

proceed under the rules governing formal disciplinary proceedings.

Once the Exchange's MRVP is effective, the Exchange will provide to the Commission a quarterly report for any actions taken on minor rule violations under the MRVP. The quarterly report will include: The disposition date, the name of the firm/individual, the Exchange's internal enforcement number, the review period, the nature of the violation type, the number of the rule that was violated, the number of times the violation occurred, and the sanction imposed.⁹

The Commission finds that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act, as required by Rule 19d-1(c)(2) under the Act,¹⁰ because the MRVP will permit the Exchange to carry out its oversight and enforcement responsibilities as an SRO more efficiently in cases where formal disciplinary proceedings are not necessary due to the minor nature of the particular violation.

In declaring the Exchange's MRVP effective, the Commission does not minimize the importance of compliance with Exchange rules and all other rules subject to the imposition of sanctions under Exchange Rule 1014. Violation of an SRO's rules, as well as Commission rules, is a serious matter. However, Exchange Rule 1014 provides a reasonable means of addressing violations that do not rise to the level of requiring formal disciplinary proceedings, while providing greater flexibility in handling certain violations. The Commission expects the Exchange to continue to conduct surveillance and make determinations based on its findings, on a case-by-case basis, regarding whether a violation requires formal disciplinary action or whether a sanction under the MRVP is appropriate.

It is therefore ordered, pursuant to Rule 19d-1(c)(2) under the Act,¹¹ that the proposed MRVP for MIAX PEARL, LLC, File No. 4-715, be, and hereby is, declared effective.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Brent J. Fields,
Secretary.

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⁹ The Exchange attached a sample form of the quarterly report with its submission to the Commission.

¹⁰ 17 CFR 240.19d-1(c)(2).

¹¹ *Id.*

¹² 17 CFR 200.30-3(a)(44).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82374; File No. SR-NYSEArca-2017-36]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Withdrawal of a Proposed Rule Change, as Modified by Amendment No. 1, To Adopt NYSE Arca Rule 8.900-E To Permit Listing and Trading of Managed Portfolio Shares and To List and Trade Shares of the Royce Pennsylvania ETF, Royce Premier ETF, and Royce Total Return ETF Under Proposed NYSE Arca Rule 8.900-E

December 21, 2017.

On April 14, 2017, NYSE Arca, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to: (1) Adopt NYSE Arca Rule 8.900-E (Managed Portfolio Shares); and (2) list and trade shares of the Royce Pennsylvania ETF, Royce Premier ETF, and Royce Total Return ETF under proposed NYSE Arca Rule 8.900-E. The proposed rule change was published for comment in the **Federal Register** on May 4, 2017.³ On June 15, 2017, pursuant to Section 19(b)(2) of the Exchange Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ The Commission received four comments on the proposed rule change.⁶ On July 31, 2017, the Commission instituted proceedings under Section 19(b)(2)(B) of the

Exchange Act⁷ to determine whether to approve or disapprove the proposed rule change.⁸ Thereafter, the Commission received eight additional comments on the proposed rule change.⁹ On October 30, 2017, the Commission designated a longer period for action on the proposed rule change.¹⁰ On December 5, 2017, the Exchange filed Amendment No. 1 to the proposed rule change ("Amendment No. 1"), which replaced and superseded the proposed rule change in its entirety.¹¹ Thereafter, the Commission received three additional comment letters on the proposed rule change, as modified by Amendment No. 1.¹²

On December 20, 2017, the Exchange withdrew the proposed rule change (SR-NYSEArca-2017-36), as modified by Amendment No. 1.

¹ 15 U.S.C. 78s(b)(2)(B).

² See Securities Exchange Act Release No. 81267, 82 FR 36510 (August 4, 2017).

³ See Letter from Mark Criscitello, Chairman, Precidian Funds LLC, to Brent J. Fields, Secretary, Commission, dated October 11, 2017; Letter from Daniel J. McCabe, Chief Executive, Precidian Investments, to Brent J. Fields, Secretary, Commission, dated October 12, 2017; Letter from Joseph A. Sullivan, Chairman and Chief Executive Officer, Legg Mason, Inc., to Brent J. Fields, Secretary, Commission, dated October 12, 2017; Letter from Andrew M. Gross, Jr., to Jay Clayton, Chairman, Commission, dated October 16, 2017; Letter from Terence W. Norman, Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated October 31, 2017; Letter from Simon P. Goulet, Co-Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated November 16, 2017; Letter from Simon P. Goulet, Co-Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated November 22, 2017; and Letter from Terence W. Norman, Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated November 29, 2017. The comment letters are available on the Commission's website at: <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736.htm>.

⁴ See Securities Exchange Act Release No. 81977, 82 FR 51311 (November 3, 2017). The Commission designated December 30, 2017, as the date by which the Commission must either approve or disapprove the proposed rule change.

⁵ Amendment No. 1 to the proposed rule change is available at <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736-2759313-161597.pdf>.

