

immediately to demonstrate their qualification for initial listing. The proposed 30 day period will relate only to a company's ability to demonstrate its compliance with the holders requirement, as a company's compliance with the earnings or global market capitalization and stock price requirements will be apparent at the time of consummation of the Business Combination. This proposed change is consistent with the protection of investors and the public interest, as it does not alter the substantive quantitative requirements a company must meet to remain listed.

#### *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 purpose of the proposed rule is to adopt initial and continued listing standards for Acquisition Companies that better reflect the characteristics and trading market for Acquisition Companies. While the rule may permit more Acquisition Companies to list, or remain listed, on the Exchange, other exchanges could adopt similar rules to compete for such listings. As such, the Exchange does not believe it imposes any burden on competition.

#### *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**

Within 45 days of the date of publication of this notice in the **Federal Register** or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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-2017-53 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-2017-53. 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. 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-NYSE-2017-53 and should be submitted on or before December 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-26220 Filed 12-5-17; 8:45 am]

**BILLING CODE 8011-01-P**

<sup>18</sup> 17 CFR 200.30-3(a)(12).

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-82190; File No. SR-NYSEArca-2017-123]

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Reflect a Change to the Investment Objective and the Underlying Index for the Horizons S&P 500 Covered Call ETF**

November 30, 2017.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on November 22, 2017, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "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 reflect a change to the investment objective and the underlying index for the Horizons S&P 500® Covered Call ETF, shares of which are currently listed and trading on the Exchange under NYSE Arca Rule 5.2-E(j)(3). The proposed change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The Exchange proposes to make certain changes relating to the investment objective, the underlying index and the investments of the Horizons S&P 500 Covered Call ETF (the "Fund"), shares ("Shares") of which are currently listed and trading on the Exchange under NYSE Arca Rule 5.2-E(j)(3) (Investment Company Units or "Units").<sup>4</sup>

Shares of the Fund currently are listed and traded on the Exchange.<sup>5</sup> The Shares are offered by Horizons ETF Trust I (the "Trust"), which is organized as a Delaware statutory trust and is registered with the Commission as an open-end management investment company.<sup>6</sup>

The investment adviser to the Fund is Horizons ETFs Management (US) LLC ("Adviser").<sup>7</sup> Foreside Fund Services,

<sup>4</sup> An Investment Company Unit is a security that represents an interest in a registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities). See NYSE Arca Rule 5.2-E(j)(3)(A).

<sup>5</sup> The Commission issued notice of a proposed rule change to permit listing and trading of Shares of the Fund in Securities Exchange Act Release Nos. 68351 (December 4, 2012), 77 FR 73500 (December 10, 2012) (SR-NYSEArca-2012-131) (Notice of Filing of Proposed Rule Change Relating to Listing and Trading of Shares of the Horizons S&P 500 Covered Call ETF, Horizons S&P Financial Select Sector Covered Call ETF, and Horizons S&P Energy Select Sector Covered Call ETF under NYSE Arca Equities Rule 5.2(j)(3)) ("Prior Notice"); 68708 (January 23, 2013), 78 FR 6161 (January 29, 2013) (SR-NYSEArca-2012-131) (Order Approving Proposed Rule Change Relating to Listing and Trading of Shares of the Horizons S&P 500 Covered Call ETF, Horizons S&P Financial Select Sector Covered Call ETF, and Horizons S&P Energy Select Sector Covered Call ETF under NYSE Arca Equities Rule 5.2(j)(3)) ("Prior Order" and, together with the Prior Notice, the "Prior Release").

<sup>6</sup> The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act"). On September 25, 2017, the Trust filed with the Commission an amendment to its Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-183155 and 811-22732) ("Registration Statement"). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Recon Capital Series Trust (subsequently renamed Horizons ETF Trust I), et al, under the 1940 Act. See Investment Company Act Release No. 31961 (February 9 [sic], 2016) (File No. 812-14461) ("Exemptive Order").

<sup>7</sup> The Adviser is not registered as a broker-dealer and is affiliated with two broker-dealers and has implemented and will maintain a fire wall with respect to its broker-dealer affiliates regarding

LLC (the "Distributor") is the principal underwriter and distributor of the Fund's Shares. U.S. Bank, N.A. serves as custodian for the Fund. The Bank of New York Mellon serves as sub-custodian for the Fund. U.S. Bancorp Fund Services, LLC serves as the transfer agent and administrator for the Fund.<sup>8</sup>

As described in the Prior Notice, the Fund seeks investment results that, before fees and expenses, generally correspond to the performance of the S&P 500 Stock Covered Call Index ("Underlying Index") provided by S&P Dow Jones Indices LLC (the "Index Provider").<sup>9</sup> The Underlying Index is

access to information concerning the portfolio holdings of the Fund. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser is or becomes affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the portfolio holdings of the Fund, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio. An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the "Advisers Act"). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

<sup>8</sup> The entities serving as the Trust, custodian and transfer agent for the Fund have changed from those identified in the Prior Release. The investment adviser to the Fund, Horizons ETFs Management (US) LLC, also has changed from the adviser identified in the Prior Release. The Adviser previously served as sub-adviser to the Fund, as stated in the Prior Release. The services provided by these entities are not changing from those described in the Prior Release.

