

Foundation (“FAF”), satisfied the criteria for an accounting standard-setting body under the Act, and recognizing the FASB’s financial accounting and reporting standards as “generally accepted” under Section 108 of the Act.¹ As a consequence of that recognition, the Commission undertook a review of the FASB’s accounting support fee for calendar year 2016.² In connection with its review, the Commission also reviewed the budget for the FAF and the FASB for calendar year 2016.

Section 109 of the Act also provides that the standard setting body can have additional sources of revenue for its activities, such as earnings from sales of publications, provided that each additional source of revenue shall not jeopardize, in the judgment of the Commission, the actual or perceived independence of the standard setter. In this regard, the Commission also considered the interrelation of the operating budgets of the FAF, the FASB, and the Governmental Accounting Standards Board (“GASB”), the FASB’s sister organization, which sets accounting standards used by state and local government entities. The Commission has been advised by the FAF that neither the FAF, the FASB, nor the GASB accept contributions from the accounting profession.

The Commission understands that the Office of Management and Budget (“OMB”) has determined the FASB’s spending of the 2016 accounting support fee is sequestrable under the Budget Control Act of 2011.³ So long as sequestration is applicable, we anticipate that the FAF will work with the Commission and Commission staff as appropriate regarding its implementation of sequestration.

After its review, the Commission determined that the 2016 annual accounting support fee for the FASB is consistent with Section 109 of the Act. Accordingly,

It is ordered, pursuant to Section 109 of the Act, that the FASB may act in accordance with this determination of the Commission.

By the Commission.
Brent J. Fields,
Secretary.
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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77695; File No. SR–BOX–2016–20]

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule on the BOX Market LLC (“BOX”) Options Facility

April 22, 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 April 21, 2016, BOX Options Exchange LLC (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 Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b–4(f)(2) thereunder,⁴ which renders the proposal 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the BOX Volume Rebate (“BVR”) in Section I.B.2 of the Fee

Schedule on the BOX Market LLC (“BOX”) options facility. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet Web site at <http://boxexchange.com>.

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

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

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

1. Purpose

The Exchange proposes to amend the Fee Schedule for trading on BOX. Specifically, the Exchange proposes to amend the BOX Volume Rebate (“BVR”) in Section I.B.2 of the Fee Schedule.

Under the current BVR, the Exchange offers a tiered per contract rebate for all PIP Orders and COPIP Orders of 100 contracts and under that do not trade solely with their contra order. These PIP and COPIP executions are awarded a per contract rebate calculated on a monthly basis by totaling the Participant’s PIP and COPIP volume submitted to BOX, relative to the total national Customer volume in multiply-listed options classes.

The current per contract rebate for Participants in PIP and COPIP Transactions under the BVR is:

Tier	Percentage thresholds of national customer volume in multiply-listed options classes (monthly)	Per contract rebate (all account types)	
		PIP	COPIP
1	0.000% to 0.159%	(\$0.00)	(\$0.00)
2	0.160 to 0.339	(0.04)	(0.02)
3	0.340 to 0.99	(0.11)	(0.04)
4	1.00 and Above	(0.14)	(0.06)

¹ Financial Reporting Release No. 70.

² The FAF’s Board of Trustees approved the FASB’s budget on November 17, 2015. The FAF submitted the approved budget to the Commission on December 4, 2015.

³ See “OMB Report Pursuant to the Sequestration Transparency Act of 2012” (Pub. L. 112–155), page 222 of 224 at: http://www.whitehouse.gov/sites/default/files/omb/assets/legislative_reports/stareport.pdf.

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).

The Exchange proposes to introduce an additional rebate in the BVR. Specifically, PIP Orders and COPIP Orders of 100 and under contracts that trade solely with their contra order will receive a \$0.05 per contract rebate, regardless of tier.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes the proposed amendment to the BVR is reasonable, equitable and non-discriminatory. The BVR was adopted to attract Public Customer order flow to the Exchange by offering these Participants incentives to submit their PIP and COPIP Orders to the Exchange. The Exchange believes it is reasonable and appropriate to adjust the BVR to provide additional incentives for Public Customers, which will result in greater liquidity and ultimately benefit all Participants trading on the Exchange.

The Exchange believes it is reasonable, equitable and non-discriminatory to introduce a flat \$0.05 rebate in the BVR for PIP Orders and COPIP Orders of 100 and under contracts that trade solely with their contra order. The Exchange recently amended the BVR to restrict the tiered per contract rebates in the BVR to only those PIP and COPIP Orders of 100 and under contracts that do not trade solely with their contra order.⁶ The Exchange now believes it is reasonable to instead give those orders a flat \$0.05 rebate, regardless of tier. The BVR is intended to incentivize Participants to direct Customer order flow to the Exchange, and while the Exchange believes that the potentially higher BVR rebate tiers are not necessary for internalized PIP Orders that only trade against their contra order, a flat \$0.05 rebate is the appropriate incentive for these orders. The Exchange also believes that a flat \$0.05 rebate for internalized COPIP Orders that only trade against their contra order is a reasonable incentive.

Further, the Exchange believes the proposed rebate is equitable and not unfairly discriminatory because Participants are eligible to receive a

rebate provided they meet the order type requirements.

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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed fee change is reasonably designed to enhance competition in BOX transactions, particularly auction transactions.

The proposed rule change amends the BVR to provide a flat rebate for PIP or COPIP Order [sic] that trade solely with their contra order. The Exchange does not believe that the proposed change burdens competition and will instead help promote competition by providing additional incentives for market participants to submit customer order flow to BOX and thus, create a greater opportunity for retail customers to receive additional price improvement.

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

No written comments were either solicited or received.

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)(ii) of the Exchange Act⁷ and Rule 19b-4(f)(2) thereunder,⁸ because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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. Please include File Number SR-BOX-2016-20 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-BOX-2016-20. 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 Number SR-BOX-2016-20, and should be submitted on or before May 19, 2016.

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

Brent J. Fields,

Secretary.

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⁵ 15 U.S.C. 78f(b)(4) and (5).

⁶ See SR-BOX-2106-17 [sic].

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

⁸ 17 CFR 240.19b-4(f)(2).

⁹ 17 CFR 200.30-3(a)(12).