

Financial Industry Regulatory Authority, Inc., International Securities Exchange, LLC, ISE Gemini, LLC, Miami International Securities Exchange LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, The NASDAQ Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc. (collectively, “SROs” or “Participants”), filed with the Securities and Exchange Commission (the “Commission” or “SEC”) a National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”).<sup>1</sup> The proposed Plan was published for comment in the **Federal Register** on May 17, 2016.<sup>2</sup> The Commission has received 22 comments on the proposed Plan.<sup>3</sup>

<sup>1</sup> See Letter from Participants to Brent J. Fields, Secretary, Commission, dated February 27, 2015.

<sup>2</sup> See Securities Exchange Act Release No. 77724 (April 27, 2016), 81 FR 30614.

<sup>3</sup> See Letters to Brent J. Fields, Secretary, Commission, from Kathleen Weiss Hanley, Bolton-Perella Chair in Finance, Lehigh University, et al., dated July 12, 2016; Courtney Doyle McGuinn, FIX Operations Director, FIX Trading Community, dated July 14, 2016; Kelvin To, Founder and President, Data Boiler Technologies, LLC, dated July 15, 2016; Richard Foster, Senior Vice President and Senior Counsel for Regulatory and Legal Affairs, Financial Services Roundtable, dated July 15, 2016; David T. Bellaire, Executive Vice President & General Counsel, Financial Services Institute, dated July 18, 2016; Stuart J. Kaswell, Executive Vice President & Managing Director, General Counsel, Managed Funds Association, July 18, 2016; David W. Blass, General Counsel, Investment Company Institute, dated July 18, 2016; Larry E. Thompson, Vice Chairman and General Counsel, Depository Trust & Clearing Corporation, dated July 18, 2016; Manisha Kimmel, Chief Regulatory Officer, Wealth Management, Thomson Reuters, dated July 18, 2016; Theodore R. Lazo, Managing Director and Associate General Counsel, and Ellen Greene, Managing Director, Financial Services Operations, Securities Industry and Financial Markets Association, dated July 18, 2016; Anonymous, received July 18, 2016; Mary Lou Von Kaenel, Managing Director, Financial Information Forum, dated July 18, 2016; Marc R. Bryant, Senior Vice President, Deputy General Counsel, Fidelity Investments, dated July 18, 2016; Mark Husler, CEO, UniVista, and Jonathan Jachym, Head of North America Regulatory Strategy & Government Relations, London Stock Exchange Group, dated July 18, 2016; Gary Stone, Chief Strategy Officer for Trading Solutions and Global Regulatory and Policy Group, Bloomberg, L.P., dated July 18, 2016; Bonnie K. Wachtel, Wachtel Co Inc., dated July 18, 2016; Dennis M. Kelleher, President & CEO, Stephen W. Hall, Legal Director & Securities Specialist, Lev Bagramian, Senior Securities Policy Advisor, Better Markets, dated July 18, 2016; John A. McCarthy, General Counsel, KCG Holdings, Inc., dated July 20, 2016; Industry Members of the Development Advisory Group (including Financial Information Forum, Securities Industry and Financial Markets Association and Securities Traders Association), dated July 20, 2016; Joanne Moffic-Silver, EVP, General Counsel & Corporate Secretary, Chicago Board Options Exchange, Incorporated, dated July 21, 2016; Elizabeth K. King, NYSE Group, Inc., dated July 21, 2016; John Russell, Chairman of the Board, and James Toes, President & CEO, Securities Traders Association, dated July 25, 2016.

Rule 608<sup>4</sup> under Section 11A of the Act<sup>5</sup> provides that within 120 days of the date of publication of notice of filing of an NMS plan or an amendment to an effective NMS plan the Commission shall approve such plan or amendment, with such changes or subject to such conditions as the Commission may deem necessary or appropriate, if it finds that such plan or amendment is necessary and appropriate in the public interest, for the protection of investors and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system, or otherwise in furtherance of the purposes of the Act. The 120th day after publication of the proposed Plan is September 14, 2016. Rule 608, however, provides that the Commission may extend the period within which it must approve an NMS Plan or amendment to an effective NMS Plan up to 180 days, if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the sponsors consent.

The Commission hereby extends the time period for Commission action on the proposed Plan and designates November 10, 2016, which is the last business day before the 180th day after publication of the proposed Plan,<sup>6</sup> as the time period for Commission action. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed Plan to afford the Commission with additional time to consider the comments received on the proposed Plan, which are broad in scope.