<sup>9</sup> The Underlying Index and "New Underlying Index" (as defined below) are provided by the Index Provider, which is unaffiliated with the Fund or the Adviser. The Index Provider maintains, calculates and publishes information regarding the Underlying Index and New Underlying Index. The Index Provider is not a broker-dealer and is not affiliated with a broker-dealer and has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the Underlying Index and New Underlying Index.

comprised of all the equity securities in the S&P 500 Index (the "Reference Index") and a short (written) call option on each of the options-eligible securities in the Reference Index that meet, among others, stock and option price criteria of the Underlying Index methodology.<sup>10</sup>

The Exchange proposes to reflect a change to the investment objective and the underlying index for the Fund. Going forward, the Fund will seek investment results that, before fees and expenses, generally correspond to the performance of the CBOE S&P 500 2% OTM BuyWrite Index ("New Underlying Index"). The New Underlying Index does not meet the "generic" listing requirements of Commentary .01(a)(A) to NYSE Arca Rule 5.2-E(j)(3) applicable to the listing of Units based upon an index of US Component Stocks. Specifically, NYSE Arca Rule 5.2-E(j)(3) provides that the term "US Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act. Commentary .01(a)(A) to NYSE Arca Rule 5.2-E(j)(3) sets forth the requirements to be met by components of an index or portfolio of US Component Stocks.<sup>11</sup> The New Underlying Index consists of the constituent securities of the S&P 500 Index. The New Underlying Index meets and will continue to meet all requirements of NYSE Arca Rule 5.2-E(j)(3) and Commentary .01(a)(A) thereto except that the New Underlying Index includes a call option, which is not an NMS Stock as defined in Rule 600 of Regulation NMS. As described below, the New Underlying Index consists of long positions in securities in the Reference Index and a single out-

<sup>10</sup> The Underlying Index and New Underlying Index methodologies are available at <http://us.spindices.com/indices/strategy/sp-500-stock-covered-call-index> and <https://www.cboe.com/products/strategy-benchmark-indexes/buywrite-indexes/cboe-s-p-500-2-otm-buywrite-index-bxy>, respectively. The New Underlying Index uses the same methodology as the widely accepted CBOE S&P 500 BuyWrite Index (BXM) but the New Underlying Index is calculated using out-of-the-money S&P 500 Index (SPX) call options, rather than at-the-money SPX call options. For additional information regarding the Underlying Index, see the Prior Release.

<sup>11</sup> Commentary .01(a)(A) to NYSE Arca Rule 5.2-E(j)(3) provides that components of an index or portfolio of U.S. Component Stocks underlying a series of Units listed pursuant to Rule 19b-4(e) under the Act must meet specified criteria on an initial and continued listing basis. Commentary .01(a)(A)(5) to NYSE Arca Rule 5.2-E(j)(3) states that all securities in the index or portfolio shall be U.S. Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 of Regulation NMS under the Act.

of-the-money call option written on the S&P 500 Index.<sup>12</sup> All securities in the Reference Index are listed and traded on a U.S. national securities exchange. The option on the Reference Index is traded on a U.S. national options exchange. Notwithstanding that the New Underlying Index does not meet the requirement of Commentary .01(a)(A)(5) to NYSE Arca Rule 5.2–E(j)(3), the Exchange believes that the New Underlying Index is sufficiently broad-based to deter potential manipulation in that the Reference Index stocks are among the most actively traded, highly capitalized stocks traded in the U.S. The market value of the call option will not represent more than 10% of the total weight of the New Underlying Index.

#### *Horizons S&P 500 Covered Call ETF*

According to the Registration Statement, the Fund is an index fund that will employ a “passive management” investment strategy in seeking to achieve its objective of providing investment results that generally correspond to the performance of the New Underlying Index. The New Underlying Index is comprised of two parts: (1) All the equity securities in the Reference Index (*i.e.*, the S&P 500 Index) in substantially similar weight as the Reference Index<sup>13</sup>; and (2) a single short (written) call option on the S&P 500 Index. The Fund will invest at least 80% of its total assets in securities that comprise its New Underlying Index.

#### The New Underlying Index

The New Underlying Index measures the performance of a hypothetical portfolio that employs a covered call strategy.<sup>14</sup> A covered call strategy is generally considered to be an investment strategy in which an investor buys a security, and sells (or “writes”) a call option on that security in an attempt to generate more income. The “premium” paid by the buyer of the option provides income in addition to the security’s dividends or other

distributions. The New Underlying Index consists of long positions in securities in the Reference Index and an out-of-the-money call option written on the S&P 500 Index. This option is written (sold) systematically on the monthly option writing date of the New Underlying Index.

#### The Operation of the Fund

The Fund, in return for the option premium, will write call options that give the purchaser the right to receive a cash payment equal to any positive difference between the value of the security and the exercise (or “strike”) price on the expiration date of the option. Each month the Fund will write a single out-of-the-money call option on the Reference Index as determined on the monthly option writing date of the New Underlying Index in accordance with the New Underlying Index methodology. Such short option position would be reflected in the Fund’s portfolio as a negative cash balance.

The Fund generally will use a replication methodology, meaning it will invest in all of the securities comprising the New Underlying Index in proportion to the weightings in the New Underlying Index. The Fund will seek correlation between the Fund’s performance, before fees and expenses, and that of the New Underlying Index of 0.95 or better. A figure of 1.00 would represent perfect correlation.

Under normal market conditions,<sup>15</sup> the Fund will invest at least 80% of its total assets in the securities included in the New Underlying Index. The Adviser anticipates that, generally, the Fund will hold all of the securities that comprise the New Underlying Index in proportion to their weightings in such index. However, from time to time, the Fund may utilize a sampling methodology under various circumstances where it may not be possible or practicable to purchase all of the equity securities and write (sell) the call option comprising the New Underlying Index.

The option in the New Underlying Index will be traded on national securities exchanges. Purely for informational purposes, as of September 29, 2017, the Reference Index and New Underlying Index included common stocks of 505 companies, with a market capitalization range of between approximately \$2.7 billion and \$796.1 billion. As of that date, the New Underlying Index also included a single

short (written) call option on the Reference Index.

The Exchange represents that the listing standards under NYSE Arca Rules 5.2–E(j)(3) and 5.2–E(g)(2) applicable to Units shall apply to the Shares. In addition, the Exchange represents that the Fund and the Shares will comply with all other requirements applicable to Units including, but not limited to, requirements relating to the dissemination of key information such as the value of the New Underlying Index, IIV, and NAV, rules governing the trading of equity securities, trading hours, trading halts, surveillance, information barriers and Information Bulletin to Equity Trading Permit Holders (“ETP Holders”), as set forth in Exchange rules applicable to Units and prior Commission orders approving the generic listing rules applicable to the listing and trading of Units.<sup>16</sup>

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority (“FINRA”) on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>17</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, equity securities

<sup>12</sup> An “out-of-the-money” call option is one in which the exercise (or “strike”) price of the option is above the market price of the security.

<sup>13</sup> The Reference Index is a float-adjusted market capitalization weighted index containing equity securities of 500 industrial, information technology, utility and financial companies among other Global Industry Classification Standard (“GICS®”) sectors, regarded as generally representative of the U.S. stock market. A float-adjusted market capitalization weighted index weights each index component according to its market capitalization, using the number of shares that are readily available for purchase on the open market.

<sup>14</sup> Information regarding the New Underlying Index is available at the new Web site identified in note 9, *supra*, [sic] which is different than the Web site for the Underlying Index methodology identified in the Prior Release.

<sup>15</sup> The term “normal market conditions” for these purposes will have the same meaning as the term defined in NYSE Arca Rule 6.800–E(c)(5).

<sup>16</sup> See, e.g., Securities Exchange Act Release No. 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR–PCX–2001–14) (order approving generic listing standards for ICUs and Portfolio Depository Receipts); Securities Exchange Act Release No. 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR–PCX–98–29) (order approving rules for listing and trading of ICUs).

<sup>17</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA’s performance under this regulatory services agreement.

and options with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”), and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading such securities and financial instruments from such markets and other entities. In addition, the Exchange may obtain information regarding trading in such securities from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>18</sup>

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements or representations contained in this filing regarding (a) the description of the New Underlying Index, portfolio or reference asset, (b) limitations on the New Underlying Index or portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in such rule filing will constitute continued listing requirements for listing the Shares on the Exchange.

The issuer must notify the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m). Pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements.

