

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-2016-20 and should be submitted on or before April 8, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Securities Act of 1933; Release No. 10054/March 14, 2016; Securities Exchange Act of 1934; Release No. 77367/March 14, 2016]

Order Approving Public Company Accounting Oversight Board Budget and Annual Accounting Support Fee for Calendar Year 2016

The Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"),¹ established the Public Company Accounting Oversight Board ("PCAOB") to oversee the audits of companies that are subject to the securities laws, and related matters, in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports. The Dodd-Frank Wall Street Reform and Consumer Protection Act² amended the Sarbanes-Oxley Act to provide the PCAOB with explicit authority to oversee auditors of broker-dealers registered with the Commission. The PCAOB is to accomplish these goals through registration of public accounting firms and standard setting, inspection, and disciplinary programs. The PCAOB is subject to the comprehensive oversight of the

Securities and Exchange Commission (the "Commission").

Section 109 of the Sarbanes-Oxley Act provides that the PCAOB shall establish a reasonable annual accounting support fee, as may be necessary or appropriate to establish and maintain the PCAOB. Under Section 109(f) of the Sarbanes-Oxley Act, the aggregate annual accounting support fee shall not exceed the PCAOB's aggregate "recoverable budget expenses," which may include operating, capital and accrued items. The PCAOB's annual budget and accounting support fee are subject to approval by the Commission. In addition, the PCAOB must allocate the annual accounting support fee among issuers and among brokers and dealers.³

Section 109(b) of the Sarbanes-Oxley Act directs the PCAOB to establish a budget for each fiscal year in accordance with the PCAOB's internal procedures, subject to approval by the Commission. Rule 190 of Regulation P facilitates the Commission's review and approval of PCAOB budgets and annual accounting support fees.⁴ This budget rule provides, among other things, a timetable for the preparation and submission of the PCAOB budget and for Commission actions related to each budget, a description of the information that should be included in each budget submission, limits on the PCAOB's ability to incur expenses and obligations except as provided in the approved budget, procedures relating to supplemental budget requests, requirements for the PCAOB to furnish on a quarterly basis certain budget-related information, and a list of definitions that apply to the rule and to general discussions of PCAOB budget matters.

In accordance with the budget rule, in March 2015 the PCAOB provided the Commission with a narrative description of its program issues and outlook for the 2016 budget year. In response, the Commission provided the PCAOB with economic assumptions and budgetary guidance for the 2016 budget year. The PCAOB subsequently delivered a preliminary budget and budget justification to the Commission. Staff from the Commission's Offices of the Chief Accountant and Financial Management dedicated a substantial amount of time to the review and analysis of the PCAOB's programs, projects and budget estimates; reviewed

the PCAOB's estimates of 2015 actual spending; and attended several meetings with management and staff of the PCAOB to further develop the Commission staff's understanding of the PCAOB's budget and operations. During the course of this review, Commission staff relied upon representations and supporting documentation from the PCAOB. Based on this review, the Commission authorized the staff to issue a "pass back" letter to the PCAOB. On November 24, 2015, the PCAOB approved its 2016 budget during an open meeting, and subsequently submitted that budget to the Commission for approval.

After considering the above, the Commission did not identify any proposed disbursements in the 2016 budget adopted by the PCAOB that are not properly recoverable through the annual accounting support fee, and the Commission believes that the aggregate proposed 2016 annual accounting support fee does not exceed the PCAOB's aggregate recoverable budget expenses for 2016. The Commission also acknowledges the PCAOB's updated strategic plan and encourages the PCAOB to continue keeping the Commission and its staff apprised of significant new developments. The Commission looks forward to providing views to the PCAOB as future updates are made to the plan.

We understand that the PCAOB has taken significant steps to advance its assessments of the performance and management of the PCAOB's standard-setting process, including the engagement of an external consultant. The Commission directs the PCAOB to continue to provide timely updates throughout the year on the progress of the Board's review of the PCAOB's standard setting process, including anticipated changes to processes or funding.

The Commission recognizes that in recent years, the PCAOB has taken significant steps to establish the Center for Economic Analysis ("Center"). The Commission directs the PCAOB to continue providing quarterly updates to the Commission on the Center's activities and progress towards its stated goals.

The Commission directs the Board to continue to provide in its quarterly reports to the Commission detailed information about the state of the PCAOB's IT program, including planned, estimated, and actual costs for IT projects, and the level of involvement of consultants. These reports also should continue to include: (a) A discussion of the Board's assessment of the IT program; and (b) the quarterly IT

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 7201 *et seq.*

² Public Law 111-203, 124 Stat. 1376 (2010).

