

related amendments to be 120 days after the publication of the implementation guidance by the MSRB, but no later than April 29, 2016.

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

Written comments were neither solicited nor received on the proposed rule change.

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

Pursuant to Section 19(b)(3)(A)<sup>11</sup> of the Act and Rule 19b-4(f)(6)<sup>12</sup> thereunder, the MSRB has designated the proposed rule change as one that effects a change that: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate. A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative until 30 days after the date of filing.<sup>13</sup> However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest.<sup>14</sup> The MSRB has requested that the Commission designate the proposed rule change operative upon filing, as specified in Rule 19b-4(f)(6)(iii), which would make the proposed rule change operative on September 3, 2015.<sup>15</sup>

According to the MSRB, the proposed rule change is designed to afford dealers four months with the use of the published implementation guidance to prepare to comply with the requirements of new Rule G-18 and the related amendments. The MSRB believes the proposed rule change provides dealers with sufficient time to review such guidance and utilize it, for example, in their development or revision of policies and procedures necessary to comply with new Rule G-18 and the related amendments. The MSRB also stated that the proposed rule

change provides the municipal securities industry with greater certainty regarding the length and adequacy of the implementation period. The Commission believes the proposed rule change is consistent with the protection of investors and the public interest because it will help promote consistent and accurate compliance and further the stated purposes of new Rule G-18 and the related amendments. In addition, the proposed rule change does not alter any rule language and will, instead, only revise the effective date of new Rule G-18 and the related amendments, which were previously approved by the Commission. Therefore, the Commission hereby designates the proposed rule change operative upon filing.

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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**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-MSRB-2015-10 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.
- All submissions should refer to File Number SR-MSRB-2015-10. 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 MSRB. 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-MSRB-2015-10 and should be submitted on or before October 14, 2015.

For the Commission, pursuant to delegated authority.<sup>16</sup>

**Brent J. Fields,**  
*Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-75943; File No. SR-CBOE-2015-078]

**Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule**

September 17, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on September 8, 2015, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange proposes to amend the Fees Schedule to codify an existing fee related to catastrophic error reviews.

<sup>16</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.

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> *Id.*

<sup>14</sup> In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change, along with a brief description and text of such proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The Commission has designated a shorter time for delivery of such written notice.

<sup>15</sup> See SR-MSRB-2015-10 (September 3, 2015).

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

#### 1. Purpose

The Exchange proposes to amend the Fees Schedule to codify an existing fee related to catastrophic error reviews. By way of background, Rule 6.25 (Nullification and Adjustment of Options Transactions including Obvious Errors) governs the adjustment and nullification of erroneous options transactions, including for "Catastrophic Errors." Pursuant to Exchange Rule 6.25, the Catastrophic Error provisions provide market participants with a notification period under which they may file a request for review with the Exchange of a potential Catastrophic Error. In addition, Exchange Rule 6.25(d)(3) currently provides that if it is determined by an Official<sup>3</sup> that a Catastrophic Error has not occurred, the Trading Permit Holder will be subject to a charge of \$5,000. The Exchange notes that while this charge is explicitly provided for in the Exchange Rules (*i.e.*, Rule 6.25), it is not codified in the Exchange's Fees Schedule. The Exchange proposes to add the existing \$5,000 charge to the Fees Schedule to alleviate any potential confusion regarding the existence and applicability of the fee.

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the

Securities Exchange Act of 1934 (the "Act") [*sic*] and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>4</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>5</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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, the Exchange believes that codifying an existing fee in the Fees Schedule (in addition to the Exchange's Rules, where it is currently provided for), will alleviate potential confusion and maintain clarity in the Fees Schedule, which serves 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.

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

CBOE 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 proposed change to codify in the Fees Schedule a fee that currently is referenced only in the Exchange's Rules is not intended for competitive reasons and only applies to CBOE. The Exchange also notes that no rights or obligations of Trading Permit Holders are affected by the change.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>6</sup> and paragraph (f) of Rule

19b-4<sup>7</sup> thereunder. 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 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 will 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-CBOE-2015-078 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-CBOE-2015-078. 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

<sup>3</sup> Rule 6.25 defines "Official" as an Officer of the Exchange or such other employee designee of the Exchange that is trained in the application of this rule. See Rule 6.25(a)(3).

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

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

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

<sup>7</sup> 17 CFR 240.19b-4(f).

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-CBOE-2015-078 and should be submitted on or before October 14, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Brent J. Fields,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75936; File No. SR-NASDAQ-2015-085]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Order Granting Approval of Proposed Rule Change Relating to the Listing and Trading of the Shares of the PowerShares High Income Downside Hedged Portfolio, a Series of the PowerShares Actively Managed Exchange-Traded Fund Trust

September 17, 2015.

