

writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: December 6, 2016.

**Brent J. Fields,**

Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79535; File No. SR-FICC-2016-008]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the MBSD Schedule of Charges Dealer Account Group

December 13, 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 December 2, 2016, Fixed Income Clearing Corporation (“FICC”) 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 clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of an amendment to the Mortgage-Backed Securities Division (“MBSD”) Clearing Rules (the “MBSD Rules”) to include an additional fee in the “Schedule of Charges Dealer Account Group,” as described in greater detail below.<sup>3</sup> The proposed fee would be implemented as of January 1, 2017.

#### II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### (A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

FICC is proposing to amend the MBSD “Schedule of Charges Dealer Account Group” to include an additional fee. The proposed rule change would allow FICC to pass through any daylight overdraft (“DOD”) fees that MBSD incurs from The Bank of New York Mellon (“BNY”) in connection with the settlement of Clearing Members’ securities obligations. FICC would pass through these BNY DOD fees to Clearing Members who settle their securities obligations at BNY.<sup>4</sup>

In October 2016, FICC began to incur the cost of the BNY DOD fees. FICC is proposing to amend the MBSD “Schedule of Charges Dealer Account Group” to allow FICC to pass through the BNY DOD fees to Clearing Members who settle their securities obligations at BNY.<sup>5</sup> Specifically, each Clearing Member who settles securities obligations at BNY would be charged a pass-through fee, calculated as a percentage of the total of all such costs incurred by MBSD. This percentage would be calculated on a monthly basis as follows:

(Total dollar value of Pool Deliver Obligations and Pool Receive Obligations of such Clearing Member at BNY)

(Total dollar value of Pool Deliver Obligations and Pool Receive Obligations in all Dealer Accounts at BNY)

<sup>4</sup> This proposed rule change would be consistent with the fee schedule in FICC’s Government Securities Division Rulebook, available at <http://www.dtcc.com/legal/rules-and-procedures>.

<sup>5</sup> The proposed fee would not be applicable to Brokers because Brokers do not have securities settlement obligations.

###### 2. Statutory Basis

Section 17A(b)(3)(D) of the Securities Exchange Act of 1934, as amended (“Act”) requires, in part, that the rules of the clearing agency provide for the equitable allocation of reasonable dues, fees and other charges among its participants.<sup>6</sup> The proposed rule change would allow FICC to recover the costs of providing securities settlement services to Clearing Members by passing the BNY DOD fees incurred by MBSD to Clearing Members who settle their securities obligations at BNY. FICC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to FICC, in particular Section 17A(b)(3)(D), because the proposed fee would be allocated among all Clearing Members who settle their securities obligations at BNY, calculated as a percentage of the total of such costs incurred by MBSD in connection with the services that FICC provide provides for such Clearing Members.<sup>7</sup>

##### (B) Clearing Agency’s Statement on Burden on Competition

FICC believes that the proposed rule change could have an impact on competition because the proposed rule change would impose an additional fee on Clearing Members who settle their securities obligations at BNY. FICC believes, however, that any burden on competition that would be created by the proposed rule change would be necessary and appropriate in furtherance of the Act. Specifically, the proposed rule change is necessary to allow FICC to recover the cost of providing services to Clearing Members by passing through the BNY DOD fees to Clearing Members who settle their securities obligations at BNY. The proposed rule change is appropriate because, as stated, it would only apply to Clearing Members who settle their securities obligations at BNY, which is the third party that is charging the fees being incurred by MBSD to provide FICC’s services.

##### (C) Clearing Agency’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments related to the proposed rule change have not been solicited or received. FICC will notify the Commission of any written comments received by FICC.

<sup>6</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>7</sup> *Id.*

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

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

<sup>3</sup> Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the MBSD Rules, available at <http://www.dtcc.com/legal/rules-and-procedures>.

### 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)<sup>8</sup> of the Act and paragraph (f) of Rule 19b-4<sup>9</sup> thereunder. 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-FICC-2016-008 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.
- All submissions should refer to File Number SR-FICC-2016-008. 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 FICC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-FICC-2016-008 and should be submitted on or before January 9, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2016-30388 Filed 12-16-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79534; File No. SR-BatsBYX-2016-37]

### Self-Regulatory Organizations; Bats BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 11.27(b) Regarding the Data Collection Requirements of the Regulation NMS Plan To Implement a Tick Size Pilot Program

December 13, 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 November 30, 2016, Bats BYX Exchange, Inc. (the "Exchange" or "BYX") 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 Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

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

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange filed a proposal to amend Exchange Rule 11.27(b) regarding the data collection requirements of the Regulation NMS Plan to Implement a Tick Size Pilot Program ("Plan").

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

On August 25, 2014, the Exchange, and several other self-regulatory organizations (the "Participants") filed with the Commission, pursuant to Section 11A of the Act<sup>5</sup> and Rule 608 of Regulation NMS thereunder,<sup>6</sup> the Plan to Implement a Tick Size Pilot Program.<sup>7</sup> The Participants filed the Plan to comply with an order issued by the Commission on June 24, 2014.<sup>8</sup> The Plan was published for comment in the **Federal Register** on November 7, 2014, and approved by the Commission, as modified, on May 6, 2015.<sup>9</sup> The Commission approved the Pilot on a two-year basis, with implementation to begin no later than May 6, 2016.<sup>10</sup> On November 6, 2015, the SEC exempted the Participants from implementing the

<sup>5</sup> 15 U.S.C. 78k-1.

<sup>6</sup> 17 CFR 242.608.

<sup>7</sup> See Letter from Brendon J. Weiss, Vice President, Intercontinental Exchange, Inc., to Secretary, Commission, dated August 25, 2014.

<sup>8</sup> See Securities Exchange Act Release No 72460 (June 24, 2014), 79 FR 36840 (June 30, 2014).

<sup>9</sup> See Securities Exchange Act Release No. 74892 (May 6, 2015), 80 FR 27513 (May 13, 2015) ("Approval Order").

<sup>10</sup> See Approval Order at 27533 and 27545.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f).