

Order is contra to other than the Initiating Order, the PIXL Order will continue to be assessed \$0.00 per contract, unless the order is a Customer, in which case the Customer will receive an increased rebate of \$0.40 per contract does not impose an undue burden on intra-market competition because the Exchange will uniformly pay this rebate.

The Exchange's proposal to amend the SPY PIXL pricing so that all other Non-Customer contra parties to the PIXL Order, other than the Initiating Order, will be assessed an increased Fee for Removing Liquidity of \$0.50 per contract or will receive the Rebate for Adding Liquidity does not impose an undue burden on intra-market competition because the Exchange will uniformly assess the increased Fee for Removing Liquidity to all applicable members and member organizations.

The Exchange's proposal to not offer a rebate when the PIXL Order is contra to a Specialist or Market Maker quote, which was established at the initiation of a PIXL auction, the Customer PIXL Order does not impose an undue burden on intra-market competition. The Exchange will uniformly not offer a rebate to any member or member organization when the PIXL Order is contra to a Specialist or Market Maker quote, which was established at the initiation of a PIXL auction.

Proposed Amendments to Section IV, Part A: PIXL Pricing

The Exchange's proposal that if the member or member organization qualifies for the Tier 3, 4 or 5 Customer Rebate in Section B the member or member organization will be assessed \$0.05 per contract, instead of the \$0.07 per contract Initiating Order fee does not impose an undue burden on intra-market competition because the Exchange will assess the fee in a uniform manner to all applicable members and member organizations.

The Exchange's proposal to no longer offer the ability to not be assessed an Initiating Order Fee for Professional, Firm, Broker-Dealer, Specialist and Market Maker orders that are contra to a Customer PIXL Order if the Customer PIXL Order is greater than 399 contracts and instead replace this offer with a rebate to attract more liquidity for PIXL SPY Complex Orders similar to proposed SPY PIXL pricing does not impose an undue burden on intra-market competition. All members and member organizations are eligible for the proposed rebate, provide they met the requisite qualifications. Members and member organizations would be uniformly paid the rebate, provided they qualify. No member or member

organization will be eligible to eliminate the Initiating Order Fee for Professional, Firm, Broker-Dealer, Specialist and Market Maker orders that are contra to a Customer PIXL Order if the Customer PIXL Order is greater than 399 contracts.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²⁹ 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. Please include File Number SR-Phlx-2017-15 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-Phlx-2017-15. 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 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-Phlx-2017-15 and should be submitted on or before March 17, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80062; File No. SR-MIAX-2017-05]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule To Clarify Its Fees Relating to the MIAX Express Network Interconnect ("MENI")

February 17, 2017.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 13, 2017, Miami International Securities Exchange LLC ("MIAX Options" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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

³⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

²⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

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 Exchange is filing a proposal to amend the MIAX Options Fee Schedule (the "Fee Schedule").

The text of the proposed rule change is available on the Exchange's Web site at <http://www.miaxoptions.com/rule-filings>, at MIAX's principal office, 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 Fee Schedule to provide a definition of the MIAX Express Network Interconnect ("MENI") and that any Member³ or non-Member using the MENI to access the Exchange's System⁴ and the automated trading system of MIAX PEARL, LLC ("MIAX PEARL"), the Exchange's affiliate (the "MIAX PEARL System") will only be assessed one network connectivity fee per such connection, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange and MIAX PEARL accessed via such connection, as more fully described below.⁵

³ The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

⁴ The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

⁵ The Exchange notes that MIAX PEARL has filed with the Commission a proposed rule change to adopt similar clarifying rules in connection with the establishment of its proposed fee schedule. See SR-PEARL-2017-10 filed on February 13, 2017 at www.miaxoptions.com.

The Exchange provides to Members and non-Members a network infrastructure pursuant to which such Members and non-Members establish connectivity to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange. The Exchange refers to this network infrastructure as the MIAX Express Network Interconnect, or the MENI. The MENI consists of the low latency and ultra-low latency ("ULL") connectivity options set forth in the Exchange's Fee Schedule. The MENI also provides members and non-members of MIAX PEARL network connectivity to the trading platforms, market data systems, test systems, and disaster recovery facilities of MIAX PEARL. Further, for Members and non-Members of the Exchange that wish to establish connectivity to both the Exchange and MIAX PEARL, the MENI can be configured to provide such Members and non-Members of the Exchange network connectivity to the trading platforms, market data systems, test systems, and disaster recovery facilities of both the Exchange and MIAX PEARL, via a single, shared connection.

Accordingly, the Exchange is proposing to clarify that, when a Member or non-Member of the Exchange establishes network connectivity to the trading platforms, market data systems, test systems, and disaster recovery facilities of both the Exchange and MIAX PEARL, via a single, shared connection, for purposes of: (i) Section 4) of the Exchange's Fee Schedule, the Member or non-Member will only be assessed one Network Connectivity Testing and Certification Fee per connection tested, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection, and (ii) Section 5) of the Exchange's Fee Schedule, the Member or non-Member will only be assessed one Network Connectivity Fee per connection, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection.