Accordingly, pursuant to Section 11A of the Act<sup>7</sup> and Rule 608 thereunder,<sup>8</sup> the Commission designates November 10, 2016 as the date for Commission action on the proposed Plan.

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

**Robert W. Errett,**

*Deputy Secretary.*

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<sup>4</sup> 17 CFR 242.608.

<sup>5</sup> 15 U.S.C. 78k–1.

<sup>6</sup> The Commission notes that Sunday, November 13, 2016 is the 180th day after publication of the proposed Plan.

<sup>7</sup> 15 U.S.C. 78k–1.

<sup>8</sup> 17 CFR 242.608.

<sup>9</sup> 17 CFR 200.30–3(a)(42).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–78447; File No. SR–IEX–2016–03]

### Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Correct Typographical Errors in Certain Referenced Time Frames

July 29, 2016.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> notice is hereby given that, on July 27, 2016, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “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 Substance of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”),<sup>4</sup> and Rule 19b–4 thereunder,<sup>5</sup> Investors Exchange LLC (“IEX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to make a nonsubstantive change to correct typographical errors in the referenced time frames for the Post-Market Hours and the Post-Market Session trading in Rule 1.160(aa), the referenced time frames for System Hours in Rule 1.160(oo), and the referenced time frames for the Regular Market Session, Pre-Market Session and Post-Market Session in Rule 16.105(a)(7) and (b)(7). The Exchange has designated this rule change as “non-controversial” under Section 19(b)(3)(A) of the Act<sup>6</sup> and provided the Commission with the notice required by Rule 19b–4(f)(6)(iii) thereunder.<sup>7</sup>

The text of the proposed rule change is available at the Exchange’s Web site at [www.iextrading.com](http://www.iextrading.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b–4.

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> 17 CFR 240.19b–4.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b–4(f)(6)(iii).

## 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 [sic] 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 purpose of this proposed rule filing is to correct typographical errors in the referenced time frames for the Post-Market Hours and the Post-Market Session trading in Rule 1.160(aa), the referenced time frames for System Hours in Rule 1.160(oo), as well as the referenced time frames for the Regular Market Session, Pre-Market Session and Post-Market Session in Rule 16.105(a)(7) and (b)(7).

Specifically, Rule 1.160(aa) incorrectly states that the term "Post-Market Hours" or "Post Market Session" shall mean the time between 4:30 p.m. and 5:30 p.m. Eastern Time. The rule should instead state that the term "Post-Market Hours" or "Post Market Session" shall mean the time between 4:00 p.m. and 5:00 p.m. Eastern Time. Similarly, Rule 1.160(oo) incorrectly states that the term "System Hours" ends at 5:30 p.m. Eastern Time, rather than 5:00 p.m. Eastern Time.

In addition, Rule 16.105(a)(7) and (b)(7) incorrectly state that Regular Market Session trading occurs until 4:15 p.m. rather than 4:00 p.m. Those rule provisions also incorrectly state that the Pre-Market Session begins at 4:00 a.m. rather than 8:00 a.m. and that the Post-Market Session ends at 8:00 p.m. rather than 5:00 p.m.

The proposed rule change would correct the time frame references, and thus clarify exchange rules and alleviate any confusion among market participants.

#### 2. Statutory Basis

IEX believes that the proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Act in general, and furthers the

objectives of Section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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 it is appropriate to make the specified corrections so that the correct times are referenced in its rules and alleviate any confusion among market participants.

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

IEX does not believe that the proposed rule change will result in any burden on competition because IEX is merely correcting its rules to correct inadvertent errors.

### 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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A)<sup>10</sup> of the Act and Rule 19b-4(f)(6)<sup>11</sup> thereunder. Because the 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 if consistent with the protection of investors and the public interest, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.<sup>12</sup> The Exchange notes that its proposal makes a non-substantive change and has asked the Commission to waive the 30-day operative delay, making this proposal operative upon filing. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the Exchange is merely correcting referenced time frames,

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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 designated by the Commission. The Exchange has satisfied this requirement.

which may alleviate any potential confusion among market participants. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.<sup>13</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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>14</sup> of the Act to determine whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File Number SR-IEX-2016-03 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-IEX-2016-03. 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

<sup>13</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>14</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>8</sup> 15 U.S.C. 78f(b).

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-IEX-2016-03 and should be submitted on or before August 25, 2016.

