

additional information available to market participants regarding one product that trades during that trading session. The proposed rule change merely reflects CBOE's plans (as reporting authority for VIX) to calculate and disseminate the current values of VIX during Extended Trading Hours. CBOE understands that one or more major market data vendors (*e.g.* Bloomberg and Reuters) will widely disseminate the current VIX values during Extended Trading Hours, providing Trading Permit Holders and other market participants with access to those values through those vendors. As CBOE is currently the only U.S. options exchange with Extended Trading Hours, and the only U.S. options exchange on which VIX options are listed for trading, the proposed rule change has no impact on intermarket competition.

*B. 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**

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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup>

The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative on the date that VIX values may become available during Extended Trading Hours, which is expected to be April 15, 2016. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. The Commission notes that the proposed rule change merely allows VIX values to be disseminated during Extended Trading Hours in the

same manner as during Regular Trading Hours and therefore, does not raise any unique or novel issues. Accordingly, the Commission designates the proposed rule change to be operative as of April 15, 2016.<sup>13</sup>

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 shall institute proceedings to determine whether the proposed rule 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-2016-028 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-2016-028*. 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

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

<sup>12</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(ii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

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-CBOE-2016-028 and should be submitted on or before May 5, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-08557 Filed 4-13-16; 8:45 am]  
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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-77569; File No. SR-ISEMercury-2016-07]

**Self-Regulatory Organizations; ISE Mercury, LLC; Notice of Filing of Proposed Rule Change Related to Market Wide Risk Protection**

April 8, 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 March 29, 2016, ISE Mercury, LLC (the "Exchange" or "ISE Mercury") 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 self-regulatory organization. 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 introduce new activity based order protections as described in more detail below. The text of the proposed rule change is available on the Exchange's Web site (<http://www.ise.com>), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>1</sup> 17 CFR 200.30-3(a)(12).

<sup>2</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 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 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 purpose of the proposed rule change is to introduce new risk protections for orders designed to aid members in their risk management by supplementing current price reasonability checks with activity based order protections.<sup>3</sup> In particular, the Exchange proposes to introduce two activity based risk protections that will be mandatory for all members: (1) the “Order Entry Rate Protection,” which protects members against *entering* orders at a rate that exceeds predefined thresholds,<sup>4</sup> and (2) the “Order Execution Rate Protection,” which protects members against *executing* orders at a rate that exceeds their predefined risk settings. Both of these risk protections are detailed in Proposed Rule 714(d), “Market Wide Risk Protection.”<sup>5</sup> The Exchange will announce the implementation date of the Market Wide Risk Protection in a circular to be distributed to members prior to implementation.

Pursuant to the proposed Market Wide Risk Protection rule, the Exchange’s trading system (the “System”) will maintain one or more counting programs on behalf of each member that will count the number of orders entered, and the number of

<sup>3</sup> The Exchange provides members with limit order price protections designed to prevent erroneous executions by rejecting orders priced too far through the market. *See Rule 714(b)(2).*

<sup>4</sup> The Exchange will determine when to initiate the Order Entry Rate Protection pre-open to allow members time to load their orders without inadvertently triggering the protection. The precise time will be established by the Exchange and communicated to members via circular prior to implementation.

<sup>5</sup> The term “Market Wide Risk Protection” includes both the “Order Entry Rate Protection” and the “Order Execution Rate Protection.”

contracts traded on ISE Mercury.<sup>6</sup> Members can use multiple counting programs to separate risk protections for different groups established within the member.<sup>7</sup> The counting programs will maintain separate counts, over rolling time periods specified by the member for each count, of: (1) the total number of orders entered; and (2) the total number of contracts traded.<sup>8</sup> Contracts executed on the agency and contra-side of a two-sided crossing order will be counted separately for the Order Execution Rate Protection.

Members will have discretion to establish the applicable time period for each of the counts maintained under the Market Wide Risk Protection, provided that the selected period must be within minimum and maximum parameters established by the Exchange and announced via circular.<sup>9</sup> While the Market Wide Risk Protection is mandatory for all members, the Exchange is not proposing to establish minimum or maximum values for the order entry and execution parameters described in (1) and (2) above. The Exchange believes that this approach will give members the flexibility needed to appropriately tailor the Market Wide Risk Protection to their respective risk management needs. In this regard, the Exchange notes that each member is in the best position to determine risk settings appropriate for their firm based on the member’s trading activity and business needs. In the interest of maintaining a fair and orderly market, however, the Exchange will establish default values for the applicable time period and order entry and execution parameters in a circular to be distributed to members. Default values established by the Exchange will apply only to members that do not submit their own parameters for the Market Wide Risk Protection.

The System will trigger the Market Wide Risk Protection when the counting program has determined that the member has either (1) entered during

<sup>6</sup> Like the Market Wide Speed Bump functionality offered on the Exchange pursuant to Rule 804(g)(2), the Market Wide Risk Protection for ISE Mercury will not apply cross-market to other affiliated exchanges.