⁶ See Letter from Terence W. Norman, Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated December 12, 2017; Letter from Kevin S. Haerberle, Associate Professor of Law, William & Mary Law School, to Brent J. Fields, Secretary, Commission, dated December 15, 2017; and Letter from Gary L. Gastineau, President, ETF Consultants.com, Inc., to Brent J. Fields, Secretary, Commission, dated December 18, 2017. The comment letters are available on the Commission's website at: <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736.htm>.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 80553 (April 28, 2017), 82 FR 20932.

⁴ 15 U.S.C. 78s(b)(2).

⁵ See Securities Exchange Act Release No. 80935, 82 FR 28152 (June 20, 2017). The Commission designated August 2, 2017, as the date by which it should approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

⁶ See Letter from Gary L. Gastineau, President, ETF Consultants.com, Inc., to Brent J. Fields, Secretary, Commission, dated May 24, 2017; Letter from Todd J. Broms, Chief Executive Officer, Broms & Company LLC, to Brent J. Fields, Secretary, Commission, dated May 25, 2017; Letter from James J. Angel, Associate Professor of Finance, Georgetown University, McDonough School of Business, to the Commission, dated May 25, 2017; and Letter from Terence W. Norman, Founder, Blue Tractor Group, LLC, to Brent J. Fields, Secretary, Commission, dated July 18, 2017. The comment letters are available on the Commission's website at: <https://www.sec.gov/comments/sr-nysearca-2017-36/nysearca201736.htm>.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-82375; File No. SR-CBOE-2017-078]

Self-Regulatory Organizations; Cboe Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 6.42, Minimum Increments for Bids and Offers, To Extend the Penny Pilot Program

December 21, 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 December 14, 2017, Cboe Exchange, Inc. (the “Exchange” or “Cboe Options”) 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) 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 proposes to amend Rule 6.42 by extending the Penny Pilot Program through June 30, 2018.

(additions are *underlined*; deletions are [bracketed])

* * * * *

Cboe Exchange, Inc.

Rules

* * * * *

Rule 6.42. Minimum Increments for Bids and Offers

The Board of Directors may establish minimum increments for options traded on the Exchange. When the Board of Directors determines to change the

minimum increments, the Exchange will designate such change as a stated policy, practice, or interpretation with respect to the administration of Rule 6.42 within the meaning of subparagraph (3)(A) of subsection 19(b) of the Exchange Act and will file a rule change for effectiveness upon filing with the Commission. Until such time as the Board of Directors makes a change to the minimum increments, the following minimum increments shall apply to options traded on the Exchange:

(1) No change.

(2) No change.

(3) The decimal increments for bids and offers for all series of the option classes participating in the Penny Pilot Program are: \$0.01 for all option series quoted below \$3 (including LEAPS), and \$0.05 for all option series \$3 and above (including LEAPS). For QQQQs, IWM, and SPY, the minimum increment is \$0.01 for all option series. The Exchange may replace any option class participating in the Penny Pilot Program that has been delisted with the next most actively-traded, multiply-listed option class, based on national average daily volume in the preceding six calendar months, that is not yet included in the Pilot Program. Any replacement class would be added on the second trading day following [July 1, 2017]*January 1, 2018*. The Penny Pilot shall expire on [December 31, 2017]*June 30, 2018*.

(4) No change.

. . . Interpretations and Policies:

.01-.04 No change.

* * * * *

The text of the proposed rule change is also available on the Exchange’s website (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange’s Office of the Secretary, 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Penny Pilot Program (the “Pilot Program”) is scheduled to expire on December 31, 2017. The Exchange proposes to extend the Pilot Program until June 30, 2017. The Exchange believes that extending the Pilot Program will allow for further analysis of the Pilot Program and a determination of how the Pilot Program should be structured in the future.

During this extension of the Pilot Program, the Exchange proposes that it may replace any option class that is currently included in the Pilot Program and that has been delisted with the next most actively traded, multiply listed option class that is not yet participating in the Pilot Program (“replacement class”). Any replacement class would be determined based on national average daily volume in the preceding six months,⁵ and would be added on the second trading day following January 1, 2018. The Exchange will employ the same parameters to prospective replacement classes as approved and applicable in determining the existing classes in the Pilot Program, including excluding high-priced underlying securities.⁶ The Exchange will announce to its Trading Permit Holders by circular any replacement classes in the Pilot Program.

The Exchange is specifically authorized to act jointly with the other options exchanges participating in the Pilot Program in identifying any replacement class.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁷ Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)⁸ requirements that the rules of

⁵ The month immediately preceding a replacement class’s addition to the Pilot Program (*i.e.*, December) would not be used for purposes of the six-month analysis. Thus, a replacement class to be added on the second trading day following January 1, 2018, would be identified based on The Option Clearing Corporation’s trading volume data from June 1, 2017 through November 30, 2017.

⁶ See Securities Exchange Act Release No. 60864 (October 22, 2009), 74 FR 55876 (October 29, 2009) (SR-CBOE-2009-76).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).