

six-year record retention period applicable to customer complaints to municipal advisory client complaints.

In approving the proposed rule change, as modified by Amendment No.1, the Commission has also considered the impact of the proposed rule change on efficiency, competition, and capital formation.<sup>80</sup> The Commission does not believe that the proposed rule change, as modified by Amendment No. 1 would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

For the reasons noted above, the Commission believes that the proposed rule change, as modified by Amendment No. 1, is consistent with the Act.

#### V. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 1, including whether the proposed rule change, as modified by Amendment No.1, 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-MSRB-2016-15 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-MSRB-2016-15. 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 MSRB. 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-MSRB-2016-15 and should be submitted on or before February 13, 2017.

#### VI. Accelerated Approval of Proposed Rule Change as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the 30th day after the date of publication of Amendment No. 1 in the **Federal Register**. As discussed above, Amendment No. 1 partially amends the text of the proposed rule change to provide certain clarifications relating to the notifications that would be provided by municipal advisors to their municipal advisory clients and to the terms used with the recordkeeping of municipal advisory client complaints, to extend the proposed effective date, and to make other technical changes to clarify or simplify rule text.<sup>81</sup> Specifically, the changes respond to commenters' concerns, are technical in nature, and clarify or simplify the proposed rule change. The MSRB states that Amendment No. 1 in many respects eliminates unnecessary language by relying on terms that are defined in the MSRB's rule book, the Act, or Commission rules under the Act.<sup>82</sup> In addition, the MSRB notes that the changes are consistent with the purposes of the proposed rule change to advance the development of a comprehensive regulatory framework for municipal advisors and to update the Board's customer complaint rules. With respect to those portions of Amendment No. 1 that modify certain definitions, the MSRB notes that the proposed rule change, as described in the Notice of Filing, contemplated that the clients of both solicitor and non-solicitor municipal advisors would be covered by the proposed rule change.<sup>83</sup> According to the MSRB, the precision added to certain definitions by Amendment No. 1 parallels the precision with which the MSRB defines

a municipal advisory client of a solicitor municipal advisor and eliminates unnecessary language.<sup>84</sup> The MSRB believes other technical changes made serve to clarify or simplify the proposed rule change.

For the foregoing reasons, the Commission finds good cause for approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Act.

#### VII. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>85</sup> that the proposed rule change, as modified by Amendment No. 1 (SR-MSRB-2016-15) be, and hereby is, approved on an accelerated basis.

For the Commission, pursuant to delegated authority,<sup>86</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79796; File No. SR-C2-2017-003]

### Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule To Amend the Fees Schedule

January 13, 2017.

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 January 3, 2017, C2 Options Exchange, Incorporated (the "Exchange" or "C2") 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. 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 its Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://>

<sup>84</sup> See Amendment No. 1.

<sup>85</sup> 15 U.S.C. 78s(b)(2).

<sup>86</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>81</sup> *Supra* note 6.

<sup>82</sup> See Amendment No. 1.

<sup>83</sup> See Notice of Filing.

<sup>80</sup> 15 U.S.C. 78c(f).

[www.c2exchange.com/Legal/](http://www.c2exchange.com/Legal/)), at the Exchange's Office of the Secretary, 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 Fees Schedule. Specifically, the Exchange proposes to increase the fees charged for a CMI Login ID and FIX Login ID. The Exchange currently assesses \$500 per Login ID, per month for CMI Login IDs and FIX Login IDs. The Exchange has expended significant resources setting up, providing and maintaining this connectivity and has ongoing and increasing costs associated with maintaining connectivity. The Exchange desires to recoup such costs and as such, proposes to increase the monthly fees from \$500 per Login ID, per month to \$550 per Login ID, per month.

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>3</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>4</sup> requirements that the rules of an exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>5</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

The Exchange believes increasing the CMI Login ID and FIX Login ID fees is reasonable because the Exchange desires to recoup increasing costs associated with maintaining connectivity to C2. The Exchange believes it's equitable and not unfairly discriminatory because all Permit Holders will be assessed the same amount for Login ID fees.

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

C2 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 Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because all Permit Holders will be assessed the same Login ID fees and because the increased fee will help the Exchange recoup costs associated with maintaining connectivity to the Exchange. The Exchange does not believe that the proposed change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because it only applies to trading on the Exchange. Should the proposed change make C2 a more attractive trading venue for market participants at other exchanges, such market participants may elect to become market participants at C2.

