQ-2017-054).

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

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (5).

### *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 Act<sup>6</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>7</sup>

In its filing, Nasdaq requests that the Commission waive the 30-day operative delay so that certain of its Distributors will have sufficient time to modify their systems and procedures to accommodate the merger of OpenView into TotalView. The Exchange further represents that Distributors that do not require additional time to modify their systems and procedures will not be harmed by a delayed merger of TotalView and OpenView, because they will be able to continue using their current systems and procedures. Accordingly, the Commission believes that granting a waiver of the operative delay is consistent with the protection of investors and the public interest and therefore designates the proposed rule change to be operative upon filing.<sup>8</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: (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.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>7</sup> 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.

<sup>8</sup> 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).

### **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 Number SR-NASDAQ-2017-075 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-2017-075. 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-2017-075, and should be submitted on or before August 23, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81233; File No. SR-MSRB-2017-03]

### Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Consisting of Proposed Amendments to MSRB Rule G-26, on Customer Account Transfers, To Modernize the Rule and Promote a Uniform Customer Account Transfer Standard

July 27, 2017.

#### I. Introduction

On May 26, 2017, the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) filed with the Securities and Exchange Commission (the “SEC” or “Commission”), 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> a proposed rule change consisting of proposed amendments to MSRB Rule G-26, on customer account transfers, to modernize the rule and promote a uniform customer account transfer standard for all brokers, dealers, municipal securities brokers and municipal securities dealers (collectively, “dealers”) (the “proposed rule change”). The proposed rule change was published for comment in the **Federal Register** on June 14, 2017.<sup>3</sup>

The Commission received two comment letters on the proposed rule change.<sup>4</sup> On July 20, 2017, the MSRB responded to those comments<sup>5</sup> and

filed Amendment No. 1 to the proposed rule change (“Amendment No. 1”).<sup>6</sup> The Commission is publishing this notice to solicit comments on Amendment No. 1 to the proposed rule change from interested parties and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. Description of Proposed Rule Change

In the Notice of Filing, the MSRB stated that the purpose of the proposed rule change is to modernize Rule G-26 and promote a uniform customer account transfer standard for all dealers.<sup>7</sup> The MSRB stated that it believes that, by including certain provisions parallel to the customer account transfer rules of other SROs, particularly FINRA Rule 11870, in current Rule G-26, the transfer of customer securities account assets will be more flexible, less burdensome, and more efficient, while reducing confusion and risk to investors and allowing them to better move their municipal securities to their dealer of choice.<sup>8</sup>

As further described by the MSRB in the Notice of Filing, Rule G-26 requires dealers to cooperate in the transfer of customer accounts and specifies procedures for carrying out the transfer process.<sup>9</sup> According to the MSRB, such transfers occur when a customer decides to transfer an account from one dealer, the carrying party (*i.e.*, the dealer from which the customer is requesting the account be transferred) to another, the receiving party (*i.e.*, the dealer to which the customer is requesting the account be transferred).<sup>10</sup> Moreover, Rule G-26 currently establishes specific time frames within which the carrying party is required to transfer a customer account; limits the reasons for which a receiving party may take exception to an account transfer instruction; provides for the establishment of fail-to-receive and fail-to-deliver contracts;<sup>11</sup> and requires that fail contracts be resolved in accordance with MSRB close-out

procedures, established by MSRB Rule G-12(h).<sup>12</sup> In addition, current Rule G-26 requires the use of the automated customer account transfer service in place at a registered clearing agency registered with the Commission when both dealers are direct participants in the same clearing agency.<sup>13</sup> Finally, the rule contains a provision for enhancing compliance by requiring submission of transfer instructions to the enforcement authority with jurisdiction over the dealer carrying the account, if the enforcement authority requests such submission.<sup>14</sup>

As discussed in the Notice of Filing, the MSRB adopted Rule G-26 in 1986 as part of an industry-wide initiative to create a uniform customer account transfer standard by applying a customer account transfer procedure to all dealers that are engaged in municipal securities activities.<sup>15</sup> The uniform standard for all customer account transfers (*i.e.*, automated and manual processes) is largely driven by the National Securities Clearing Corporation’s (“NSCC”) Automated Customer Account Transfer Service (“ACATS”).<sup>16</sup> The MSRB stated that it adopted Rule G-26 in conjunction with the adoption of similar rules by other self-regulatory organizations (“SROs”)—New York Stock Exchange (“NYSE”) Rule 412 and Financial Industry Regulatory Authority (“FINRA”) Rule 11870.<sup>17</sup> The MSRB stated that those rules are not applicable to certain accounts at dealers, particularly municipal security-only accounts and accounts at bank dealers.<sup>18</sup> Current Rule G-26 governs the municipal security-only customer account transfers performed by those dealers to ensure that all customer account transfers are subject to regulation that is consistent with the uniform industry standard. Thus, the MSRB noted, in order to maintain consistency and the uniform standard, the MSRB has, from time to time, modified the requirements of Rule G-26 to conform to certain provisions of the parallel FINRA and NYSE customer account transfer rules, as well as to enhancements made to the ACATS process by NSCC, that had relevance to municipal securities.<sup>19</sup>

#### Residual Credit Positions

The MSRB has proposed to update Rule G-26 to include the transfer of

<sup>9</sup> 17 CFR 200.30-3(a)(12) and (59).

<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. 80890 (June 7, 2017) (the “Notice of Filing”), 82 FR 27307 (June 14, 2017).

<sup>4</sup> See Letter to Secretary, Commission, from Mike Nicholas, Chief Executive Officer, Bond Dealers of America (“BDA”), dated July 5, 2017 (the “BDA Letter”); and, Letter to Secretary, Commission, from Leslie M. Norwood, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association (“SIFMA”), dated July 5, 2017 (the “SIFMA Letter”).

<sup>5</sup> See Letter to Secretary, Commission, from Carl E. Tugberk, Assistant General Counsel, MSRB, dated July 20, 2017 (the “MSRB Response Letter”),

available at <https://www.sec.gov/comments/sr-msrb-2017-03/msrb201703-1871538-156223.pdf>.

<sup>6</sup> *Id.* In Amendment No. 1, the MSRB proposed to amend the requested implementation date to provide for a longer implementation period and later effective date by proposing an effective date six months from the date of Commission approval rather than three months.

<sup>7</sup> See Notice of Filing.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> The MSRB stated that fail-to-receive and fail-to-deliver contracts are records maintained by the receiving party and the carrying party, respectively, when a customer account transfer fails. See Notice of Filing.

<sup>12</sup> See Notice of Filing.

<sup>13</sup> See Rule G-26(h).

<sup>14</sup> See Rule G-26(i).

<sup>15</sup> See Notice of Filing.

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*