

any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Exchange believes that the proposed rule change will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace.

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

Written comments were neither solicited nor received.

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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) 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. Please include File Number SR-NASDAQ-2016-056 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NASDAQ-2016-056. 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 Nasdaq. 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-NASDAQ-2016-056 and should be submitted on or before May 23, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

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

Extension: Rule 302 SEC File No. 270-453, OMB Control No. 3235-0510

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments on the existing collection of information provided for in Rule 302 (17 CFR 242.302) of Regulation ATS (17 CFR 242.300 *et seq.*) under the Securities and Exchange Act of 1934 ("Act") (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

⁴¹ 17 CFR 200.30-3(a)(12).

Regulation ATS sets forth a regulatory regime for "alternative trading systems" ("ATSs"), which are entities that carry out exchange functions but which are not required to register as national securities exchanges under the Act. In lieu of exchange registration, an ATS can instead opt to register with the Commission as a broker-dealer and, as a condition to not having to register as an exchange, must instead comply with Regulation ATS. Rule 302 of Regulation ATS (17 CFR 242.302) describes the recordkeeping requirements for ATSs. Under Rule 302, ATSs are required to make a record of subscribers to the ATS, daily summaries of trading in the ATS, and time-sequenced records of order information in the ATS.

The information required to be collected under Rule 302 should increase the abilities of the Commission, state securities regulatory authorities, and the self-regulatory organizations to ensure that ATSs are in compliance with Regulation ATS as well as other applicable rules and regulations. If the information is not collected or collected less frequently, the regulators would be limited in their ability to comply with their statutory obligations, provide for the protection of investors, and promote the maintenance of fair and orderly markets.

Respondents consist of ATSs that choose to register as broker-dealers and comply with the requirements of Regulation ATS. There are currently 84 respondents. These respondents will spend approximately 3,780 hours per year (84 respondents at 45 burden hours/respondent) to comply with the recordkeeping requirements of Rule 302. At an average cost per burden hour of \$65, the resultant total related internal cost of compliance for these respondents is \$245,700 per year (3,780 burden hours multiplied by \$65/hour).

Written comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: PRA_Mailbox@sec.gov.

Dated: April 26, 2016.

Robert E. Errett,
Deputy Secretary.

[FR Doc. 2016-10110 Filed 4-29-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77711; File No. SR-CHX-2016-01]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Approving a Proposed Rule Change To Adopt and Amend Rules To Permit the Exchange To Initiate CHX SNAP Cycles

April 26, 2016.

I. Introduction

On February 26, 2016, the Chicago Stock Exchange, Inc. (“CHX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the functionality of the Exchange’s Sub-second Non-displayed Auction Process (“SNAP”) to permit the Exchange to initiate the SNAP when certain criteria are met. The proposed rule change was published for comment in the *Federal Register* on March 15, 2016.³ The Commission did not receive any comment letters regarding the proposed rule change. This order approves the proposed rule change.

II. Overview of the Proposal

The SNAP is designed to facilitate the bulk trading of a security within the Exchange’s matching system (“Matching System”). The SNAP is a fully-hidden, on-demand auction for a security that, under the Exchange’s current rules, may be initiated only by the Exchange’s Participants ⁴ and may occur only

during the Exchange’s regular trading session. During the stages of a SNAP (“CHX SNAP Cycle”), the Exchange temporarily suspends automated trading on the Exchange for the security subject to the SNAP. At the conclusion of a CHX SNAP Cycle, the Exchange transitions back to automated trading for the subject security. The SNAP Cycle has the following five stages, which are set forth in CHX Article 18, Rule 1:⁵ (1) Initiating the SNAP; (2) SNAP Order Acceptance Period; (3) Pricing and Satisfaction Period; (4) Order Matching Period; and (5) Transition to Open Trading State.⁶

Under the Exchange’s current rules, only a Participant may initiate the SNAP Cycle by submitting a valid limit order marked Start SNAP.⁷ To initiate a SNAP Cycle, a Start SNAP order must meet certain size,⁸ price,⁹ and timing requirements.¹⁰ Orders marked with a SNAP Auction Only modifier (SNAP AOO—Day, SNAP AOO—One and

⁵ See generally Securities Exchange Act Release No. 76087 (October 6, 2015), 80 FR 61540 (SR-CHX-2015-03) (“Approval Order”) (order approving the adoption of the SNAP rules on the Exchange). The approved rule changes governing the SNAP are not yet operative and will become operative upon two weeks’ notice by the Exchange to its Participants. See Notice, *supra* note 3, 81 FR at 13857, n.3.

