

the Pilot was an appropriate, data-driven test that was designed to evaluate the impact of a wider tick size on trading, liquidity, and the market quality of securities of smaller capitalization companies, and was therefore in furtherance of the purposes of the Act. To the extent that this proposal implements, interprets, and clarifies the Plan and applies specific requirements to CHX Participants, the Exchange believes that this proposal is in furtherance of the objectives of the Plan, as identified by the SEC, and is therefore consistent with the Act.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change implements the provisions of the Plan, and is designed to assist the Exchange in meeting its regulatory obligations pursuant to the Plan. The Exchange also notes that the quoting and trading requirements of the Plan will apply equally to all CHX Participants that trade Pilot Securities.

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

No written comments were either solicited or received.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>47</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>48</sup> The Exchange asserts that the proposed rule change: (1) Will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.<sup>49</sup>

The Exchange believes that the proposed rule change meets the criteria

of subparagraph (f)(6) of Rule 19b-4<sup>50</sup> because it would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will benefit investors because it implements, interprets, and clarifies the provisions of the Plan, and is designed to assist the Exchange and CHX Participants in meeting regulatory obligations pursuant to the Plan. To the extent that this proposal implements, interprets, and clarifies the Plan and applies specific requirements to CHX Participants, the Exchange believes that this proposal is in furtherance of the objectives of the Plan, as identified by the SEC, and is therefore consistent with the Act, the protection of investors and the public interest. In addition, the proposed rule change is substantially similar to a proposed rule change by BZX that was approved by the Commission.<sup>51</sup> Therefore, the proposed rule change does not present any unique issues not previously considered by the Commission. Based on the foregoing, the Exchange has designated this rule filing as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>52</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>53</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) 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 proposal 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 No. SR-CHX-2016-09 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to [Name of Secretary], Secretary,

Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File No. SR-CHX-2016-09. 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 changes 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 20549-1090 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 CHX. 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-CHX-2016-09 and should be submitted on or before July 20, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>54</sup>

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2016-15324 Filed 6-28-16; 8:45 am]

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## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-78143; File No. SR-CFE-2016-002]

### **Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Notice of Proposed Rule Change To Make Clarifying Updates to Prohibited Disruptive Trading Practices**

June 23, 2016.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934

<sup>54</sup> 17 CFR 200.30-3(a)(12).

<sup>47</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>48</sup> 17 CFR 240.19b-4.

<sup>49</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>50</sup> 17 CFR 240.19b-4(f)(6).

<sup>51</sup> See *supra* note 3.

<sup>52</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>53</sup> 17 CFR 240.19b-4.

(“Act”),<sup>1</sup> notice is hereby given that on May 31, 2016 CBOE Futures Exchange, LLC (“CFE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CFE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CFE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CFE filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act (“CEA”)<sup>2</sup> on May 27, 2016.

### I. Self-Regulatory Organization’s Description of the Proposed Rule Change

The Exchange proposes to amend its rule provisions related to disruptive trading practices. The scope of this filing is limited solely to the application of the rule amendments to security futures traded on CFE. The only security futures that have been offered for trading on CFE were traded under Chapter 16 of CFE’s Rulebook, which is applicable to Individual Stock Based and Exchange-Traded Fund Based Volatility Index security futures. CFE does not currently list any security futures for trading. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

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

In its filing with the Commission, CFE 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. CFE 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

CFE Rule 620 (Disruptive Trading Practices) prohibits various disruptive trading practices and CFE Policy and Procedure XVIII of the Policies and Procedures section of the CFE Rulebook

lists various factors that CFE may consider in assessing whether conduct violates Rule 620. The proposed rule change proposes clarifying updates in relation to these provisions with respect to security futures. These rule amendments will also apply to all other products traded on CFE.

#### List of Rules Applicable to Market Participants Subject to CFE Jurisdiction

CFE Rule 308(d) sets forth the list of rules which are applicable to market participants that are not CFE Trading Privilege Holders (“TPHs”) or related parties of TPHs and are subject to CFE jurisdiction under CFE Rule 308 (Consent to Exchange Jurisdiction). The proposed rule change adds Policy and Procedure XVIII to the list of rules that already apply to these market participants. This is a clarifying change since Rule 620 is one of the rules listed in Rule 308(d) and Policy and Procedure XVIII simply describes how CFE applies Rule 620.

