

increased coverage under the inflation provision.<sup>5</sup>

The Board expressed concern that a unilateral increase to the SIPA limit could have unintended consequences, particularly in light of the issue not having been widely studied or discussed. For example, increasing the SIPA limit above the deposit insurance limit could incentivize the movement of funds to brokerage accounts as a savings vehicle, an outcome not consistent with the intent of SIPA.

Finally, the Board considered the amount by which the limit of protection for allowed cash claims would change if adjusted for inflation. Under SIPA Section 78fff-3(e)(1)(B), if the Board determines that an adjustment is appropriate, then \$250,000 is to be multiplied by

[t]he ratio of the annual value of the Personal Consumption Expenditures Chain-Type Price Index (or any successor index thereto), published by the Department of Commerce, for the calendar year preceding the year in which such determination is made, to the published annual value of such index for the calendar year preceding the year in which this subsection was enacted.

15 U.S.C. 78fff-3(e)(1)(B).<sup>6</sup> Although the amount of the inflation adjustment need only be considered if the Board determines to adjust the \$250,000 for inflation, *see* SIPA Section 78fff-3(e)(1), that determination would be meaningless if the adjustment resulted in no change. This was the case on January 1, 2011, when application of the formula would have increased the limit to the adjusted amount of \$254,449.52.<sup>7</sup> However, under SIPA Section 78fff-3(e)(2), because the adjusted amount must be rounded down to the nearest \$10,000 if it is not a multiple of \$10,000, the limit would have remained at \$250,000. Even if it had determined to

do so, the Board could not have adjusted the amount.

### Conclusion

A present-day application of the formula would increase the limit by \$20,000.<sup>8</sup> The Board weighed the relevant factors against a potential adjustment of \$20,000. The Board concluded that, on balance, in light of the unprecedented break with the FDIC limit that would result, with possibly harmful consequences, and the absence of evidence that an appreciable number of investors would be benefitted, an adjustment to the limit of protection for cash claims was not appropriate. Accordingly, the Board determined that the standard maximum cash advance amount should remain at \$250,000 per customer.”

\* \* \* \* \*

## II. Date of Effectiveness and Timing for Commission Action

Within thirty-five days of the date of publication of this notice of the SIPC Board's determination in the **Federal Register**, or within such longer period (i) as the Commission may designate of not more than ninety days after such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SIPC consents, the Commission shall:

(A) By order approve such determination or

(B) Institute proceedings to determine whether such determination should be disapproved.

## III. Notice of the Determination of the SIPC Board Not To Adjust the Standard Maximum Cash Advance Amount for Inflation

Effective January 1, 2016, the Board of Directors of the Securities Investor Protection Corporation determined that an inflation adjustment to the standard

<sup>8</sup> The \$20,000 is arrived at as follows: \$250,000 multiplied by 1.08763 which is the ratio of 108.763 (the annual value of the Price Index published by the Department of Commerce for calendar year 2014), to 100.000 (the published annual value of the index for 2009, the calendar year preceding the year in which subsection 78fff-3(e)(1)(B) was enacted) which equals \$271,907.50. Rounded down to \$270,000, the adjusted limit reflects an increase of \$20,000 from the \$250,000 limit. Because the determination is to be made for the calendar year 2016, the annual value of the Price Index to be used is for the “calendar year preceding the year in which such determination is made,” namely, the year 2015. However, the 2015 annual value was not available until after the end of the year. This calculation therefore was conditioned on the assumption of no unexpected dramatic rise in inflation in calendar year 2015. *See* <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&904=2009&903=64&906=a&905=2015&910=x&911=0>.

maximum cash advance amount, as defined in section 9(d) of the Securities Investor Protection Act, 15 U.S.C. 78fff-3(d), would not be appropriate for the five-year period beginning on January 1, 2017. Accordingly, the Board determined that the standard maximum cash advance amount should remain at \$250,000 per customer, effective January 1, 2017 and for the five years immediately thereafter.

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

Dated: February 22, 2016.

