

to amend its listing standard to include VSTOXX as a Futures Reference Asset.

In addition, the Commission notes that, notwithstanding the addition of VSTOXX Futures to the definition of Futures Reference Asset, the existing initial and continued listing criteria applicable to Linked-Securities, generally, and Futures-Linked Securities, specifically, would continue to apply. For example, the Exchange represents that any Futures-Linked Securities linked to VSTOXX Futures would be required to meet both the initial and continued listing standards under BZX Rule 14.11(d)(2)(K)(iv)(b) and (c) or be subject to delisting or removal proceedings. These initial and continued listing standards require, among other things: (i) The value of the Futures Reference Asset be calculated and widely disseminated by one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session; (ii) for Futures-Linked Securities that are periodically redeemable, the Intraday Indicative Value of the securities be calculated and widely disseminated by the Exchange or one or more major market data vendors on at least a 15-second basis during the Exchange's regular market session; (iii) the aggregate market value or the principal amount of the Futures-Linked Securities be at least \$400,000; and (iv) the value of the VSTOXX Futures be calculated and available. In addition, any Futures-Linked Securities linked to VSTOXX Futures also would be required to meet the listing standards applicable to all Linked Securities under BZX Rule 14.11(d)(2). The Exchange represents that any securities it would list and trade pursuant to amended BZX Rule 14.11(d) would continue to comply with all Exchange rules applicable to the listing and trading of Linked Securities.

Further, the Exchange represents that its existing surveillance procedures are adequate to continue to properly monitor the trading of the Futures-Linked Securities linked to VSTOXX Futures in all trading sessions and to deter and detect violations of Exchange rules. Specifically, the Exchange stated that it intends to utilize its existing surveillance procedures applicable to derivative products, which includes Linked Securities, to monitor trading in the Futures-Linked Securities. The Commission notes that Eurex, on which VSTOXX Futures trade, is a member of ISG, and the Exchange represents that it may obtain information regarding trading in the underlying VSTOXX Futures.

The Commission further notes that the issuer of a series of Linked

Securities is and will continue to be required to comply with Rule 10A-3 under the Act for the initial and continued listing of Linked Securities, as provided under BZX Rule 14.11(d)(2)(F). Moreover, the Exchange represents that prior to listing Futures-Linked Securities linked to VSTOXX Futures pursuant to BZX Rule 14.11(c)(2)(K)(iv), an issuer would be required to represent to the Exchange that it will advise the Exchange of any failure of the Futures-Linked Securities to comply with the continued listing requirements.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with Section 6(b)(5) of the Act<sup>18</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>19</sup> that the proposed rule change (SR-BatsBZX-2016-26), as modified by Amendment No. 1 thereto, be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79060; File No. SR-ISEGemini-2016-11]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to a Proposal To Amend a Current Billing Practice With Respect to Billing Disputes

October 6, 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 September 22, 2016, ISE Gemini, LLC ("ISE Gemini" 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.

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> 15 U.S.C. 78s(b)(2).

<sup>20</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.

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 amend a current billing practice with respect to billing disputes.

The text of the proposed rule change is available on the Exchange's Web site at [www.ise.com](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 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.

##### 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 Schedule of Fees to change the timeframe within which Members must dispute billing. Today, ISE Gemini Members must submit all disputes no later than ninety calendar days after receipt of an Exchange invoice. After ninety calendar days, all fees assessed by the Exchange are considered final. The Exchange is proposing to amend the policy from ninety to sixty days to submit a dispute. Today, the NASDAQ PHLX LLC ("Phlx"), NASDAQ BX, Inc. ("BX"), and The NASDAQ Options Market LLC ("NOM") all have a sixty day timeframe within which to dispute option invoices.<sup>3</sup>

The Exchange provides Members with both daily and monthly fee reports and thus believes Members should be aware of any potential billing errors within sixty calendar days of receiving an invoice. Requiring that Members dispute an invoice within this time period will encourage them to promptly review their invoices so that any disputed charges can be addressed in a

<sup>3</sup> See Phlx's Pricing Schedule. See also NOM and BX Rules at Chapter XV, Section 7.

timely manner while the information and data underlying those charges (e.g. applicable fees and order information) is still easily and readily available. This practice will avoid issues that may arise when Members do not dispute an invoice in a timely manner, and will conserve Exchange resources that would have to be expended to resolve untimely billing disputes. The Exchange notes that this type of provision is common among many other exchanges, which require that Members dispute invoices within sixty days.