In particular, regarding Network Connectivity Testing and Certification, new users of the Exchange's System (and existing users of the System that seek to change connectivity options) require testing and certification prior to actual use in the production environment, and are assessed fees for such testing and certification as are specified in the Exchange's Fee Schedule. Accordingly, the Exchange now proposes to amend Section 4)c) of the Fee Schedule to provide that

Members utilizing the MENI to connect to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange and MIAX PEARL via a single, shared connection will only be assessed one Network Connectivity Testing and Certification Fee per connection tested, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection. Further, the Exchange similarly proposes to amend Section 4)d) of the Fee Schedule to provide that non-Members utilizing the MENI to connect to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange and MIAX PEARL via a single, shared connection will only be assessed one Network Connectivity Testing and Certification Fee per connection tested, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection.

Regarding System Network Connectivity Fees, Members and non-Members of the Exchange are assessed fees for connectivity to the Exchange as is set forth in the Fee Schedule, depending on the connection size (e.g., 1 Gigabit, 10 Gigabit, 10 Gigabit ULL) and facility site (e.g., primary/secondary facility, disaster recovery facility). Accordingly, the Exchange now proposes to amend Section 5)a) of the Fee Schedule to provide that Members utilizing the MENI to connect to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange and MIAX PEARL via a single, shared connection will only be assessed one Monthly Member Network Connectivity Fee per connection, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection. Further, the Exchange similarly proposes to amend Section 5)b) of the Fee Schedule to provide that non-Members utilizing the MENI to connect to the trading platforms, market data systems, test systems, and disaster recovery facilities of the Exchange and MIAX PEARL via a single, shared connection will only be assessed one Monthly Non-Member Network Connectivity Fee per connection, regardless of the trading platforms, market data systems, test systems, and disaster recovery facilities accessed via such connection.

The proposed rule change is intended to provide greater transparency to Members and non-Members of the Exchange regarding how network connectivity testing and certification fees and network connectivity fees will

be assessed by the Exchange when Members and non-Members establish network connectivity to the Exchange and MIAX PEARL via a single, shared network connection by explicitly stating that each such connection will only be charged once per connection. The Exchange believes that clarifying regarding how network connectivity testing and certification fees and network connectivity fees will be assessed by the Exchange will benefit all market participants by assisting them in the decision-making process to connect to the Exchange and further their readiness to use the MIAX PEARL System.

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Sections 6(b)(4) of the Act,⁷ in that it is an equitable allocation of reasonable fees and other charges among Exchange Members and other persons using its facilities, and Section 6(b)(5) of the Act,⁸ in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed rule change furthers the objectives of Section 6(b)(4) of the Act⁹ because it will apply equally to all Exchange participants who test and/or use a single, shared connection to access the Exchange and MIAX PEARL. The Exchange believes that assessing all Exchange participants only one connectivity fee for each single, shared connection to both the Exchange and MIAX PEARL is reasonable, equitable and not unfairly discriminatory because it makes the fees consistent between the Exchange and MIAX PEARL for use of the MENI to access both exchanges.

The proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ in that it is designed to protect investors and the public interest and to promote just and equitable principles of trade by providing greater transparency to Members and non-Members of the Exchange regarding how network connectivity testing and certification

fees and network connectivity fees will be assessed by the Exchange when Members and non-Members establish network connectivity to the Exchange and MIAX PEARL via a single, shared network connection by explicitly stating that each such connection will only be charged once per connection.

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. The Exchange believes that the proposed changes would increase both intermarket and intramarket competition by defining the assessments of such network connectivity testing and certification fees and network connectivity fees for all users of the Exchange, thereby creating greater clarity around the Exchange's assessment of such fees for participants that wish to begin using MIAX PEARL's System through its existing MIAX Options' network connection and to continue using the Exchange's facilities through the same shared connection, thereby enabling a potential user of both systems to assess the competitive nature of the fees. This should benefit all market participants and improve competition on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposal will enhance competition, because market participants will have more clarity surrounding how they will be assessed the network connectivity testing and certification fees and network connectivity fees if they desire to connect to both the MIAX Options and MIAX PEARL through the MENI and will also understand that they will not be double charged for these network fees for using the same, shared connections to both exchanges.

B. 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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act,¹¹ and Rule 19b-4(f)(2)¹² 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 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. Please include File No. SR-MIAX-2017-05 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 No. SR-MIAX-2017-05. 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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78f(b)(5).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ 15 U.S.C. 78s(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4(f)(2).

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 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 No. SR-MIAX-2017-05, and should be submitted on or before March 17, 2017.

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

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80060; File No. SR-CBOE-2016-091]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving a Proposed Rule Change Related to a Change to the Trading Symbol for P.M.-Settled Options on the Standard & Poor's 500 Index

February 17, 2017.

