

rules amongst the Exchange and its affiliates.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The proposed amendment to paragraph (e)(3) of Rule 11.10 would not have any impact on competition as it simply clarifies the rule by removing language that reflects functionality not offered by the Exchange.

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

No comments were solicited or received on the proposed rule change.

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 Act²⁰ and subparagraph (f)(6) of Rule 19b-4 thereunder.²¹

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)²² 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 requested that the Commission waive the 30-day operative delay so that the proposed rule change will become operative upon filing. The Exchange stated that such waiver would enable the Exchange to immediately clarify its rule by removing language that reflects functionality not offered by the Exchange, and thereby avoid any potential investor confusion. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the

public interest because it would enable the Exchange to update its rule without delay. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.²³

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 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. Please include File Number SR-BatsEDGX-2017-38 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-BatsEDGX-2017-38. 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

²³ For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsEDGX-2017-38, and should be submitted on or before November 17, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81919; File No. SR-BatsBZX-2017-68]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 21.1, Definitions, To Modify Stop Orders and Stop Limit Orders Applicable to the Exchange's Equity Options Platform in Preparation for the C2 Options Exchange, Incorporated Technology Migration

October 23, 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 October 10, 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)(iii)

²⁴ 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).

²⁰ 15 U.S.C. 78s(b)(3)(A)(iii).

²¹ 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the 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.

²² 17 CFR 240.19b-4(f)(6)(iii).

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 update Rule 21.1 to make modifications to the Exchange's rules and functionality applicable to the Exchange's options platform ("BZX Options") in preparation for the technology migration of the Exchange's affiliated options exchange, C2 Options Exchange, Incorporated ("C2"), onto the same technology as the Exchange.

The text of the proposed rule change is available at the Exchange's Web site at 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

In 2016, the Exchange and its affiliates Bats BYX Exchange, Inc. ("BYX"), Bats EDGA Exchange, Inc. ("EDGA"), and Bats EDGX Exchange, Inc. ("EDGX") received approval to affect a merger (the "Merger") of the Exchange's indirect parent company, Bats Global Markets, Inc. ("BGM"), with CBOE Holdings, Inc. ("CBOE Holdings"), the direct parent of Chicago Board Options Exchange, Incorporated ("CBOE") and C2 Options Exchange, Incorporated ("C2", and together with the Exchange, BYX, EDGA, EDGX, and CBOE the "CBOE Affiliated Exchanges").⁵ The CBOE Affiliated

Exchanges are working to align certain system functionality, retaining only intended differences between the CBOE Affiliated Exchanges, in the context of a technology migration. Thus, the proposals set forth below are intended to add certain system functionality that is more similar to functionality offered by CBOE and C2 in order to ultimately provide a consistent technology offering for market participants who interact with the CBOE Affiliated Exchanges. Although the Exchange intentionally offers certain features that differ from those offered by its affiliates and will continue to do so, the Exchange believes that offering similar functionality to the extent practicable will reduce potential confusion for Users.

The Exchange proposes to modify its rules regarding Stop Orders and Stop Limit Orders, as defined in Rules 21.1(d)(11) and (d)(12), respectively.

Stop Orders are currently defined in Rule 21.1(d)(11) as an order that becomes a Market Order⁶ when the stop price is elected. A Stop Order to buy is elected when the consolidated last sale in the option occurs at, or above, the specified stop price. A Stop Order to sell is elected when the consolidated last sale in the option occurs at, or below, the specified stop price. Stop Limit Orders are currently defined in Rule 21.1(d)(12) as an order that becomes a limit order⁷ when the stop price is elected. A Stop Limit Order to buy is elected when the consolidated last sale in the option occurs at, or above, the specified stop price. A Stop Limit Order to sell becomes a sell limit order when the consolidated last sale in the option occurs at, or below, the specified stop price.

The Exchange proposes to modify Stop Orders and Stop Limit Orders to add that such orders will be elected based on quotations as well. Specifically, in addition to electing a Stop Order or Stop Limit Order to buy (sell) when the consolidated last sale in

⁶ "Market Orders" are orders to buy or sell at the best price available at the time of execution. Market Orders to buy or sell an option traded on are rejected if they are received when the underlying security is subject to a "Limit State" or "Straddle State" as defined in the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the "Limit Up-Limit Down Plan"). Any portion of a Market Order that would execute at a price more than \$0.50 or 5 percent worse than the NBBO at the time the order initially reaches BZX Options, whichever is greater, will be cancelled.