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

The Exchange neither solicited nor received comments on the proposed rule change.

## 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>6</sup> and paragraph (f) of Rule

19b-4<sup>7</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. If the Commission takes such action, the Commission will institute proceedings 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-C2-2017-003 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-C2-2017-003. 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

<sup>3</sup> 15 U.S.C. 78f(b).

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

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

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

<sup>7</sup> 17 CFR 240.19b-4(f).

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-C2-2017-003 and should be submitted on or before February 13, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79800; File No. SR-ISEGemini-2017-01]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Schedule of Fees

January 13, 2017.

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 January 3, 2017, 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 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

The Exchange proposes to amend the Schedule of Fees to eliminate the Performance Routing Program.

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

Currently, the Exchange offers Performance Routing Program (“PRP”) rebates to Non-ISE Gemini Market Maker,<sup>3</sup> Firm Proprietary,<sup>4</sup> Broker-Dealer,<sup>5</sup> and Professional Customer<sup>6</sup> orders based on the member’s maker average daily volume (“ADV”) in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the national best bid or offer (“NBBO”) in a series at the time of order entry (“PRP eligible contracts”).<sup>7</sup> Specifically, members that execute an ADV of 9,999 PRP eligible contracts or fewer are entitled to a maker rebate of \$0.25 per contract in both Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders. Members that execute an ADV of 10,000 or more PRP eligible contracts are entitled to a maker rebate of \$0.40 per contract in Penny Symbols and \$0.65 per contract in Non-Penny Symbols for the above market participant types if the order does not improve the NBBO at the time of order entry. In addition, members that qualify for the higher tier of PRP rebates are entitled to a maker rebate of \$0.47 per contract in Penny Symbols and \$0.71 per contract in Non-Penny Symbols for the above market participant types if the order improves

<sup>3</sup> A “Non-ISE Gemini Market Maker” is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended, registered in the same options class on another options exchange.

<sup>4</sup> A “Firm Proprietary” order is an order submitted by a member for its own proprietary account.

<sup>5</sup> A “Broker-Dealer” order is an order submitted by a member for a broker-dealer account that is not its own proprietary account.

<sup>6</sup> A “Professional Customer” is a person or entity that is not a broker/dealer and is not a Priority Customer.

<sup>7</sup> All eligible volume from affiliated members is aggregated in determining applicable tiers, provided there is at least 75% common ownership between the members as reflected on each member’s Form BD, Schedule A.

the NBBO in the series at the time it is entered.<sup>8</sup>

The Exchange now proposes to eliminate the PRP as this program has not been successful in attracting order flow that improves the NBBO. As proposed, members will receive a maker rebate of \$0.25 per contract in Penny Symbols and Non-Penny Symbols for their Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders (*i.e.*, the current Tier 1 maker rebate). Members will no longer be able to achieve higher maker rebates based on their maker ADV in Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders that improve the NBBO in a series at the time of order entry.<sup>9</sup>

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>10</sup> in general, and Section 6(b)(4) of the Act,<sup>11</sup> in particular, in that 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 believes that it is reasonable and equitable to eliminate the PRP as this rebate program was not successful in attracting the type of order flow that it was designed to incentivize. The Exchange adopted the PRP to encourage members enter orders that improve the NBBO in order to create more trading opportunities at better prices for all market participants that trade on the Exchange. The Exchange does not believe that the PRP has met this goal, and is therefore proposing to eliminate the program. With the proposed elimination of the PRP, Non-ISE Gemini Market Maker, Firm Proprietary, Broker-Dealer, and Professional Customer orders will continue to be entitled to a maker rebate in Penny and Non-Penny Symbols that is the same as the current Tier 1 maker rebate. The current Tier 2 maker rebates for these market participant types will be removed as this tier is being eliminated with the elimination of the PRP program. The Exchange believes

<sup>8</sup> See Schedule of Fees, Section I., Regular Order Fees and Rebates, footnotes 14 and 15.

<sup>9</sup> This includes both the regular rebate for orders that do not improve the NBBO at the time of order entry, and the enhanced rebates provided in footnotes 14 and 15 of the Schedule of Fees for orders that improve the NBBO at the time of order entry. The regular rebates will now be marked “n/a” since there will no longer be any PRP tiers, and the associated footnotes for enhanced rebates will be eliminated.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(4).

<sup>8</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.