

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

The Exchange does not believe that this proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would reduce the burden on Floor Brokers that have reported that the identity of the firm through which each trade will clear is not always initially provided when an order is presented and that waiting to receive this information and enter it into EOC can delay the representation and execution of an order. By reducing Floor Brokers' burden on order entry compliance, the Exchange believes the proposal will improve the competitiveness of Exchange Floor Brokers, by enabling more timely executions of open outcry trades and promoting competition for order flow among market participants and the options exchanges.

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 within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such 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. Please include File No. SR-NYSEMKT-2016-13 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 No. SR-NYSEMKT-2016-13. 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 such 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 No. SR-NYSEMKT-2016-13, and should be submitted on or before May 2, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77524; File No. SR-BatsBZX-2016-04]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Its Equity Options Platform

April 5, 2016.

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 March 31, 2016, Bats BZX Exchange, Inc. (the "Exchange" or "BZX") 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 Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change 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 filed a proposal to amend the fee schedule applicable to Members⁵ and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange's Web site at 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ The term "Member" is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

²³ 17 CFR 200.30-3(a)(12).

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 its fee schedule ("Fee Schedule") for its equity options platform ("BZX Options") to add the definitions of "Appointed MM" and "Appointed OEF", effective April 1, 2016, which would increase opportunities for firms to qualify for tiered pricing on BZX Options. Specifically, the Exchange proposes to allow a Market Maker to designate an Order Entry Firm ("OEF") as its "Appointed OEF" and for an OEF to designate a Market Maker as its "Appointed MM," for purposes of the Fee Schedule. Members of BZX Options would effectuate such designation by completing and sending an executed Volume Aggregation and Execution Detail Request form by email to the Exchange.⁶ As specified in the proposed Fee Schedule, the Exchange would view the transmittal of the completed form as acceptance of such an appointment.⁷ The proposed new concepts would be applicable to all tiered pricing offered by the Exchange, and are designed to increase opportunities for firms to qualify for such tiers.

The Exchange currently offers tiers as described in the footnotes section of the Fee Schedule. Under the current tiers, Members that achieve certain volume criteria may qualify for reduced fees or enhanced rebates for various executions, including executions of Customer⁸ and Market Maker⁹ orders. In connection with such tiers, the Exchange calculates

on a monthly basis a Member's ADV¹⁰ and/or ADAV¹¹ in the applicable category (e.g., Customer orders or Market Maker orders), as a percentage of average TCV.¹² The Exchange also offers various incentives focused on growth that compare a Member's ADAV as compared to a baseline ADAV established in a prior period (i.e., the Exchange's "step-up" pricing). Upon reaching a volume threshold that qualifies a Member for a specified tier, a Member receives the enhanced rebate or reduced fee associated with the highest tier achieved for each eligible contract executed on the Exchange. Under the Exchange's current Fee Schedule, a Member is permitted to aggregate volume with other Members that control, are controlled by, or are under common control with such Member. Thus, Members that act as OEFs with affiliated broker-dealers that are Market Makers on the Exchange, and vice-versa, may be able to qualify for certain pricing incentives offered by the Exchange based on such affiliation and aggregation.

The proposal would be available to all Market Makers and OEFs. Specifically, the proposed changes would enable any Market Maker to qualify an Appointed OEF for purposes of volume-based tiers on the Exchange. In this regard, the proposed change would enable a Market Maker without an affiliated OEF—or with an affiliated OEF that doesn't meet the volume requirements for tiered pricing—to enter into a relationship with an Appointed OEF. Similarly, as proposed, an OEF, by virtue of designating an Appointed MM, would be able to aggregate its own Customer volume with the activity of its Appointed MM, which would enhance the OEF's potential to qualify for tiered pricing.¹³

Thus, the proposed changes would enable firms that may not currently be

eligible for tiered pricing incentives to avail themselves of such incentives as well as to assist firms that are currently eligible for such incentives to potentially achieve a higher tier, thus qualifying for higher rebates or reduced fees. The Exchange believes these proposed changes would incentivize firms to direct their order flow to the Exchange to the benefit of all market participants. Further, the Exchange believes that the proposed changes would encourage Market Maker firms to increase their participation on the Exchange, which would increase capital commitment and liquidity on the Exchange to the benefit of all market participants.

As proposed, the Exchange would only process one designation of an Appointed OEF and Appointed MM per year, which designation would remain in effect unless or until the parties informed the Exchange of its termination.¹⁴ The Exchange believes that this requirement would impose a measure of exclusivity and would enable both parties to rely upon each other's transaction volumes executed on the Exchange, and potentially increase such volumes, which is beneficial to all Exchange participants.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.¹⁵ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁶ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls.

The Exchange believes that its proposed fees and rebates are reasonable, fair and equitable, and non-discriminatory for the following reasons. First, the proposal would be available to all Market Makers and OEFs and the decision to be designated as an "Appointed OEF" or "Appointed MM" is completely voluntary and Members may elect to accept this appointment or not. In addition, the proposed changes would enable firms that are not currently eligible for tiered pricing to avail themselves such pricing as well as to assist firms that are currently eligible

⁶ See proposed language for "Designating an Appointed OEF/Appointed MM" under "Definitions" section of the Fee Schedule. Members should direct their executed forms to membershipservices@bats.com.