⁷ "Limit Orders" orders to buy or sell an option at a specified price or better. A limit order is marketable when, for a limit order to buy, at the time it is entered into the System, the order is priced at the current inside offer or higher, or for a limit order to sell, at the time it is entered into the System, the order is priced at the inside bid or lower.

the option occurs at or above (below), the specified stop price, the Exchange proposes to elect such an order when the NBB (NBO) is equal to or higher (lower) than the stop price. The Exchange notes that CBOE and C2 also trigger stop orders based on quotations.⁸ The Exchange further notes that it has proposed to elect Stop Orders and Stop Limit Orders based on consolidated quotations (the NBB and NBO) rather than quotations only on the Exchange. The Exchange believes that this is more consistent with its current functionality for Stop Orders and Stop Limit Orders, which are elected based on the consolidated last sale in the option.

The Exchange also proposes a minor change to the definition of Stop Limit Orders to ensure that there is consistent language between Stop Limit Orders to buy and Stop Limit Orders to sell. The current language related to Stop Limit Orders to buy focuses on the election of such orders whereas the current language related to Stop Limit Orders to sell focuses on the conversion of such orders to limit orders. The Exchange proposes to include language related both election and conversion to limit orders with respect to both Stop Limit Orders to buy and Stop Limit Orders to sell.

In addition, the Exchange proposes to restrict Stop Orders, which, as described above are converted to Market Orders when elected, from being elected when the underlying security is in a Limit State, as defined in the Limit Up-Limit Down Plan. Such an order would be held until the end of the Limit State, at which point the order would again become eligible to be elected. This aspect of the proposal is also based on the rules of CBOE⁹ and C2¹⁰ and is consistent with the Exchange's current handling of Market Orders, which are not accepted when the underlying security is in a Limit State.¹¹ As Stop Orders become Market Orders when elected, the Exchange believes that this change is merely an extension of its existing functionality.

Below are examples of the current and proposed functionality for Stop Orders and Stop Limit Orders.

Example 1A—Stop Order is Triggered (Current Functionality)

Assume the NBBO is 7.80 x 8.00. Assume that a User submits a Stop

⁸ See CBOE Rules 6.53(c)(iii) and (c)(iv) and C2 Rules 6.10(c)(3) and (c)(4).

⁹ See CBOE Rule 6.53, Interpretation and Policy .01C.

¹⁰ See C2 Rule 6.10, Interpretation and Policy .01C.

¹¹ See Exchange Rule 21.1(d)(5).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ See Securities Exchange Act Release No. 79585 (December 16, 2016), 81 FR 93988 (December 22, 2016) (SR-BatsBZX-2016-68; SR-BatsBYX-2016-29; SR-BatsEDGA-2016-24; SR-BatsEDGX-2016-60).

Order to buy 500 shares with a stop price of 8.05.

- Assume the NBBO updates to 8.00 by 8.05. An execution reported by another exchange at 8.05 will trigger the stop price of the Stop Order, which will convert into a Market Order to buy.

- Note: this example would still be accurate under the proposed functionality, however, there is an additional way that a Stop Order could be elected, a change to the NBBO, as set forth in Example 1B below.

Example 1B—Stop Order is Triggered (Proposed Functionality)

Assume the NBBO is 7.80 x 8.00. Assume that a User submits a Stop Order to buy 500 shares with a stop price of 8.05.

- Assume the NBBO updates to 8.05 by 8.10. The NBB equal to the stop price of the order will trigger the stop price of the Stop Order, which will convert into a Market Order to buy. The result would be the same if the NBB were instead higher than the stop price, such as with an NBBO of 8.10 by 8.15.

Example 2A—Stop Limit Order is Triggered (Current Functionality)

Assume the NBBO is 7.80 x 8.00. Assume that a User submits a Stop Limit Order to buy 500 shares at 8.04 with stop limit price of 8.05.

- Assume the NBBO updates to 8.03 by 8.05. An execution reported by another exchange at 8.05 will trigger the stop price of the Stop Limit Order, which will convert into a limit order to buy at 8.04.

- Note: this example would still be accurate under the proposed functionality, however, there is an additional way that a Stop Limit Order could be elected, a change to the NBBO, as set forth in Example 2B.

Example 2B—Stop Limit Order is Triggered (Proposed Functionality)

Assume the NBBO is 7.80 x 8.00. Assume that a User submits a Stop Limit Order to buy 500 shares at 8.04 with stop limit price of 8.05.