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-04022 Filed 2-24-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77198; File No. SR-NYSE-2016-12]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Listed Company Manual To Adopt a Requirement That Listed Foreign Private Issuers Must, at a Minimum, Submit a Form 6-K to the Securities and Exchange Commission Containing Semi-Annual Unaudited Financial Information

February 19, 2016.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”),<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that on February 5, 2016, New York Stock Exchange LLC (“NYSE” or “Exchange”) 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 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 NYSE Listed Company Manual (the “Manual”) to adopt a requirement that listed foreign private issuers must, at a minimum, submit a Form 6-K to the Securities and Exchange Commission (“SEC”) containing semi-annual

<sup>9</sup> 17 CFR 200.30-3(f)(3).

<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.

<sup>5</sup> 12 U.S.C. 1821(a)(1)(F)(i)(I). *See* Deposit Insurance Regulations; Permanent Increase in Standard Coverage Amount; Advertisement of Membership; International Banking; Foreign Banks, 75 FR 49363 n.6 (Aug. 13, 2010).

<sup>6</sup> Under SIPA Sections 78fff-3(d) and 78fff-3(e)(1), the Board was required to adjust the maximum cash advance, if at all, after December 31, 2010, but no later than January 1, 2011, and then, could do so every 5 years thereafter. Thus, the five-year period after January 1, 2011, would occur in 2016. Under SIPA Section 78fff-3(e)(4), any adjustment to the amount of the cash advance would take effect on January 1 of the year immediately after the year in which the adjustment was made.

<sup>7</sup> The calculation would be as follows: \$250,000 multiplied by 1.017798—the ratio of 111.112 (the annual value of the Price Index published by the Department of Commerce for 2010, the calendar year preceding the year in which the determination was to be made), to 109.169 (the published annual value of such index for 2009, the calendar year preceding the year in which the subsection was enacted)—equals \$254,449.52.

unaudited financial information.<sup>4</sup> The proposed rule 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.

### 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 Manual to adopt a requirement that listed foreign private issuers must, at a minimum, submit a Form 6-K to the SEC containing semi-annual unaudited financial information.

Any listed company that is a domestic issuer is required by SEC rules to file a quarterly report on Form 10-Q within a specified period after the end of each of the company's first, second and third fiscal quarters. The Form 10-Q contains unaudited financial information with respect to the most recently completed fiscal quarter. However, listed companies that are foreign private issuers<sup>5</sup> are not subject to any comparable SEC requirement with respect to interim financial reporting.<sup>6</sup>

<sup>4</sup> See footnote 6 below for a description of information that foreign private issuers are currently required to furnish to the SEC on a Form 6-K under the provisions of General Instruction B to Form 6-K.

<sup>5</sup> Exchange Act Rule 3b-4 defines a foreign private issuer as any issuer incorporated or organized under the laws of a foreign country, except an issuer meeting both of the following conditions: (i) More than 50 percent of the outstanding voting securities of the issuer are directly or indirectly held of record by residents of the United States; and (ii) any one of the following: (a) the majority of the executive officers or directors of the issuer are United States citizens or residents; or (b) more than 50 percent of the assets of the issuer are located in the United States; or (c) the business of the issuer is administered principally in the United States.

<sup>6</sup> The Exchange notes that General Instruction B to Form 6-K requires foreign private issuers to furnish on a Form 6-K whatever information, not required to be furnished on Form 40-F or previously furnished, such issuer (i) makes or is

The Exchange understands that financial reporting practices in other countries may differ from those in the United States and that it is often not the case that foreign companies issue interim financial information on a quarterly basis. However, it is the Exchange's experience that almost all listed foreign private issuers issue interim financial information on at least a semi-annual basis. The Exchange believes that this practice is essential for the protection of investors, as annual financial disclosure is too infrequent to enable investors to make informed investment decisions, especially as that information ages in the latter part of the disclosure cycle.

Given the importance of the practice of foreign private issuer listed companies reporting mid-year results, the Exchange believes that it is desirable to make this practice mandatory. Doing so will ensure that the practice is uniform among all listed foreign private issuers and also enables the Exchange to apply its compliance procedures for companies that are late in their periodic reporting to listed foreign private issuers that fail to disclose semi-annual financial information on a timely basis.