I. Introduction

On December 16, 2016, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change amending CBOE's rules related to P.M.-settled options on the Standard & Poor's 500 Index ("S&P 500 Index"). The proposed rule change was published for comment in the **Federal Register** on January 5, 2017.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

CBOE proposes to move P.M.-settled S&P 500 Index options expiring on the

third-Friday of the month ("third-Friday"), currently listed in a separate class and trading under the symbol "SPXPM", to the Hybrid 3.0 S&P 500 Index options class. In connection with the move, the Exchange proposes changing the trading symbol for these options from "SPXPM" to "SPXW."

The Exchange currently lists A.M.-settled⁴ and P.M.-settled⁵ S&P 500 Index options that have standard third-Friday expirations. Third-Friday A.M.-settled S&P 500 Index options trade under the symbol "SPX" on the Exchange's Hybrid 3.0 platform.⁶ Third-Friday P.M.-settled S&P 500 Index options trade on the Hybrid Trading System in a separate options class under the symbol "SPXPM".⁷

In addition, the Hybrid 3.0 options class also includes nonstandard P.M.-settled S&P 500 Index options trading under the symbol "SPXW," which may expire on Mondays, Wednesdays, Fridays (other than the third-Friday-of-the-month) (*i.e.*, nonstandard weekly expirations pursuant to Rule 24.9(e)), and the last trading day of the month.⁸ Although SPXW options are included in the Hybrid 3.0 class, they trade on the Hybrid Trading System.⁹

In its filing, the Exchange noted that a gap exists currently in Friday expirations for SPXW as a user of SPXW options cannot roll an existing SPXW position that expires on a first or second Friday of a month into a SPXW position that expires on a third-Friday, because the latter is part of the separate SPXPM class.¹⁰ Moving SPXPM into the SPX class under symbol SPXW will remove this gap and allow market participants to maintain exposure to SPXW Friday expirations throughout the month if they so choose. The Exchange also noted that offering access to all P.M.-settled S&P 500 Index options in a single class with expirations every Friday of the month will provide market participants with greater flexibility in submitting complex orders using S&P 500 index options.¹¹

In its filing, the Exchange noted its belief that moving SPXPM into the SPX options class under the symbol SPXW should not adversely impact market

participants.¹² Specifically, the Exchange noted that it expects a smooth transition of the SPXPM series to the SPXW symbol because SPXPM and SPXW options both trade on the Hybrid Trading System¹³ and the Exchange's rules and systems treat SPXPM and SPXW the same in many respects.¹⁴

Pilot Reports

SPXPM options currently are approved for listing and trading on a pilot basis.¹⁵ The Exchange represents that the pilot will continue under the same terms that established the pilot.¹⁶

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act¹⁷ and the rules and regulations thereunder applicable to a national securities exchange.¹⁸ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁹ which requires, among other things, that the rules of a national securities exchange be designed 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 represents that trading P.M.-settled third-Friday expirations as part of the S&P 500 Index options class under the SPXW symbol, rather than as a separate class under the SPXPM symbol, will help remove impediments to and perfect the mechanism of a free and open market by providing market participants with access to a single class

¹² See *id.*

¹³ See Rules 8.3(c)(i) (identifying P.M.-settled third-Friday S&P Index options as a Tier AA Hybrid Options Class) and 8.14.01 (allowing the Exchange to authorize a group of series of a class for trading on the Hybrid Trading System).

¹⁴ See Notice, *supra* note 3, at 1384-85 (discussing areas where trading parameters for SPXPM and SPXW are the same, such as the minimum increment for bids and offers, and where they differ, such as the appointment costs).

¹⁵ See Rule 24.9.14 and Securities Exchange Act Release No. 68457 (December 18, 2012), 77 FR 76135 (December 26, 2012) (SR-CBOE-2012-120).

¹⁶ See Notice, *supra* note 3, at 1385. As part of the pilot, the Exchange submits quarterly reports and annual reports that analyze the market impact and trading patterns of third-Friday P.M.-settled S&P 500 options. The Exchange will modify the reports to provide the same data and analysis for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXW that it currently submits for third-Friday P.M.-settled S&P 500 Index options trading under symbol SPXPM. See *id.*

¹⁷ 15 U.S.C. 78f.

¹⁸ In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁹ 15 U.S.C. 78f(b)(5).

⁴ See Rule 24.9(a)(4)(i) (A.M.-settled index options).

⁵ See Rule 24.9.14 (authorizing the Exchange to list P.M.-settled S&P 500 options for a specified pilot period).

⁶ See Rule 8.3(c)(iii).

⁷ See Rule 8.3(c)(i) (identifying P.M.-settled third-Friday S&P 500 options as a Tier AA Hybrid Options Class).

⁸ See Rule 24.9(e).

⁹ See Rule 8.14.01.

¹⁰ See Notice, *supra* note 3, at 1384.

¹¹ See *id.*

¹³ 17 CFR 200.30-3(a)(12).

¹⁴ 15 U.S.C. 78s(b)(1).

¹⁵ 17 CFR 240.19b-4.

¹⁶ See Securities Exchange Act Release No. 79712 (December 29, 2016), 82 FR 1383 (January 5, 2017) ("Notice").