⁶ Open Trading State means the period of time during the regular trading session when orders are eligible for automatic execution on the Exchange. See CHX Article 1, Rule 1(qq).

⁷ See CHX Article 1, Rule 2(h)(1) and CHX Article 18, Rule 1(b)(1).

⁸ To initiate a SNAP Cycle, a Start SNAP order must be for (a) at least 2,500 shares and have a minimum aggregate notional value of \$250,000 or (b) at least 20,000 shares with no minimum aggregate notional value requirement; provided, however, that certain issues specified in the rule may have special minimum size requirements. See CHX Article 1, Rule 2(h)(1)(A)(i).

⁹ To initiate a SNAP Cycle, the limit price of a buy (sell) Start SNAP Order must be priced at or through the National Best Offer (National Best Bid) at the time the order was received by the Matching System. If the National Best Bid and Offer (“NBBO”) is crossed or a two-sided NBBO does not exist at the time the limit order marked Start SNAP is received by the Matching System, the limit order marked Start SNAP would not initiate a SNAP Cycle. A limit order marked Start SNAP and Sell Short, as defined under CHX Article 1, Rule 2(b)(3)(E), for a covered security subject to short sale price test restriction, may not initiate a SNAP Cycle and would be cancelled. See CHX Article 1, Rule 2(h)(1)(A)(ii).

¹⁰ A Start SNAP order will initiate a SNAP Cycle only if it is received during the Exchange’s regular trading session; provided, however, that it will not initiate a SNAP Cycle if it is received (a) within five minutes of the first two-sided quote in the subject security having been received by the Exchange from the primary market disseminated after either the beginning of the Exchange’s regular trading session or a trading halt or pause that required the Exchange to suspend trading in the subject security; (b) within five minutes of the end of the regular trading session; (c) during a SNAP Cycle or (d) within one minute after the completion of the previous SNAP Cycle. See CHX Article 1, Rule 2(h)(1)(A)(iii).

Done, SNAP AOO- Pegged) that are received during Open Trading State are queued in the SNAP Auction Only Order (“AOO”) Queue and are eligible for execution only during a SNAP Cycle.¹¹

In the instant proposed rule change, the Exchange proposes to permit the Exchange to initiate a SNAP Cycle, under certain circumstances, in the absence of a Start SNAP order. The Exchange would conduct *pro forma* SNAP reviews of the contents of the CHX book, SNAP AOO Queue, and Protected Quotations of external markets for each SNAP-eligible security, consecutively and continuously in a preset order,¹² and would initiate a SNAP Cycle for a security if a review projects that the aggregate number of executions would satisfy certain minimum size and notional value requirements, as applicable. In conducting the *pro forma* SNAP review, the Exchange would take a market snapshot of the Protected Quotations of external markets in the subject security and calculate a *pro forma* SNAP Price to determine: (1) Whether the projected execution size (“PES”) at the *pro forma* SNAP Price is equal to or greater than the corresponding minimum PES; and (2) whether the PES within the Matching System at the *pro forma* SNAP Price would be equal to or greater than 80% of the corresponding minimum PES. The minimum PES for an Exchange-initiated SNAP is either: (1) 2,500 Shares with a minimum aggregate notional value of \$250,000 based on the midpoint of the NBBO ascertained from the market snapshot; or (2) 20,000 shares with no minimum aggregate notional value requirement; provided, however, that the PES for Berkshire Hathaway, Inc. (BRK-A) would be a flat 100 shares.

There would be restrictions on when the Exchange may initiate a SNAP Cycle. Proposed Rule 1A(c) prohibits the Exchange from initiating a SNAP Cycle:

(1) Within five minutes of the first two-sided quote in the subject security having been received by the Exchange from the primary market disseminated after either the beginning of the regular trading session or a trading halt, pause or suspension that required the Exchange to suspend trading in the subject security;

(2) within five minutes of the end of the regular trading session;

¹¹ See CHX Article 20, Rule 8(b)(2)(A) and CHX Article 18, Rule 1(b)(2)(A)(i).

¹² The Exchange represents that it will not modify this procedure absent an approved filing pursuant to Rule 19b-4 under the Act. See Notice, *supra* note 3, 81 FR at 13858, n.21.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 77331 (March 9, 2016), 81 FR 13857 (“Notice”).

⁴ Article 1, Rule 1 of CHX’s Rules defines the term “Participant.”