<sup>7</sup> The Exchange will explain how members can go about setting up risk protections for different groups (e.g., business units) in a circular issued to members.

<sup>8</sup> The member’s allowable order rate for the Order Entry Rate Protection is comprised of the parameter defined in (1), while the allowable contract execution rate for the Order Execution Rate Protection is comprised of the parameter defined in (2).

<sup>9</sup> The Exchange anticipates that the minimum and maximum values for the applicable time period will be initially set at one second and a full trading day, respectively.

the specified time period a number of orders exceeding its designated allowable order rate, or (2) executed during the specified time period a number of contracts exceeding its designated allowable contract execution rate. In particular, after a member enters an order, or a member’s order is executed, the System will look back over the specified time period to determine whether the member has exceeded the threshold that it has set for the total number of orders entered or the total number of contracts traded, as applicable. If the member’s threshold has been exceeded, the Market Wide Risk Protection will be triggered and the System will automatically reject all subsequent incoming orders entered by the member on ISE Mercury. In addition, if the member has opted in to this functionality, the System will automatically cancel all of the member’s existing orders. The Market Wide Risk Protection will remain engaged until the member manually (e.g., via email) notifies the Exchange to enable the acceptance of new orders; however, the System will still allow members to interact with existing orders entered before the protection was triggered, including sending cancel order messages and receiving trade executions for those orders.

The Exchange believes that the proposed Market Wide Risk Protection will assist members in better managing their risk when trading on ISE Mercury. In particular, the proposed rule change provides functionality that allows members to set risk management thresholds for the number of orders entered or contracts executed on the Exchange during a specified period. This is similar to how other options exchanges have implemented activity-based risk management protections,<sup>10</sup> and the Exchange believes this functionality will likewise be beneficial for ISE Mercury members.

The examples below illustrate how the Market Wide Risk Protection would work both for order entry and order execution protections:

*Example 1, Order Entry Rate Protection:* Broker Dealer 1 (“BD1”) designates an allowable order rate of 499 orders/1 second. @0 milliseconds, BD1 enters 200 orders. (Order total: 200 orders) @450 milliseconds, BD1 enters 250 orders. (Order total: 450 orders) @950 milliseconds, BD1 enters 50 orders. (Order total: 500 orders)

<sup>10</sup> See Securities Exchange Act Release Nos. 74118 (January 22, 2015), 80 FR 4605 (January 28, 2015) (Notice); 74496 (March 13, 2015), 80 FR 14421 (March 19, 2015) (Approval) (SR-MIAX-2015-03).

Market Wide Risk Protection is triggered on ISE Mercury due to exceeding 499 orders in 1 second. All subsequent orders are rejected, and if BD1 has opted in to this functionality, all existing orders are cancelled. BD1 must contact Market Operations to resume trading.

*Example 2, Order Execution Rate Protection:* BD1 designates an allowable execution rate of 15,000 contracts/2 seconds.

@0 milliseconds, BD1 receives executions for 5,000 contracts. (Execution total: 5,000 contracts)

@600 milliseconds, BD1 receives executions for 10,000 contracts. (Execution total: 15,000 contracts)

@1550 milliseconds, BD1 receives executions for 2,000 contracts. (Execution total: 17,000 contracts)

Market Wide Risk Protection is triggered on ISE Mercury due to exceeding 15,000 contracts in 2 seconds. All subsequent orders are rejected, and if BD1 has opted in to this functionality, all existing orders are cancelled. BD1 must contact Market Operations to resume trading.

## 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(b) of the Act.<sup>11</sup> Specifically, the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>12</sup> because it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would assist with the maintenance of a fair and orderly market by establishing new activity based risk protections for orders. The Exchange currently offers a risk protection mechanism for market maker quotes that removes the member's quotes if a specified number of curtailment events occur during a set time period ("Market Wide Speed Bump").<sup>13</sup> The Exchange believes that this Market Wide Speed Bump functionality has been successful in reducing market maker risk and now proposes to adopt risk protections for orders that would allow other members to properly manage their exposure to excessive risk. In particular, the proposed rule change would implement two new risk protections based on the rate of order entry and order execution, respectively. The Exchange believes that both of these new protections, which

together encompass the proposed Market Wide Risk Protection, would enable members to better manage their risk when trading options on the Exchange by limiting the member's risk exposure when systems or other issues result in orders being entered or executed at a rate that exceeds predefined thresholds. In today's market the Exchange believes that robust risk management is becoming increasingly more important for all members. The proposed rule change would provide an additional layer of risk protection for market participants that trade on the Exchange.