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

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78446; File No. SR-CHX-2016-12]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Provide Web-Based Delivery of the Continuing Education Program

July 29, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on July 20, 2016, the Chicago Stock Exchange, Inc. ("CHX" or the "Exchange") 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 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

CHX proposes to amend the Rules of the Exchange ("CHX Rules") to provide for web-based delivery of the continuing

education ("CE") program ("CE Online System").<sup>3</sup>

CHX has designated this proposed rule change as non-controversial pursuant to section 19(b)(3)(A)<sup>4</sup> of the Act and Rule 19b-4(f)(6)<sup>5</sup> thereunder and has provided the Commission with the notice required by Rule 19b-4(f)(6)(iii).<sup>6</sup>

The text of this proposed rule change is available on the Exchange's Web site at ([www.chx.com](http://www.chx.com)) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes 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 CHX 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 CE requirement under current Article 6, Rule 11 consists of a Regulatory Element<sup>7</sup> and a Firm Element.<sup>8</sup> The Regulatory Element applies to all registered persons and consists of periodic computer-based training on regulatory, compliance, ethical, and supervisory subjects and sales practice standards, which must be completed with prescribed timeframes.<sup>9</sup> Current Article 6, Rule 11(a)(3) provides that the Exchange offers the following Regulatory Elements for Exchange registered persons: The S201 Supervisor Program for registered principals and supervisors; The S501 Series 56 Proprietary Trader Continuing Education Program for Series 56

<sup>3</sup> The proposed rule change is based on a recent FINRA filing adopting web-based delivery of the CE Regulatory Element program. See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19b-4(f)(6).

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

<sup>7</sup> See CHX Article 6, Rule 11(a).

<sup>8</sup> See CHX Article 6, Rule 11(b).

<sup>9</sup> See to CHX Article 6, Rule 11(a).

registered persons;<sup>10</sup> and the S101 General Program for Series 7 and all other registered persons.

Given that test center delivery is no longer available for individuals other than those individuals that require accommodations due to a disability,<sup>11</sup> the Exchange proposes to adopt Article 6, Rule 11(a)(4), which states that the continuing education Regulatory Element will be administered through Web-based delivery or such other technological manner and format as specified by the Exchange.<sup>12</sup> Should the Exchange determine to administer the Regulatory Element through a delivery mechanism other than as described under this proposed rule change, the Exchange would notify the Commission and would need to file a further rule change with the Commission.

Before commencing a Web-based session, each candidate will be required to agree to the Rules of Conduct for Web-based delivery. Among other things, the Rules of Conduct will require each candidate to attest that he or she is in fact the person who is taking the Web-based session. The Rules of Conduct will also require that each candidate agree that the Regulatory Element content is intellectual property and that the content cannot be copied or redistributed by any means. If the Exchange discovers that a candidate has violated the Rules of Conduct, the candidate will forfeit the results of the Web-based session and may be subject to disciplinary action by the Exchange. Violation of the Rules of Conduct will

<sup>10</sup> The Exchange intends on filing a proposed rule change to, among other things, replace the Proprietary Trader registration category and the corresponding Series 56 exam and the S501 Proprietary Trader Continuing Education Program for Series 56 registered persons with the Securities Trader registration category and the corresponding Series 57 exam and require such Series 57 registered persons to take the S101 General Program to fulfill the Regulatory Element requirement, as the Series 56 was replaced with the Series 57 exam by FINRA, effective January 4, 2016. See Securities Exchange Act Release No. 75783 (August 28, 2015), 80 FR 53369 (September 3, 2015) (Order Approving a Proposed Rule Change To Establish the Securities Trader and Securities Trader Principal Registration Categories) (SR-FINRA-2015-017).

<sup>11</sup> As of July 1, 2016, FINRA required all participants to complete their Regulatory Element session using the CE Online System; provided that certain participants who, pursuant to the Americans with Disabilities Act, that [sic] need accommodations in completing their session due to a disability may apply for an accommodation and complete their session at a test center. See Securities Exchange Act Release No. 78281 (July 11, 2016), 81 FR 46133 (July 15, 2016) (SR-FINRA-2016-025); see also Americans with Disabilities Act of 1990, Public Law 101-336, 104 Stat. 328 (1990).

<sup>12</sup> The Exchange intends on filing a proposed rule change to amend its fee schedule to reduce the cost of the Regulatory Element from \$100 to \$55 to be consistent with Section 4(f) of the Schedule A to the FINRA By-Laws.

<sup>15</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.