- Assume the NBBO updates to 8.05 by 8.10. The NBB equal to the stop price of the order will trigger the stop price of the Stop Limit Order, which will convert into a limit order to buy at 8.04. The result would be the same if the NBB were instead higher than the stop price, such as with an NBBO of 8.10 by 8.15.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act¹² in general, and furthers the

objectives of Section 6(b)(5) of the Act¹³ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest. In particular, consistent rules and functionality between the Exchange and its affiliated exchanges will reduce complexity and help avoid potential confusion by the Users of the Exchange that are also participants on other CBOE Affiliated Exchanges.¹⁴

The Exchange believes the proposed amendment will reduce complexity and increase the understanding of the Exchange's operations for all Users of the Exchange. In particular, by triggering Stop Orders and Stop Limit Orders based on quotations, in addition to trades, the Exchange's functionality will be more similar to that of CBOE and C2. In turn, when CBOE and C2 are migrated to the same technology as that of the Exchange, Users of the Exchange and other CBOE Affiliated Exchanges will have access to similar functionality on all CBOE Affiliated Exchanges. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

With respect to Stop Orders not being elected when the underlying security is in a Limit State, this proposal is based on the rules of CBOE and C2 and is also consistent with the Exchange's current handling of Market Orders, which are not accepted when the underlying security is in a Limit State.¹⁵ As Stop Orders become Market Orders when elected, the Exchange believes that this change is merely an extension of its existing functionality.

(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 that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposal will

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ The Exchange notes that its affiliate, EDGX, also intends to adopt Stop Orders and Stop Limit Orders that would function identical to Stop Orders and Stop Limit Orders on the Exchange, as amended by this proposal. In addition, as CBOE and C2 migrate to the same technology platform as the Exchange, CBOE and C2 intend to modify rules and functionality to be consistent with the Exchange and EDGX, unless the retention of differences is intended.

¹⁵ See *supra*, notes 8–10.

further promote consistency between the Exchange and its affiliated exchanges, and is part of a larger technology integration that will ultimately reduce complexity for Users of the Exchange that are also participants on other CBOE Affiliated Exchanges. The Exchange does not believe that the proposed changes will have any direct impact on competition. Thus, the Exchange does not believe that the proposal creates any significant impact on competition.

(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 written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing proposed rule change does not: (A) Significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, 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) of the Act¹⁶ and paragraph (f)(6) of Rule 19b-4 thereunder,¹⁷ the Exchange has designated this rule filing as non-controversial.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁸ normally does not become operative prior to 30 days after the date of the filing. However, Rule 19b-4(f)(6)(iii)¹⁹ 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 proposed rule change may become operative immediately upon filing. The Exchange notes that the proposed rule change will promote consistency between the Exchange and CBOE Affiliated Exchanges, and is part of a larger

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 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.

¹⁸ 17 CFR 240.19b-4(f)(6).

¹⁹ 17 CFR 240.19b-4(f)(6)(iii).

¹² 15 U.S.C. 78f(b).

technology integration that will ultimately reduce complexity for Users of the Exchange that are also participants on other CBOE Affiliated Exchanges.

The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investor and the public interest. The Commission notes that the proposed rule change is based on rules of its affiliated exchanges, CBOE and C2, and thus does not raise any new or novel issues. Accordingly, the Commission hereby waives the 30-day operative delay and designates the proposed rule change as operative upon filing.²⁰

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: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) 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-BatsBZX-2017-68 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-BatsBZX-2017-68. 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

²⁰ 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).

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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsBZX-2017-68 and should be submitted on or before November 17, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²¹

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81921; File No. SR-MSRB-2017-08]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change To Amend MSRB Form G-45 To Collect Additional Data About the Transactional Fees Primarily Assessed by Programs Established To Implement the ABLE Act

October 23, 2017.

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 notice is hereby given that on October 13, 2017 the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

have been prepared by the MSRB. 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 MSRB filed with the Commission a proposed rule change to amend Form G-45 under MSRB Rule G-45, on reporting of information on municipal fund securities,³ to collect additional data about the transactional fees primarily assessed by programs established to implement the Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 (the "ABLE Act" and an "ABLE program") (the "proposed rule change").⁴ The MSRB requests that the proposed rule change become effective on June 30, 2018.⁵

The text of the proposed rule change is available on the MSRB's Web site at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2017-Filings.aspx, at the MSRB's principal office, 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 MSRB 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 MSRB 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 ABLE Act added Section 529A to the Internal Revenue Code of 1986, as amended (the "Code"), to permit a state, or an agency or instrumentality thereof, to establish and maintain a new type of tax-advantaged savings program to help support individuals with disabilities in

³ Form G-45 is an electronic form on which submissions of the information required by Rule G-45 are made to the MSRB.

⁴ The ABLE Act was enacted on December 19, 2014 as part of The Tax Increase Prevention Act of 2014 (Pub. L. 113-295).

⁵ As noted under "Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change" below, the proposed rule change does not alter the date that underwriters to ABLE programs must submit data under Rule G-45 to the MSRB.