The proposed Market Wide Risk Protection is similar to risk management functionality provided by other options exchanges, including, for example, the MIAX Options Exchange ("MIAX"), which recently received Commission approval for its "Risk Protection Monitor" for orders.<sup>14</sup> In particular, the Market Wide Risk Protection is designed to reduce risk associated with system errors or market events that may cause members to send a large number of orders, or receive multiple, automatic executions, before they can adjust their exposure in the market. Without adequate risk management tools, such as those proposed in this filing, members could reduce the amount of order flow and liquidity that they provide. Such actions may undermine the quality of the markets available to customers and other market participants. Accordingly, the proposed rule change is designed to encourage members to submit additional order flow and liquidity to the Exchange, thereby removing impediments to and perfect [sic] the mechanisms of a free and open market and a national market system and, in general, protecting investors and the public interest. In addition, providing members with more tools for managing risk will facilitate transactions in securities because, as noted above, the members will have more confidence that protections are in place that reduce the risks from potential system errors and market events. As a result, the new functionality has the potential to promote just and equitable principles of trade.

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

In accordance with Section 6(b)(8) of the Act,<sup>15</sup> the Exchange does not believe that the proposed rule change would impose any burden on intermarket or intramarket competition that is not necessary or appropriate in furtherance

of the purposes of the Act. The proposed Market Wide Risk Protection is similar to risk protections already available on other options exchanges,<sup>16</sup> and is designed to be a competitive offering that would mitigate the risk associated with trading on the Exchange. Market makers already benefit from Market Wide Speed Bump functionality available for quotes. The proposed change would extend new risk protections to orders so that additional market participants can benefit from risk mitigating functionality. In addition, the proposed functionality would be mandatory for all members, and would be made available on an equal and non-discriminatory basis. As such, the Exchange does not believe that the proposed rule change would impose any unnecessary burden on competition.

## 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 unsolicited written comments from members or other interested parties.

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

Within 45 days of the publication date of this notice or within such longer period (1) as the Commission may designate up to 45 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (2) as to which the self-regulatory organization consents, the Commission will:

- (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](mailto:rule-comments@sec.gov). Please include File Number SR-

<sup>11</sup> 15 U.S.C. 78f(b).

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> See Rule 804(g)(2).

<sup>14</sup> See supra note 10.

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

<sup>16</sup> See supra notes 10 and 14.

ISEMERCURY-2016-07 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-ISEMERCURY-2016-07. 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-ISEMERCURY-2016-07 and should be submitted on or before May 5, 2016.

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

**Robert W. Errett,**  
Deputy Secretary.

[FR Doc. 2016-08556 Filed 4-13-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

<sup>17</sup> 17 CFR 200.30-3(a)(12).

Extension: Rule 605 of Regulation NMS, SEC File No. 270-488, OMB Control No. 3235-0542

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) ("PRA"), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 605 (17 CFR 242.605) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

Rule 605 of Regulation NMS,<sup>1</sup> formerly known as, Rule 11Ac1-5, requires market centers to make available to the public monthly order execution reports in electronic form. The Commission believes that many market centers retain most, if not all, of the underlying raw data necessary to generate these reports in electronic format. Once the necessary data is collected, market centers could either program their systems to generate the statistics and reports, or transfer the data to a service provider (such as an independent company in the business of preparing such reports or a self-regulatory organization) that would generate the statistics and reports.

The collection of information obligations of Rule 605 apply to all market centers that receive covered orders in national market system securities. The Commission estimates that approximately 132 market centers are subject to the collection of information obligations of Rule 605. Each of these respondents is required to respond to the collection of information on a monthly basis.

The Commission staff estimates that, on average, Rule 605 causes respondents to spend 6 hours per month to collect the data necessary to generate the reports, or 72 hours per year. With an estimated 132 market centers subject to Rule 605, the total data collection time burden to comply with the monthly reporting requirement is estimated to be 9,504 hours per year.

Based on discussions with industry sources, the Commission staff estimates that an individual market center could retain a service provider to prepare a monthly report using the data collected for approximately \$2,978 per month.

<sup>1</sup> Regulation NMS, adopted by the Commission in June 2005, redesignated the national market system rules previously adopted under Section 11A of the Exchange Act. Rule 11Ac1-5 under the Exchange Act was redesignated Rule 605 of Regulation NMS. No substantive amendments were made to Rule 605 of Regulation NMS. See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005).

This per-respondent estimate is based on the rate that a market center could expect to obtain if it negotiated on an individual basis. Based on the \$2,978 estimate, the monthly cost to the 132 market centers to retain service providers to prepare reports would be \$393,096, or an annual cost of approximately \$4,717,152.

The collection of information obligation imposed by Rule 605 is mandatory. The response will be available to the public and will not be kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta Ahmed@omb.eop.gov](mailto:Shagufta_Ahmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or by sending an email to [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: April 8, 2016.

**Robert W. Errett,**  
Deputy Secretary.

[FR Doc. 2016-08552 Filed 4-13-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77567; File No. SR-BATS-2015-94]

### Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing of Amendment No. 1 and Order Approving on an Accelerated Basis a Proposed Rule Change, as Modified by Amendments No. 1, No. 2, and No. 3, To List and Trade Shares of the SPDR DoubleLine Emerging Markets Fixed Income ETF of the SSgA Active Trust

April 8, 2016.

#### I. Introduction

On December 28, 2015, BATS Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant