

designates August 29, 2016 as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR–NASDAQ–2016–071).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

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

[FR Doc. 2016–16851 Filed 7–15–16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78305; File No. SR–BatsBZX–2016–36]

### Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of Bats BZX Exchange, Inc.

July 12, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on July 1, 2016, Bats BZX Exchange, Inc. (the “Exchange” or “BZX”) 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 has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b–4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change 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 Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange’s Web site

at [www.batstrading.com](http://www.batstrading.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 parts 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 its fee schedule for its equity options platform (“BZX Options”) to: (i) Reduce the rate for fee code PA, which is appended to Professional<sup>6</sup> orders in Penny Pilot Securities;<sup>7</sup> (ii) add a new tier under footnote 9, Professional Penny Pilot Add Volume Tiers; (iii) to modify the criteria for the Customer Penny Pilot Add Tier 5 under footnote 1; and (iv) to modify the criteria for the Non-Customer Penny Pilot Take Volume Tier 1 under footnote 3. Additionally, the Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10. The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4.

###### Fee Code PA

The Exchange proposes to reduce the rebate for fee code PA, under which a Member is currently receiving a rebate of \$0.40 per contract for its Professional orders in Penny Pilot Securities. The Exchange proposes to reduce the rebate for fee code PA from \$0.40 per contract to \$0.25 per contract. The Exchange also

proposes to update the Standard Rate table to reflect the new rebate.

###### New Professional Penny Pilot Add Volume Tier

The Exchange currently offers one tier under footnote 9, Professional Penny Pilot Add Volume Tier. Under that tier (to be renamed Tier 2), a Member receives a rebate of \$0.43 per contract for its orders that yield fee code PA where it has a combined ADAV<sup>8</sup> in Customer<sup>9</sup> and Professional orders equal to or greater than 0.20% of average TCV.<sup>10</sup> The Exchange now proposes to add a new tier under footnote 9 to be named Tier 1, under which a Member would receive a rebate of \$0.40 per contract for its orders that yield fee code PA where it has an ADV<sup>11</sup> equal to or greater than 0.25% of average TCV. The current tier under footnote 9 would be renamed Tier 2.

###### Customer Add Volume Tier 5

Customer orders that add liquidity on the Exchange in Penny Pilot Securities yield fee code PY and receive a standard rebate of \$0.25 per contract. In addition, footnote 1 of the fee schedule currently sets forth eight different types of Customer Penny Pilot Add Tiers, each providing an enhanced rebate ranging from \$0.40 to \$0.53 per contract to a Member’s Customer orders that yield fee code PY upon satisfying monthly volume criteria required by the respective tier.

The Exchange proposes to amend Customer Add Volume Tier 5 to amend the qualification criteria for the tier. In order to qualify for Customer Add Volume Tier 5 and receive a rebate of \$0.53 per contract, the Exchange currently requires a Member to: (1) Have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker<sup>12</sup> orders equal to or greater than

<sup>8</sup> As set forth in the Exchange’s fee schedule, “ADAV” means average daily volume calculated as the number of contracts added per day.

<sup>9</sup> As set forth in the Exchange’s fee schedule, the term “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a Broker Dealer or a “Professional” as defined in Exchange Rule 16.1.

<sup>10</sup> As set forth in the Exchange’s fee schedule, “TCV” means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply.

<sup>11</sup> As set forth in the Exchange’s fee schedule, “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.

<sup>12</sup> As set forth in the Exchange’s fee schedule, the term “Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is

Continued

<sup>7</sup> 17 CFR 200.30–3(a)(31).

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

<sup>2</sup> 17 CFR 240.19b–4.

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

<sup>4</sup> 17 CFR 240.19b–4(f)(2).

<sup>5</sup> The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

<sup>6</sup> The term “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.

<sup>7</sup> The term “Penny Pilot Security” applies to those issues that are quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member to have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on the Exchange's equity platform ("BZX Equities"). The Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 1.

#### Non-Customer Add Volume Tier 1

Non-Customer<sup>13</sup> orders that remove liquidity from the Exchange in Penny Pilot Securities yield fee code PP and are charged a standard fee of \$0.50 per contract. In addition, footnote 3 of the fee schedule currently sets forth four [sic] different types of Non-Customer Penny Pilot Take Volume Tiers, each providing a reduced fee ranging from \$0.44 to \$0.47 per contract to a Member's Non-Customer orders that yield fee code PP upon satisfying monthly volume criteria required by the respective tier.

The Exchange proposes to amend the Non-Customer Take Volume Tier 1 to amend the qualification criteria for the tier. In order to qualify for current Non-Customer Take Volume Tier 1, the Exchange currently requires a Member to: (1) Have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker orders equal to or greater than 0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities. The Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 3.

#### Step-Up Tier Amendments

The Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker

Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10. The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4. Each of the above tiers include the same criteria under which a Member must have an: (i) Options Step-Up Add TCV<sup>14</sup> in Non-Customer orders from March 2015 baseline equal to or greater than 0.15%; and (ii) ADAV in Away Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV. Upon satisfying the tier's criteria, the Member would receive an enhanced rebate of \$0.43 per contract, \$0.67 per contract, \$0.43 per contract, and \$0.04 per contract under the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, the Away Market Penny Pilot Add Volume Step-Up Tier, and the NBBO Setter Tier 3, respectively.

The Exchange now proposes to ease the first prong of each of the above tier's criteria by replacing the requirement that the Member have an Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline equal to or greater than 0.15% with a new requirement that the Member have an ADV equal to or greater than 0.40% of average TCV. The Exchange does not propose to amend the second prong of each of the above tiers as Members would continue to be required to have an ADAV in Away Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV.

In light of removing the monthly baseline step-up requirement, the Exchange proposes to rename the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier as follows:

- The Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier would be renamed as the "the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tier 2";
- the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier would be renamed as the "the Firm, Broker Dealer, and

Joint Back Office Non-Penny Pilot Add Volume Tier 3"; and

- the Away Market Penny Pilot Add Volume Step-Up Tier would be renamed as the "the Away Market Penny Pilot Add Volume Tier 3".

The Exchange does not propose to amend the name of the NBBO Setter Tier 3.

#### Implementation Date

The Exchange proposes to implement these amendments to its fee schedule July 1, 2016.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of section 6 of the Act,<sup>15</sup> in general, and furthers the objectives of section 6(b)(4),<sup>16</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange. The Exchange believes that the proposed tier is equitable and non-discriminatory in that it would apply uniformly to all Members. The Exchange believes the rates remain competitive with those charged by other venues and, therefore, are reasonable and equitably allocated to Members.

The Exchange believes that its proposal to change the standard fee charged for Professional orders under fee code PA is reasonable, fair and equitable and non-discriminatory, because the change will apply equally to all participants, and because, while the change marks a decrease in the rebate for Professional orders in Penny Pilot Securities, such proposed rebate remains consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and does not represent a significant departure from the Exchange's general pricing structure and will allow the Exchange to earn additional revenue that can be used to offset the addition of new pricing incentives, such as the new Professional Penny Pilot Add Volume Tier introduced as part of this proposal.

The Exchange believes that the proposed modifications to the tiered

registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

<sup>13</sup> As set forth in the Exchange's fee schedule, the term "Non-Customer" applies to any transaction that is not a Customer order.

<sup>14</sup> As set forth in the Exchange's fee schedule, "Options Step-Up TCV" means "ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV."

<sup>15</sup> 15 U.S.C. 78f.

<sup>16</sup> 15 U.S.C. 78f(b)(4).

pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive. The proposed fee structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it is reasonable to offer and incrementally modify incentives intended to help to contribute to the growth of the Exchange.

Volume-based rebates such as that proposed herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) The value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provisions and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes.

The proposed addition of an additional Professional Penny Pilot Add Volume Tier is broadly intended to incentivize participants to increase their participation on the Exchange, which will increase the liquidity and market quality on the Exchange. Thus, the Exchange believes that the proposed tier is reasonable, fair and equitable, and non-discriminatory, for the reasons set forth above with respect to volume-based pricing generally and because such changes will incentivize participants to further contribute to market quality. The Exchange also believes the rebate of \$0.40 per contract is reasonable as compared to the existing tier under footnote 9. Currently, to receive a rebate of \$0.43 per contract for orders that yield fee code PA, the Member must have a combined ADAV in Customer and Professional orders equal to or greater than 0.20% of average TCV. Under the proposed tier, the Member would receive a rebate of \$0.40 per contract for its orders that yield fee code PA where it has an ADV equal to or greater than 0.25% of average TCV. The Exchange, therefore, believes that the lower rebate is equitable and reasonable as it correlates to the proposed tier's pricing structure and the criteria necessary to achieve the existing tier under footnote 9.