#### Submission of Trade at Settlement Orders

Policy and Procedure XVIII currently provides guidance on prohibited disruptive trading practices. The proposed rule change adds reference to an existing prohibition under CFE Rule 404A(c) as an example of conduct that could also violate Rule 620. Rule 404A(c) provides that during the time period between business days for a CFE contract, entry into CFE’s trading system of a Trade at Settlement order in that contract prior to the time at which CFE’s trading system disseminates the pre-opening notice for that contract is prohibited.

#### Bona Fide Orders That Also Serve a Risk Management Purpose

Additionally, the amendment clarifies that a market participant is not precluded from entering a bona fide order that is intended to be executed where that execution may also serve some other risk management purpose, such as verifying the flow of the executed trades through the market participant’s back-office systems.

The proposed rule change is consistent with similar updated guidance provided by other designated contract markets (“DCMs”) regarding disruptive practices.<sup>3</sup>

<sup>3</sup> These DCMs are Chicago Mercantile Exchange, Inc. (“CME”), The Board of Trade of the City of Chicago, Inc., New York Mercantile Exchange, Inc., and Commodity Exchange, Inc. Each submitted self-certification rule filings to the CFTC pursuant to CFTC Regulation § 40.6(a) to effectuate their respective updated guidance. See, e.g., CME Submission No. 15-436 (October 8, 2015), which is available on the CFTC’s Web site.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>4</sup> in general, and furthers the objectives of Sections 6(b)(5)<sup>5</sup> and 6(b)(7)<sup>6</sup> in particular in that it is designed:

- To prevent fraudulent and manipulative acts and practices;
- to promote just and equitable principles of trade; and
- to remove impediments to and perfect the mechanism 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 will benefit market participants because it will provide greater clarity regarding the Exchange’s current prohibited disruptive trading practices and the various factors that CFE may consider in assessing whether conduct violates Rule 620. Additionally, the Exchange believes that the proposed rule change will strengthen its ability to carry out its responsibilities as a self-regulatory organization by providing further guidance regarding the type of activity that is prohibited under CFE Rule 620. In addition, the proposed rule change benefits market participants by contributing to the protection of CFE’s market and market participants from abusive practices and to the promotion of a fair and orderly market.

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

CFE 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. Specifically, the Exchange believes that the proposed rule change will not burden competition because the new clarifying updates to the prohibited disruptive trading practices will apply equally to all market participants and will help to foster a fair and orderly market. Additionally, the proposed rule change is designed to make CFE’s disruptive trading practice rules consistent with the existing rules and guidance published by other DCMs.

#### 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.

<sup>4</sup> 15 U.S.C. 78f(b).

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

<sup>6</sup> 15 U.S.C. 78f(b)(7).

<sup>1</sup> 15 U.S.C. 78s(b)(7).

<sup>2</sup> 7 U.S.C. 7a-2(c).

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

The proposed rule change will become effective on June 13, 2016.

At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Act.<sup>7</sup>

### 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-CFE-2016-002 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-CFE-2016-002. 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-CFE-2016-002, and should be submitted on or before July 20, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Brent J. Fields,**

*Secretary.*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78029; File No. SR-NYSEMKT-2016-45]

#### Self-Regulatory Organizations; NYSE MKT LLC; Suspension of and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Modify the NYSE Amex Options Fee Schedule With Respect to Fees, Rebates, and Credits for Transactions in the Customer Best Execution Auction

June 9, 2016.

#### Correction

In notice document 2016-14086, beginning on page 39089 in the issue of Wednesday, June 15, 2016, make the following corrections:

1. On page 39091, in the third column, in the ninth and tenth lines, "July 5, 2016" should read "July 6, 2016".

2. On the same page, in the eleventh line, "July 19, 2016" should read "July 20, 2016".

[FR Doc. C1-2016-14086 Filed 6-28-16; 8:45 am]

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78149; File No. SR-NASDAQ-2016-085]

#### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Allow Listed Companies Not Currently Subject to Nasdaq's All-Inclusive Annual Listing Fee To Opt In to That Fee Program for 2017

June 24, 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 June 10, 2016, The NASDAQ Stock Market LLC ("Nasdaq" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. 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 allow listed companies not currently subject to Nasdaq's all-inclusive annual listing fee to opt in to that fee program for 2017. The changes proposed herein are effective upon filing.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.cchwallstreet.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 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.

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>7</sup> 15 U.S.C. 78s(b)(1).

<sup>8</sup> 17 CFR 200.30-3(a)(73).