#### I. Introduction

On July 28, 2015, The NASDAQ Stock Market LLC (“Nasdaq” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade common shares of beneficial interest (“Shares”) of the PowerShares High Income Downside Hedged Portfolio (“Fund”), under Nasdaq Rule 5735. The proposed rule change was published for comment in the **Federal Register** on August 5, 2015.<sup>3</sup> The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

#### II. Description of the Proposal

The Exchange proposes to list and trade the Shares of the Fund under Rule 5735, which governs the listing and trading of Managed Fund Shares on the Exchange. The Shares will be offered by the Fund, which will be an actively

managed exchange-traded fund (“ETF”) and a series of the PowerShares Actively Managed Exchange-Traded Fund Trust (“Trust”). The Trust was established as a Delaware statutory trust on November 6, 2007.<sup>4</sup> Invesco PowerShares Capital Management LLC will serve as the investment adviser to the Fund (“Adviser”).<sup>5</sup> Invesco Distributors, Inc. will serve as the principal underwriter and distributor of the Fund’s Shares (“Distributor”). The Bank of New York Mellon will act as the administrator, accounting agent, custodian, and transfer agent for the Fund. The Exchange has made the following representations and statements in describing the Fund and its investment strategy, including the Fund’s portfolio holdings and investment restrictions.<sup>6</sup>

#### A. The Exchange’s Description of the Fund’s Investment Objective

According to the Exchange, the Fund will be an actively managed ETF that will seek to achieve high income and positive total returns. The Fund will seek to achieve its investment objective by using a quantitative, rules-based investment methodology designed to provide returns that exceed the

<sup>4</sup> The Trust is registered with the Commission as an open-end management investment company and has filed a post-effective amendment to its registration statement on Form N-1A (“Registration Statement”) with the Commission to register the Fund and its Shares under the Investment Company Act of 1940 (“1940 Act”) and the Securities Act of 1933. See Registration Statement for the Trust, filed on April 13, 2015 (File Nos. 333-147622 and 811-22148). In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28171 (Feb. 27, 2008) (File No. 812-13386).

<sup>5</sup> The Exchange represents that the Adviser is itself not a broker-dealer, but it is affiliated with the Distributor, which is a broker-dealer. The Adviser has therefore implemented a fire wall between itself and the Distributor with respect to access to information concerning the composition of or changes to the Fund’s portfolio. The Exchange further represents that in the event (a) the Adviser becomes newly affiliated with a different broker-dealer (or becomes a registered broker-dealer), or (b) any new adviser or sub-adviser to the Fund is a registered broker-dealer or becomes affiliated with a broker-dealer, the Adviser will implement a fire wall with respect to its relevant personnel or broker-dealer affiliate, as applicable, regarding access to information concerning the composition of or changes to the Fund’s portfolio and will be subject to procedures designed to prevent the use and dissemination of material, non-public information regarding the portfolio. The Exchange states that the Fund does not currently intend to use a sub-adviser.

<sup>6</sup> The Commission notes that additional information regarding the Fund, the Trust, and the Shares, including investment strategies, risks, creation and redemption procedures, fees, portfolio holdings disclosure policies, calculation of net asset value (“NAV”), distributions, and taxes, among other things, can be found in the Notice and the Registration Statement, as applicable. See Notice and Registration Statement, *supra* notes 3 and 4, respectively.

performance of the S&P High Income VEQTOR Index (“Benchmark”). The Fund will seek to gain exposure to the securities contained in the equity component of the Benchmark and CBOE Volatility Index (“VIX Index”) related instruments (“VIX Index Related Instruments”).<sup>7</sup>

The Exchange represents that the Benchmark is composed of two types of components: An equity component, represented by the constituents of the S&P High Income Equity Composite Index (“Equity Component Index”), and a volatility component, represented by the S&P 500 VIX Short Term Futures Index (“VIX Futures Index”). The Benchmark allocates its constituents between the two components in any given amount from time to time based on the level of volatility in the market.

The Exchange represents that the Equity Component Index is composed of 150 high-yield securities that meet certain size, liquidity, and listing exchange criteria as determined by S&P. This component comprises the following four sub-components: (i) Preferred stocks; (ii) units of master limited partnerships (“MLPs”); (iii) real estate investment trusts (“REITs”); and (iv) a portfolio of global securities engaged in the real estate industry (“global property securities”) and global securities that pay high dividends (“global dividend securities,” and together with global property securities, collectively “Global Equities”).

The Exchange states that the VIX Index is a theoretical calculation and cannot be traded. The VIX Index is a benchmark index designed to measure the market price of volatility in large cap U.S. stocks over 30 days in the future, and is calculated based on the prices of certain put and call options on the S&P 500® Index. The VIX Index measures the premium paid by investors for certain options linked to the S&P 500® Index. During periods of market instability, the implied level of volatility of the S&P 500® Index typically increases, and, consequently, the prices of options linked to the S&P 500® Index typically increase (assuming all other relevant factors remain constant or have negligible changes). This, in turn, causes the level of the VIX Index to increase. The VIX Index historically has had negative correlations to the S&P 500® Index.

The VIX Futures Index utilizes the prices of the first- and second-month futures contracts based on the VIX

<sup>7</sup> The Exchange defines “VIX Index Related Instruments” as ETFs and exchange-traded notes (“ETNs”) that provide exposure to the VIX Index, as well as VIX Index futures contracts and options on those futures contracts.

<sup>8</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.

<sup>3</sup> See Securities Exchange Act Release No. 75555 (Jul. 30, 2015), 80 FR 46631 (“Notice”).