⁷ The Exchange further notes that, as proposed, the Exchange would only recognize one such designation for each party once every 12 months, which designation would remain in effect unless or until the Exchange receives written notice from either party indicating that the appointment has been terminated. *Id.*

⁸ The term "Customer" applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation ("OCC"), excluding any transaction for a Broker Dealer or a "Professional" as defined in Exchange Rule 16.1.

⁹ The term "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

¹⁰ "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day.

¹¹ "ADAV" means average daily added volume calculated as the number of contracts per day.

¹² "TCV" means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close.

¹³ An OEF that has both an Appointed MM and an affiliated Market Maker may only aggregate volumes with one of these two, not both. Specifically, the Exchange proposes to specify in the definitions section that "[w]ith prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member or who have been appointed as an Appointed OEF or Appointed OEF." See proposed Fee Schedule, "Definitions", emphasis added.

¹⁴ See *supra*, note 7.

¹⁵ 15 U.S.C. 78f.

¹⁶ 15 U.S.C. 78f(b)(4).

for such tiers to potentially achieve a higher tier, thus qualifying for higher rebates or lower fees. The Exchange believes these proposed changes would incentivize firms to direct their order flow to the Exchange. Specifically, the proposed changes would enable any Market Maker to qualify its Appointed OEF for purposes of tiered pricing. Moreover, the proposed change would allow any OEF, by virtue of designating an Appointed MM, to aggregate its own volume, including Customer volume, with the activity of its Appointed MM, which would enhance the OEF's potential to qualify for enhanced rebates or reduced fees. The Exchange believes these proposed changes would incentivize Appointed OEFs with an Appointed MM to direct their order flow to the Exchange, which increase in orders routed to the Exchange would benefit all market participants by expanding liquidity and providing more trading opportunities on the Exchange. Similarly, the Exchange believes these proposed changes would incentivize Appointed MMs with an Appointed OEF to increase their participation on the Exchange, which would increase capital commitment and liquidity and decrease spreads on the Exchange to the benefit of all market participants. The Exchange believes that, similar to volume based tiers offered by the Exchange, the benefits of the proposal extend to all market participants based on the increased quality of liquidity on the Exchange, including those market participants that opt not to become an Appointed OEF or Appointed MM.

Further, the Exchange believes that the proposal is reasonable and equitably allocated because it is beneficial to all Exchange participants based on the fact that it enables parties to rely upon each other's transaction volumes executed on the Exchange, and potentially increase such volumes. In turn, as above, the potential increase in order flow, capital commitment and resulting liquidity on the Exchange would benefit all market participants by expanding liquidity, providing more trading opportunities and tighter spreads. The proposal is also reasonable, equitable and not unfairly discriminatory because the Exchange would only process one designation of an Appointed OEF and Appointed MM per year, which requirement would impose a measure of exclusivity while allowing both parties to rely upon each other's transaction volumes executed on the Exchange, and potentially increase such volumes, again, to the benefit of all market participants. Finally, the Exchange believes the proposal is reasonable, equitable and not unfairly

discriminatory as it may encourage an increase in orders routed to the Exchange, which would expand liquidity and provide more trading opportunities and tighter spreads to the benefit of all market participants, even to those market participants that are either currently affiliated by virtue of their common ownership or that opt not to become an Appointed OEF or Appointed MM under this proposal.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed amendments to its fee schedule would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed changes are pro-competitive as they would increase opportunities for firms to qualify for tiered pricing on the Exchange, which may increase intermarket and intramarket competition by incenting participants to direct their orders to the Exchange thereby increasing the volume of contracts traded on the Exchange and enhancing the quality of quoting. Enhanced market quality and increased transaction volume that results from the anticipated increase in order flow directed to the Exchange would benefit all market participants and improve competition on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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 Act¹⁷ and paragraph (f) of Rule

19b-4 thereunder.¹⁸ 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. Please include File Number SR-BatsBZX-2016-04 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-BatsBZX-2016-04. 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 such filing will also 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

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

available publicly. All submissions should refer to File Number SR–BatsBZX–2016–04 and should be submitted on or before May 2, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁹

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2016–08184 Filed 4–8–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77522; File No. SR–NYSEArca–2015–125]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment Nos. 1, 2, and 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1, 2, and 3, To List and Trade Shares of RiverFront Dynamic Unconstrained Income ETF and RiverFront Dynamic Core Income ETF Under NYSE Arca Equities Rule 8.600

April 5, 2016.

