filed Amendment No. 1 to the proposed rule change.4

On March 18, 2016, pursuant to Section 19(b)(2) of the Act,5 the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve the proposed rule change.6 On May 17, 2016, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act to determine whether to approve or disapprove the proposed rule change.8 The Commission received eleven comments on the proposal.9

On July 7, 2016, the Exchange withdrew the proposed rule change (SR–NYSEArca–2016–08). For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.10

Jill M. Peterson, Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 515A To Extend the MIAX Price Improvement Mechanism (“PRIME”) Auction Pilot Program Until January 18, 2017

July 8, 2016.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)1 and Rule 19b–4 thereunder,2 notice is hereby given that on July 7, 2016, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in Items I and II 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 Purpose of, and Statutory Basis for, the Proposed Rule Change

The Exchange is filing a proposal to amend Exchange Rule 515A. Interpretations and Policies .08 to extend certain aspects of the MIAX Price Improvement Mechanism (“PRIME”) Auction pilot program (“Pilot Program”).


II. Self-Regulatory Organization’s Statement of the Terms of Substance of 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.

4 In Amendment No. 1 to the proposed rule change, the Exchange corrected the citations to the Trust’s Form N–1A and Exemptive Application, which were misstated in the proposal. Amendment No. 1 to the proposed rule change is available on the Commission’s Web site at: http://www.sec.gov/comments/sr-nysearca-2016-08/nysearca201608-1.pdf.

4 The Exchange notes that prior to the pilot, for PRIME Agency Orders for less than 50 standard option contracts or 500 mini-option contracts, the Initiating Member must stop the entire PRIME Agency Order as principal or with a solicited order at the better of the NBBO price improved by a $0.01 increment or at the PRIME Agency Order’s limit price (if the order is a limit order). In addition, to initiate the PRIME Auction for auto-match submissions, the Initiating Member must stop the PRIME Agency Order for less than 50 standard option contracts or 500 mini-option contracts at the better of the NBBO price improved by a $0.01 increment or the PRIME Agency Order’s limit price. See Securities Exchange Act Release No. 73590 (November 13, 2014), 79 FR 68919 (November 19, 2014) (SR–MIAX–2014–56).
to initiate a PRIME Auction,6 and began submitting revised periodic reports on August 1, 2015, based on the revised list of data detailed in Exhibit 3 of the Exchange’s filing to extend the Pilot Program an additional year to July 18, 2016.7 Any raw data which is submitted to the Commission pursuant to the Pilot Program will be provided on a confidential basis. The Exchange continues to believe that there remains meaningful competition for all size orders and that there is an active and liquid market functioning on the Exchange outside of the PRIME Auction. The Exchange also continues to believe that there are significant opportunities for price improvement available in the PRIME Auction.

2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act8 in general, and furthers the objectives of Section 6(b)(5) of the Act9 in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to 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 extending the Pilot Program is consistent with these principles because the Pilot Program is reasonably designed to create tighter markets and ensure that each order receives the best possible price, which benefits investors by increasing competition through maximizing opportunities for price improvement. The proposed extension would allow the pilot to continue uninterrupted, thereby avoiding any potential investor confusion that could result from a temporary interruption in the pilot. Because the foregoing 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act10 and subparagraph (f)(6) of Rule 19b–4 thereunder.11

A proposed rule change filed under Rule 19b–4(f)(6)12 normally does not become operative for 30 days after the date of filing. However, pursuant to Rule 19b–4(f)(6)(ii),13 the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay. The Exchange noted that waiver of the 30-day operative delay would allow for the Pilot Program to continue uninterrupted.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow the Pilot Program to continue uninterrupted, thereby avoiding any potential investor confusion that could result from a temporary interruption in the Pilot Program. Therefore, the Commission designates the proposed rule change to be operative on July 18, 2016.14

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. Please include File Number SR–MIAX–2016–19 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities as designated by the Commission. The Exchange has satisfied this requirement.

11 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give the Commission written notice of the Exchange’s 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 of the proposed rule change, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (f)(6) of Rule 19b–4 thereunder.11
13 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give the Commission written notice of the Exchange’s 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 of the proposed rule change, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (f)(6) of Rule 19b–4 thereunder.
and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–MIAX–2016–19. 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.shtm). 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–MIAX–2016–19 and should be submitted on or before August 4, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.15

Jill M. Peterson,
Assistant Secretary.

[FR Doc. 2016–16616 Filed 7–13–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Allowing the Exchange To Trade Pursuant to Unlisted Trading Privileges for Any NMS Stock Listed on Another National Securities Exchange; Establishing Listing and Trading Requirements for Exchange Traded Products; and Adopting New Equity Trading Rules Relating to Trading Halts of Securities Traded Pursuant to UTP on the Pillar Platform

July 8, 2016.

Pursuant to Section 19(b)(1)1 of the Securities Exchange Act of 1934 (“Act”)2 and Rule 19b–4 thereunder,3 notice is hereby given that, on June 30, 2016, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “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 (1) allow the Exchange to trade pursuant to unlisted trading privileges (“UTP”) for any NMS Stock4 listed on another national securities exchange; (2) establish listing and trading requirements for exchange traded products (“ETPs”); and (3) adopt new equity trading rules relating to trading halts of securities traded pursuant to UTP on the Pillar platform. The proposed rule change is available on the Exchange’s Web site at www.nyse.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 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 those 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 parts of such statements.

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

1. Purpose

The Exchange is proposing new rules to trade all Tape B and Tape C symbols, on a UTP basis, on its new trading platform, Pillar.5 The Exchange does not currently trade any securities on a UTP basis. In addition, the Exchange is proposing rules for the listing and trading of the following types of Exchange Traded Products:6

- Equity Linked Notes (“ELNs”);
- Investment Company Units;
- Index-Linked Exchangeable Notes;
- Equity Gold Shares;
- Equity Index-Linked Securities;
- Commodity-Linked Securities;
- Currency-Linked Securities;
- Fixed-Income Index-Linked Securities;
- Futures-Linked Securities;
- Multifactor-Index-Linked Securities;
- Trust Certificates;
- Currency and Index Warrants;
- Portfolio Depositary Receipts;
- Trust Issued Receipts;
- Commodity-Based Trust Shares;
- Currency Trust Shares;
- Commodity Index Trust Shares;
- Commodity Futures Trust Shares;
- Partnership Units;
- Paired Trust Shares;
- Trust Units;
- Managed Fund Shares; and
- Managed Trust Securities.

The Exchange’s proposed rules for these products are substantially identical (other than with respects[sic]

NMS Stock is defined in Rule 600 of Regulation NMS; 17 CFR 242.600(b)(47).

On January 29, 2015, the Exchange announced the implementation of Pillar, which is an integrated trading technology platform designed to use a single specification for connecting to the equities and options markets operated by the Exchange and its affiliates. NYSE Arca, Inc. (“NYSE Arca”) and NYSE MKT LLC (“NYSE MKT”). See Trader Update dated January 29, 2015, available here: http://www1.nyse.com/pdfs/Pillar_Trader_Update_Jan_2015.pdf.

6 The Exchange is proposing to define the term “Exchange Trading Product” to mean a security that meets the definition of “derivative securities product” in Rule 10b–4(e) under the Securities Exchange Act of 1934. See proposed Rule 1.1(bbb). This proposed definition is identical to the definition of “Derivatives Securities Product” in NYSE Arca Equities Rule 1.1(bbb).