The proposed modifications to the criteria required to qualify for current Customer Add Volume Tier 5 and Non-Customer Penny Pilot Take Volume Tier 1 are intended to incentivize additional

Members to send Customer orders and/or Market Maker orders to the Exchange in an effort to qualify for the enhanced rebate or lower fee made available by the tiers. The Exchange believes that the proposal to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities under both tiers is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and rebates because it will provide Members with an additional incentive to reach certain thresholds on both BZX Options and BZX Equities. The increased liquidity from this proposal also benefits all investors by deepening the BZX Options and BZX Equities liquidity pools, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Such pricing programs thereby reward a Member's growth pattern on the Exchange and such increased volume increases potential revenue to the Exchange, and will allow the Exchange to continue to provide and potentially expand the incentive programs operated by the Exchange. To the extent a Member participates on BZX Options and not BZX Equities, the Exchange believes that the proposal is still reasonable, equitably allocated and non-discriminatory with respect to such Member based on the overall benefit to the Exchange resulting from the success of BZX Options. As noted above, such success allows the Exchange to continue to provide and potentially expand its existing incentive programs to the benefit of all participants on the Exchange, whether they participate on BZX Options or not. The proposed pricing program is also fair and equitable in that membership in BZX Options is available to all market participants which would provide them with access to the benefits on BZX Options provided by the proposed changes, as described above, even where a member of BZX Options is not necessarily eligible for the proposed increased rebates on the Exchange. Further, the proposed changes will result in Members receiving either the same or an increased rebate than they would currently receive.

The proposed amendments to the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, Away Market Penny Pilot Add Volume Step-Up Tier and, the NBBO Setter Tier 3 are also intended to incentivize additional

Members to send orders to the Exchange in an effort to qualify for the enhanced rebate made available by the tiers. The Exchange notes that requiring improvement over a March 2015 baseline has become outdated and has prevented Members from seeking to achieve each tier's criteria. Therefore, the Exchange believes it is equitable and reasonable to replace the current March 2015 baseline with a requirement that Members have an ADV equal to or greater than 0.40% of average TCV. The Exchange believes the proposed change to each tier's criteria is consistent with the Act. The Exchange also believes renaming the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier is also reasonable because each tier would no longer require a step-up in volume based on a March 2015 baseline.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

The Exchange believes the proposed amendment to its fee schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. The Exchange does not believe that the proposed change to the Exchange's tiered pricing structure burdens competition, but instead, enhances competition as it is intended to increase the competitiveness of the Exchange. The Exchange also believes the proposal enhances competition by seeking to draw additional volume to both BZX Equities and BZX Options. Therefore, the Exchange believes that the amendment to the tiers' thresholds contributes to, rather than burdens competition, as such change is intended to incentivize participants to increase their participation on the Exchange.

*(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 written comments from members or other interested parties.

**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) of the Act<sup>17</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>18</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.

**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-BatsBZX-2016-36 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-BatsBZX-2016-36. 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 will also 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-BatsBZX-2016-36 and should be submitted on or before August 8, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-16849 Filed 7-15-16; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-78295; File No. SR-ISE-2016-16]**

**Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the SPY Pilot Program**

July 12, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 7, 2016, the International Securities Exchange, LLC (the "Exchange" or the "ISE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 the Substance of the Proposed Rule Change**

The ISE proposes to amend its rules to extend the pilot program that

eliminated position and exercise limits for physically-settled options on the SPDR S&P ETF Trust ("SPY") ("SPY Pilot Program"). 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.

**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 Exchange proposes to amend Supplementary Material .01 to Rule 412 and Supplementary Material .01 to Rule 414 to extend the duration of the SPY Pilot Program through July 12, 2017. This filing does not propose any substantive changes to the SPY Pilot Program. In proposing to extend the SPY Pilot Program, the Exchange reaffirms its consideration of several factors that supported the original proposal of the SPY Pilot Program, including (1) the liquidity of the option and the underlying security, (2) the market capitalization of the underlying security and the related index, (3) the reporting of large positions and requirements surrounding margin, and (4) financial requirements imposed by ISE and the Commission.

With this proposed extension to the SPY Pilot Program, the Exchange has submitted a report to the Commission reflecting the trading of standardized SPY options without position limits from January through May 2016. The report was prepared in the manner specified in the filing extending the SPY Pilot Program to the current pilot end date of July 12, 2016. The Exchange notes that it is unaware of any problems created by the SPY Pilot Program and does not foresee any as a result of the proposed extension. The proposed extension will allow the Exchange and the Commission to further evaluate the

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f).

<sup>19</sup> 17 CFR 200.30-3(a)(12).

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

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