Except for the changes noted above, all other representations made in the Prior Release remain unchanged. Except as otherwise referenced in this proposed rule change, all representations made in the Prior Release pertaining to the Underlying Index shall continue to apply to the New Underlying Index.

## 2. Statutory Basis

The basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>19</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of

trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will continue to be listed and traded on the Exchange pursuant to the listing criteria in NYSE Arca Rule 5.2–E(j)(3). The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Adviser is not registered as a broker-dealer and is affiliated with two broker-dealers and has implemented and will maintain a fire wall with respect to its broker-dealer affiliates regarding access to information concerning the portfolio holdings of the Fund. In the event (a) the Adviser becomes registered as or newly affiliated with a broker-dealer, or (b) any new adviser becomes registered as or newly affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to such broker-dealer regarding access to information concerning the portfolio holdings of the Fund, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio. The Index Provider is not a broker-dealer and is not affiliated with a broker-dealer and has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the New Underlying Index. All securities in the Reference Index are listed and traded on a U.S. national securities exchange. The option on the Reference Index is traded on a U.S. national options exchange. The Reference Index’s stocks are among the most actively traded, highly capitalized stocks traded in the U.S. The market value of the call option will not represent more than 10% of the total weight of the New Underlying Index. The New Underlying Index is similar to the Underlying Index, the difference being that the Underlying Index includes a short (written) call option on each of the options-eligible securities in the Reference Index as described above, whereas the New Underlying Index includes a single short (written) call option on the S&P 500 Index. The Exchange does not view the proposed index change as providing a material change to the Fund’s investment objective or to the investment strategies, risks or returns of the Fund. Except for the changes noted above, all other

representations made in the Prior Release remain unchanged. Except as otherwise referenced in this proposed rule change, all representations made in the Prior Release pertaining to the Underlying Index shall continue to apply to the New Underlying Index.

### 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 purpose of the Act. The proposed rule change will enhance competition among exchange-traded fund issuers by permitting trading of shares of Units based on another underlying index that is not currently the underlying index for a series of Units.

### 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

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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>20</sup> and Rule 19b–4(f)(6) thereunder.<sup>21</sup>

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act<sup>22</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii)<sup>23</sup> 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 proposal may become operative immediately upon filing. The Commission believes that

<sup>20</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>21</sup> 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to give the Commission 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. The Exchange has satisfied this requirement.

<sup>22</sup> 17 CFR 240.19b–4(f)(6).

<sup>23</sup> 17 CFR 240.19b–4(f)(6)(iii).

<sup>18</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all holdings of the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>19</sup> 15 U.S.C. 78f(b)(5).

waiving the 30-day operative delay is consistent with the protection of investors and the public interest. According to the Exchange, waiver of the 30-day operative delay would permit the timely implementation of Fund efficiencies resulting from tracking an index that requires the writing of a single option on the Reference Index, instead of writing options on multiple options-eligible securities in the Reference Index. In addition, the Commission believes that the proposal does not raise unique or novel regulatory issues. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.<sup>24</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2017-123 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-NYSEArca-2017-123. 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

<sup>24</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).

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. 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-NYSEArca-2017-123 and should be submitted on or before December 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**Eduardo A. Aleman**

*Assistant Secretary.*

[FR Doc. 2017-26223 Filed 12-5-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82189; File No. SR-FINRA-2017-034]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Trade Reporting Facility Limited Liability Company Agreements

November 30, 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 November 21, 2017, Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and

<sup>25</sup> 17 CFR 200.30-3(a)(12).

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

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

III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as concerned solely with the administration of the self-regulatory organization under Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(3) thereunder,<sup>4</sup> which renders the proposal effective upon receipt of this filing by 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 the Substance of the Proposed Rule Change

FINRA is proposing to make technical changes to FINRA's Trade Reporting Facility limited liability company agreements, as they appear in the FINRA Manual, to reflect the second amendment and restatement of such agreements.

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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 FINRA Trade Reporting Facilities ("TRFs") are facilities that FINRA members use to report over-the-counter ("OTC") transactions in NMS stocks in accordance with FINRA rules. There currently are two TRFs: The FINRA/Nasdaq TRF and the FINRA/NYSE TRF.<sup>5</sup> The operation of each TRF is

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

<sup>4</sup> 17 CFR 240.19b-4(f)(3).

<sup>5</sup> The establishment of each TRF was subject to a proposed rule change filed with the Commission. See Securities Exchange Act Release No. 54084 (June 30, 2006), 71 FR 38935 (July 10, 2006) (Order Approving File No. SR-NASD-2005-087); and Securities Exchange Act Release No. 55325 (February 21, 2007), 72 FR 8820 (February 27, 2007)