³ Separately the Commission is responsible for review of an accounting support fee for the FASB pursuant to Section 109(e) of the Sarbanes-Oxley Act that is allocated among issuers. This separate accounting support fee is not addressed by this order.

⁴ 17 CFR 202.190.

report that is prepared by PCAOB staff and submitted to the Board. The Commission also directs the Board during 2016 to continue to include in its quarterly reports to the Commission information about the PCAOB's inspections program. Such information is to include: (a) Statistics relative to the numbers and types of firms budgeted and expected to be inspected in 2016, including by location and by year the inspections are required to be conducted in accordance with the Sarbanes-Oxley Act and PCAOB rules; (b) information about the timing of the issuance of inspections reports for domestic and non-U.S. inspections; and (c) updates on the PCAOB's efforts to establish cooperative arrangements with respective non-U.S. authorities for inspections required in those countries.

The Commission understands that the Office of Management and Budget ("OMB") has determined the 2016 budget of the PCAOB to be sequestrable under the Budget Control Act of 2011.⁵ Consequently, we expect the PCAOB will have approximately \$1 million in excess funds available from the 2015 sequestration for spending in 2016. Accordingly, the PCAOB has reduced its accounting support fee for 2016 by approximately \$1 million.

The Commission has determined that the PCAOB's 2016 budget and annual accounting support fee are consistent with Section 109 of the Sarbanes-Oxley Act. Accordingly,

It is ordered, pursuant to Section 109 of the Sarbanes-Oxley Act, that the PCAOB budget and annual accounting support fee for calendar year 2016 are approved.

By the Commission.

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77364; File No. SR-MSRB-2016-04]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change Consisting of Proposed Amendments to Rules G-12 and G-15 To Define Regular-Way Settlement for Municipal Securities Transactions as Occurring on a Two-Day Settlement Cycle and Technical Conforming Amendments

March 14, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act" or "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 1, 2016, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The MSRB filed with the Commission a proposed rule change consisting of proposed amendments to Rule G-12, on uniform practice, and Rule G-15, on confirmation, clearance, settlement and other uniform practice requirements with respect to transactions with customers, to define regular-way settlement for municipal securities transactions as occurring on a two-day settlement cycle ("T+2") and technical conforming amendments ("proposed rule change"). The compliance date of the proposed rule change will be announced by the MSRB in a notice published on the MSRB Web site, which date would correspond with the industry's transition to a T+2 regular-way settlement, which would include amendments by the SEC to Exchange Act Rule 15c6-1(a).

The text of the proposed rule change is available on the MSRB's Web site at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2016-Filings.aspx, at the MSRB's principal office, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the MSRB included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

Background

Following the financial crisis in 2008, regulators implemented additional rules and regulations designed to reduce risk in the markets, achieve greater transparency and improve efficiency in the financial industry. Consistent with those goals, the securities industry launched a voluntary initiative to shorten the settlement cycle for securities transactions to reduce counterparty risk, decrease clearing capital requirements, reduce liquidity demands, and harmonize the settlement cycle globally. The industry-led initiative to shift from the current regular-way settlement cycle defined as a three-day settlement cycle ("T+3") to a T+2 settlement cycle is being led by the Shortened Settlement Cycle Industry Steering Committee ("ISC") which is jointly chaired by the Investment Company Institute ("ICI") and the Securities Industry and Financial Markets Association ("SIFMA").³ The ISC announced its proposal in a white paper (the "white paper"), which outlined the timeline and activities required to move to a T+2 settlement cycle in the U.S. for equities, corporate and municipal bonds, and unit investment trust trades.⁴ The ISC's white paper identified all SEC and self-regulatory organization ("SRO") rule changes that it believed would be necessary to support a T+2 settlement cycle.

The ISC recommended a timeline calling for relevant regulatory

³ Shortening the Settlement Cycle: The Move to T+2, available at <http://www.ust2.com/pdfs/ssc.pdf>. Other participating industry associations include: The Association of Global Custodians, The Association of Institutional Investors, The Securities Transfer Association, Inc., and The Depository Trust & Clearing Corporation ("DTCC").

⁴ *Id.*

⁵ See "OMB Report to the Congress on the Joint Committee Reductions for Fiscal Year 2016", Appendix page 15 of 15 at: https://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/sequestration/2016_jc_sequestration_report_speaker.pdf.