I. Introduction

On December 15, 2015, 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 (“Act” or “Exchange Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to list and trade shares (“Shares”) of the following under NYSE Arca Equities Rule 8.600: RiverFront Dynamic Unconstrained Income ETF and RiverFront Dynamic Core Income ETF (each a “Fund,” and collectively, “Funds”). The Commission published notice of the proposed rule change in the **Federal Register** on January 6, 2016.³ On January 19, 2016, and January 29, 2016, the Exchange submitted Amendment Nos. 1 and 2, respectively, to the proposed rule change.⁴ On February 19, 2016, pursuant to Section

19(b)(2) of the Act,⁵ the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁶ On April 1, 2016, the Exchange submitted Amendment No. 3 to the proposed rule change.⁷ The Commission is publishing this notice to solicit comment on Amendment Nos. 1, 2, and 3 to the proposed rule change from interested persons and is approving the proposed rule change, as modified by Amendment Nos. 1, 2, and 3, on an accelerated basis.

II. The Exchange’s Description of the Proposal⁸

The Exchange proposes to list and trade the Shares under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Funds are each a series of ALPS ETF Trust (“Trust”), a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.⁹ The

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 77184, 81 FR 9532 (February 25, 2016). The Commission designated April 5, 2016, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁷ In Amendment No. 3, the Exchange: (i) Revised the description of the Funds’ portfolio construction and asset allocation methodology; (ii) clarified the percentage limitations on investments in the securities of issuers located in emerging markets for each Fund, and (iii) added representations that (a) all statements and representations made in the filing regarding the description of the portfolio, limitations on portfolio holdings or reference assets, or the applicability of Exchange rules and surveillance procedures shall constitute continued listing requirements for listing the Shares on the Exchange; and (b) the issuer has represented to the Exchange that it will advise the Exchange of any failure by the Funds to comply with the continued listing requirements, and, pursuant to its obligation under section 19(g)(1) of the Exchange Act, the Exchange will, monitor for compliance with its continued listing requirements, and if the Funds are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under the Exchange’s rules. Amendment No. 3 is available at <https://www.sec.gov/comments/sr-nysearca-2015-125/nysearca2015125-3.pdf>.

⁸ Additional information regarding the Trust (as defined herein), the Funds, 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, *supra* note 3, and Registration Statement, *infra* note 9.

⁹ The Exchange states that the Trust is registered under the 1940 Act. According to the Exchange, on September 1, 2015, the Trust filed with the Commission an amendment to its registration statement on Form N–1A under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”) and the

Funds will be managed by ALPS Advisors, Inc. (“Adviser”), and RiverFront Investment Group, LLC (“Sub-Adviser”) will be the investment sub-adviser for the Funds.¹⁰

A. RiverFront Dynamic Unconstrained Income ETF

1. Principal Investment Strategies

The Exchange states that the investment objective of the Fund will be to seek total return with an emphasis on income as the source of that total return. Under normal circumstances, the Fund will invest at least 65% of its assets in the securities and financial instruments described below.¹¹ The average maturity or duration of the Fund’s portfolio of Fixed Income Securities (as described below) will vary based on the Sub-Adviser’s assessment of economic and market conditions; however, the Sub-Adviser intends to manage the Fund’s portfolio so that it has an average duration of between two and ten years, under normal circumstances.

According to the Exchange, the Fund’s portfolio is constructed through a two-step process. The first step is setting the strategic allocation among different fixed income asset classes, with the objective being to construct an allocation that is designed to balance the probability of upside returns with

1940 Act relating to the Funds (File Nos. 333–148826 and 811–22175) (“Registration Statement”). The Exchange states that the Commission has issued an order granting certain exemptive relief to the Trust and the Adviser (as defined herein) under the 1940 Act. See Investment Company Act Release No. 30553 (June 11, 2013) (File No. 812–13884) (“Exemptive Order”). The Exchange states that the Funds will be offered in reliance upon the Exemptive Order issued to the Trust and the Adviser.

¹⁰ The Exchange states that neither the Adviser nor the Sub-Adviser is registered as a broker-dealer. The Exchange states that each of the Adviser and Sub-Adviser is affiliated with a broker-dealer and has implemented and will maintain a fire wall with respect to its broker-dealer affiliate regarding access to information concerning the composition of and/or changes to a Fund portfolio. In the event (a) the Adviser or Sub-Adviser becomes newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser becomes affiliated with a broker-dealer, such adviser or sub-adviser will implement a fire wall with respect to such broker-dealer regarding access to information concerning the composition of and/or changes to the portfolio, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio.

¹¹ The term “under normal circumstances” includes, but is not limited to, the absence of extreme volatility or trading halts in the securities markets or the financial markets generally; circumstances under which a Fund’s investments are made for temporary defensive purposes; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

¹⁹ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 34–76798 (December 30, 2015), 81 FR 526 (January 6, 2016) (NYSEArca–2015–125) (“Notice”).

⁴ Amendment No. 1 replaced and superseded the original filing in its entirety. Amendment No. 1 is available at <https://www.sec.gov/comments/sr-nysearca-2015-125/nysearca2015125.shtml>. Amendment No. 2 replaced and superseded the original filing, as modified by Amendment No. 1, in its entirety. Amendment No. 2 is available at <https://www.sec.gov/comments/sr-nysearca-2015-125/nysearca2015125.shtml>.