Consequently, the Exchange proposes to adopt new Section 203.03 of the Manual which would provide that each listed foreign private issuer must, at a minimum, submit to the SEC a Form 6-K that includes (i) an interim balance sheet as of the end of its second fiscal quarter and (ii) a semi-annual income statement that covers its first two fiscal quarters. This Form 6-K would be required to be submitted no later than six months following the end of the company's second fiscal quarter. The

required to make public pursuant to the law of the jurisdiction of its domicile or in which it is incorporated or organized, or (ii) files or is required to file with a stock exchange on which its securities are traded and which was made public by that exchange, or (iii) distributes or is required to distribute to its security holders. The information required to be furnished pursuant to (i), (ii) or (iii) above is that which is material with respect to the issuer and its subsidiaries concerning: Changes in business; changes in management or control; acquisitions or dispositions of assets; bankruptcy or receivership; changes in registrant's certifying accountants; the financial condition and results of operations; material legal proceedings; changes in securities or in the security for registered securities; defaults upon senior securities; material increases or decreases in the amount outstanding of securities or indebtedness; the results of the submission of matters to a vote of security holders; transactions with directors, officers or principal security holders; the granting of options or payment of other compensation to directors or officers; and any other information which the registrant deems of material importance to security holders. As a result of (i) through (iii) above, foreign private issuers could be required to provide the information required under proposed Section 203.03 of the Manual more frequently than semi-annually.

financial information included in the Form 6-K would be required to be presented in English, but would not be required to be reconciled to U.S. GAAP. The Exchange's intention in adopting proposed Section 203.03 is solely to establish a minimum interim reporting regime applicable to all listed foreign private issuers. The Exchange is not seeking to discourage companies from providing more expansive or more frequent interim financial information and proposed Section 203.03 would not relieve companies of the obligation to comply with any reporting obligations they may have under the requirements of Form 6-K or home country law or regulation. In addition, the Exchange proposes to amend Section 802.01E of the Manual to subject listed foreign private issuers that have not timely filed the required Form 6-K to the same compliance procedures as are applied to listed companies that are late in filing their annual report or Form 10-Q. A failure to file the required Form 6-K within the period specified by proposed Section 203.03 would constitute a Late Filing Delinquency under Section 802.01E. As with any other Late Filing Delinquency under that rule, a company that was delayed in filing its Form 6-K would have an initial six months compliance period within which to file the Form 6-K and any subsequently due Form 20-F or Form 6-K. If the company did not file all required filings during that initial six month period, Exchange staff would have the discretion to provide an additional compliance period of up to six months. Any company that failed to become timely with its filing obligations within the compliance periods provided under the rule (including, in the case of a company that receives the maximum 12-month cure period, the Form 6-K including the semi-annual data for the first six months of the subsequent fiscal year) would be subject to delisting.

The Exchange proposes to make Section 203.03 effective beginning with any fiscal year beginning on or after July 1, 2015. This means that the earliest semi-annual period with respect to which a company would be required to furnish a Form 6-K under the proposed rule would have ended on December 31, 2015.<sup>7</sup>

The Exchange also proposes to amend Section 103.00 of the Manual to clarify that, notwithstanding the provision in that section that allows listed foreign private issuers to follow home country

<sup>7</sup> The Commission notes that this means that the any listed company would have at least until June 30, 2016 to file the Form 6-K, with the required semi-annual data, under the new rule.

practice in lieu of complying with the Exchange's interim reporting requirements applicable to domestic companies, all listed foreign private issuers will be required to disclose interim financial information in a Form 6-K on a semi-annual basis in compliance with proposed Section 203.03.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular in that it is designed 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 and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that the proposed amendment is consistent with the investor protection objectives of Section 6(b)(5) because it is designed to ensure that listed companies provide timely financial information that is necessary to enable investors to make informed investment decisions. The Exchange believes that the proposed amendment does not unfairly discriminate among issuers, as, while it establishes a semi-annual reporting requirement for foreign private issuers that is different from the quarterly reporting to which domestic issuers are subject, this difference is consistent with the differential requirements imposed by the SEC. In addition, while a small number of companies will have less than six months from the date of effectiveness of the proposed rule to submit their first required semi-annual report, the Exchange does not believe that this is unfairly discriminatory as the period available to those companies will not be significantly less than six months and will be adequate to enable them to meet the proposed [sic].