Billing disputes must continue to be submitted to the Exchange in writing,<sup>4</sup> and must be accompanied by supporting documentation. The Exchange believes that this requirement, which is also similar to requirements of other exchanges,<sup>5</sup> will further streamline the billing dispute process.

The Exchange believes that this practice will conserve Exchange resources which are expended when untimely billing disputes require staff to research applicable fees and order information beyond two months after the transaction occurred. Further, this proposal would provide a cost savings to the Exchange in that it would alleviate administrative processes related to the untimely review of billing disputes which divert staff resources away from the Exchange's regulatory and business purposes.

The sixty days would first apply to invoices related to transactional billing in November 2016 and would apply thereafter.<sup>6</sup> The Exchange proposes to apply the billing policy to all charges reflected in its Schedule of Fees.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>8</sup> in particular, in that it is designed 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, by providing a uniform practice for disputing fees.

The Exchange believes the requirement that all billing disputes must be submitted in writing, and with supporting documentation, within sixty calendar days from receipt of the

invoice is reasonable in the public interest because the Exchange provides ample tools to properly and swiftly monitor and account for various charges incurred in a given month. Moreover, the proposed billing dispute language, which will lower the Exchange's administrative burden, is substantially similar to billing dispute language adopted by other exchanges.<sup>9</sup> Also, the Exchange's administrative costs would be lowered as a result of this policy because staff resources would not be diverted to review untimely requests regarding billing.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The billing policy would apply uniformly to all ISE Gemini Members. The policy is similar to rules adopted by other options exchanges.<sup>10</sup>

Further, this proposal would provide a cost savings to the Exchange in that it would alleviate administrative processes related to the untimely review of billing disputes which divert staff resources away from the Exchange's regulatory and business purposes.

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

No written comments were either solicited or received.

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

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)(iii) of the Act<sup>11</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>12</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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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](mailto:rule-comments@sec.gov). Please include File Number SR-ISEGemini-2016-11 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-ISEGemini-2016-11. 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 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

<sup>4</sup> The Exchange invoice specifies contact information for billing inquiries.

<sup>5</sup> See note 3 above.

<sup>6</sup> This proposal would not apply to invoices related to October 2016 billing.

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> See note 3 above.

<sup>10</sup> *Id.*

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<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.

available publicly. All submissions should refer to File Number SR–ISEGemini–2016–11 and should be submitted on or before November 3, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Brent J. Fields,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–79064; File No. SR–BatsBZX–2016–64]

### Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees To Make a Clarifying Change Related to the Tape B Quoting Tier

October 6, 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 September 28, 2016, Bats BZX Exchange, Inc. (“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 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>3</sup> and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c) in order to make a clarifying change related to the Tape B Quoting Tier.

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 to make clear that the additional rebate per share for orders in Tape B securities associated with meeting the Tape B Quoting Tier (the “Tape B Rebate”) does not apply to the rebates set forth in footnote 14 part A of the fee schedule (the “LMM Incentive Program”). Specifically, this means that a Member does not receive the Tape B Rebate on top of the rebate that the LMM receives under the LMM Incentive Program for securities in which they are the LMM.<sup>4</sup> The Exchange notes this clarification applies only to the rebates for securities in which a Member receives rebates under the LMM Incentive Program and that enrollment in LMP Securities is available to all Members, including LMMs, and Members that act as an LMM are eligible to receive the Tape B Rebate for securities in which the Member is not the LMM.

The Exchange proposes to implement these amendments to its fee schedule effective immediately.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.<sup>5</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) and 6(b)(5) of the

Act,<sup>6</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange notes that it is not proposing to make any changes to the rebates or fees that it currently charges. As such, the Exchange believes that the change is reasonable, fair and equitable, and non-discriminatory because it is non-substantive and is designed to make sure that the fee schedule is as clear and easily understandable as possible.

##### B. Self-Regulatory Organization’s Statement on 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, as amended. The Exchange does not believe that the changes burden competition, as this change is intended to make the Exchange’s fee schedule as clear and easily understandable as possible.

##### 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>7</sup> and paragraph (f) of Rule 19b–4 thereunder.<sup>8</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 proposal is consistent with the Act. Comments may be submitted by any of the following methods:

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b–4(f).

<sup>13</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.

<sup>3</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>4</sup> As provided in the fee schedule, the Exchange notes that to the extent a Member qualifies for higher rebates than those provided by a tier for which such Member qualifies, such as the LMM Incentive Program, the higher rebates shall apply.

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