### *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 is designed to mandate that foreign private issuer listed companies must, at a minimum, provide semi-annual financial information. As almost all NYSE-listed foreign private issuers already provide this information and Nasdaq listed companies are already subject to a comparable rule, the Exchange does not expect the rule change to have any significant impact 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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup> Because the 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>12</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>13</sup> the Commission may 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 Exchange stated that requiring semi-annual reporting of summary financial information by listed foreign private issuers is consistent with the protection of investors and the public interest since it will ensure that investors have access to information that is necessary for them to make informed decisions about investments in those companies. The Commission believes that the proposed rule change will not be unduly

burdensome on foreign private issuers as the Exchange states in its filing that most, if not all, effected companies already provide such information on a voluntary basis. Therefore, the Commission believes that the new rule should help to ensure that investors will have, or continue to have, the necessary information to make informed investment decisions for all listed foreign private issuers. In addition, concerning the proposed changes on continued listing for filing delinquencies under Section 802.01E of the Manual, treating Exchange listed foreign private issuers that fail to timely file semi-annual reports under the new rule similarly to listed domestic issuers that fail to file timely interim reports will help to ensure that investors have information necessary to assess the company and support continued trading on the Exchange.<sup>14</sup> Based on the above, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.<sup>15</sup>

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>16</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

### *Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or

<sup>14</sup> See NYSE Listed Company Manual Section 802.01E.

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

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

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

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

• Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR–NYSE–2016–12 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–NYSE–2016–12. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NYSE–2016–12 and should be submitted on or before March 17, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2016–03962 Filed 2–24–16; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77181; File No. SR–EDGX–2016–03]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rules 8.15, Imposition of Fines for Minor Violation(s) of Rules, and 25.3, Penalty for Minor Rule Violations, Amending the Exchange's Minor Rule Violation Plan

February 19, 2016.

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 February 10, 2016, EDGX Exchange, Inc. (“EDGX” or the “Exchange”) filed with the Securities and Exchange Commission (“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 is proposing to amend Rules 8.15 and 25.3 to amend the Exchange's Minor Rule Violation Plan.

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend Rule 8.15 applicable to the Exchange's equity platform (“EDGX Equities”) to remove the \$2,500 penalty limitation contained in Rule 8.15(a) in order to modify the permissible penalties for minor rule violations with respect to Rule 25.3 applicable to the EDGX options platform (“EDGX Options”) and to allow the Exchange the discretion to impose penalties in excess of \$2,500 under both the EDGX Equities and EDGX Options Minor Rule Violation Plans. The proposal further provides that only fines that do not exceed \$2,500 will not be reported. Fines that exceed \$2,500 will continue to be publicly reported by the Exchange<sup>3</sup> and reported as final in compliance with SEC Rule 19d–1(c).<sup>4</sup>

Further, the Exchange proposes to amend the EDGX Options Minor Rule Violation Plan penalty schedule contained in Rule 25.3(d)—for violations of Rule 22.6(d) regarding Market Makers maintaining continuous bids and offers—to aggregate violations of Rule 22.6(d) that occur in a single month of a rolling 24-month period and sanction such aggregated violations as a single offense. The proposed amended penalty schedule is substantially similar to International Securities Exchange (“ISE”) Rule 1614(d)(11) Minor Rule Violation Plan penalties for continuous options quotation violations. In addition to these changes, the Exchange proposes to make minor non-substantive changes to conform to the Rules of BATS Exchange, Inc., specifically by capitalizing the term “rule” in Rule 8.15 and by adding the words “and Policy” to Interpretation and Policy .01.

##### Removal of Penalty Limitation

Rule 25.3 states that the Exchange may proceed under the Minor Rule Violation Plan pursuant to the procedures set forth in Rule 8.15 applicable to EDGX Equities. Currently, Rule 8.15(a) states that the Exchange may impose a fine “not to exceed \$2,500” for a minor rule violation. Because existing Rule 25.3 recommends the imposition of penalties in excess of \$2,500 in certain circumstances, the

<sup>3</sup> As set forth in Interpretation and Policy .01 to Rule 8.11, except as provided in Rule 8.15(a), the staff shall cause details regarding all formal disciplinary actions where a final decision has been issued to be published on a Web site maintained by the Exchange.

<sup>4</sup> 17 CFR 240.19d–1(c).

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>17</sup> 17 CFR 200.30–3(a)(12).