

taxonomy for use by such foreign private issuers in preparing their Interactive Data Files.<sup>6</sup>

On March 1, 2017, the IFRS Taxonomy was specified on the Commission's Web site, as provided by the EDGAR Filer Manual.<sup>7</sup> Accordingly, foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB and are subject to Rule 405 may immediately begin submitting their financial statements in interactive data format. Although existing Rule 405 would require foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB to submit financial data in XBRL upon publication of the taxonomy, the Commission is providing notice that such issuers may first submit financial data in XBRL with their first annual report on Form 20-F or 40-F for a fiscal period ending on or after December 15, 2017.

By the Commission.

Dated: March 1, 2017.

**Brent J. Fields,**

*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80122; File No. SR-NYSE-2017-06]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 103B

February 28, 2017.

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 February 22, 2017, New York Stock Exchange LLC ("NYSE" 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

The Exchange proposes to amend Rule 103B, which governs the allocation of securities to Designated Market Makers. The proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.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 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 those 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend Rule 103B, which governs the allocation of securities to DMMs, to streamline the allocation process and facilitate the selection of DMM units by issuers. Specifically, as described in more detail below, the Exchange proposes to:

- Amend Rule 103B(III)(A), which provides for issuer selection of DMM units, to require issuers select all DMM units to interview, permit senior officials at issuers to designate a representative to attend DMM interviews, and eliminate the cap on the number of DMM representatives that can participate in issuer interviews;
- amend Rule 103B(III)(B), which provides for selection of DMM units by the Exchange, to remove the requirement that the Exchange Selection Panel ("ESP") base its review only on information available to an issuer and reduce the size of the ESP to three Exchange employees designated by the Chief Executive Officer;
- renumber Rule 103B(III)(B)(2), which describes the DMM one year obligation, as new Rule 103B(III)(C) and make certain non-substantive changes to the existing rule text;

- renumber Rule 103B(III)(B)(3), which describes foreign listing considerations, as new Rule 103B(III)(D);
- amend Rule 103B(VI)(D) (1) and (3), governing listed company mergers, to make certain non-substantive changes;
- amend Rule 103B(VI)(F), governing allocation of closed-end management investment companies, to specify that the group of eligible DMM units an issuer listing additional funds can select from also includes DMM units the issuer "reviewed" during the initial allocation;
- amend Rule 103B(VI)(G), governing the allocation freeze policy, to replace references to "specialty stock" with "DMM interest"; and
- amend Rule 103B(VI)(H), setting forth the allocation sunset policy, to provide that allocation decisions remain effective for initial public offerings ("IPO") that list on the Exchange within eighteen months of such decision rather than the current twelve months and to specify that, in situations where the proposed individual DMM is no longer with the selected DMM unit, the company may choose to stay with the selected DMM or be referred to allocation and may interview a replacement individual DMM prior to making that decision.

##### Current Rule 103B

Rule 103B currently provides two options for the allocation of securities to DMMs: (1) The issuer selects the DMM unit; or (2) the issuer delegates selection of the DMM unit to the Exchange.

If the issuer proceeds under the first option, the listing company selects a minimum of four DMM units to interview.<sup>4</sup> A DMM unit's eligibility to participate in the allocation process is based on objective criteria and determined at the time the interview is scheduled. No more than three representatives of each DMM unit may currently participate in the interview, each of whom must be employees of the DMM unit.<sup>5</sup>

Within five business days after the issuer selects the DMM units to be interviewed, the issuer meets with representatives of each of the DMM units. At least one representative of the listing company must be a senior official of the rank of Corporate Secretary or above of that company. Additionally, no more than three representatives of each DMM unit may participate in the meeting, each of whom must be an employee of the DMM unit, and one of whom must be the individual DMM

<sup>6</sup> See SEC No-Action Letter from the Division of Corporation Finance and the Office of the Chief Accountant to the Center for Audit Quality (Apr. 8, 2011), available at <http://www.sec.gov/divisions/corpfin/cf-noaction/2011/caq040811.htm>. With the issuance of this notice and the posting of the IFRS taxonomy on the Commission's Web site, the letter is now moot.

<sup>7</sup> See Section 6.3.9 of Volume II of the EDGAR Filer Manual.

<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> See Rule 103B(III)(A)(1).

<sup>5</sup> See Rule 103B(III)(A)(2)(b).

who is proposed to trade the company's security, unless that DMM is unavailable to appear, in which case a telephone interview is permitted.

Following the interview, a DMM unit may not have any contact with an issuer. If an issuer has a follow-up question regarding any DMM unit(s) it interviewed, it must be conveyed to the Exchange. The Exchange then contacts the unit(s) to which the question pertains and provides any available information received from the unit(s) to the listing company. Within two business days of the issuer's interviews with the DMM units, the issuer selects its DMM unit in writing. The Exchange then confirms the allocation of the security to that DMM unit, at which time the security is deemed to have been so allocated.

If the issuer proceeds under the second option and delegates selection of the DMM unit to the Exchange, the Exchange convenes an ESP to select the DMM unit based on a review of all information available to the issuer. The current ESP must consist of (1) at least one member of the Exchange's Senior Management, as designated by the CEO or his or her designee, (2) any combination of two Exchange Senior Management or Exchange Floor Operations Staff, to be designated by the Executive Vice-President of Exchange Floor Operations or his/her designee; and (3) three non-DMM Floor Governors for a total of six members.<sup>6</sup>

#### Proposed Rule Change

The Exchange proposes the following changes to Rule 103B to streamline the allocation process and facilitate the selection of DMM units by issuers, as follows.

#### Rule 103B(III)(A)—Issuer Selection of DMM Unit by Interview

Rule 103B(III)(A) is currently titled "DMM Unit Selected by the Issuer" and describes the first allocation option, which is selection of a DMM unit by the issuer following interviews.

The Exchange proposes to delete the current title and replace it with "Issuer Selection of DMM Unit by Interview" to more specifically delineate the first option.

The Exchange proposes amending subsection (1) of Rule 103B(III)(A), which provides that the issuer shall select a minimum of four DMM units to interview, to require that issuers select all DMM units to interview. To effectuate this change, the Exchange would delete "a minimum of four" and add "all" after "select" and before

"DMM units to interview." Requiring issuers to select all DMM units to interview would provide all eligible DMM units with an opportunity to participate in the allocation process, which will lead to an increase in competition without being overly burdensome on the issuer. The Exchange believes that the increase in competition would provide DMM units with a greater incentive to perform optimally. The proposed change would also provide the issuer with more choice in the selection of its assigned DMM unit.

The Exchange also proposes a non-substantive change to Rule 103B(III)(A) to replace "shall" with "must" before "select."

Further, the Exchange proposes amending the first sentence of Rule 103B(III)(A)(2)(b), which provides that issuers meet with DMM units within five business days after the issuer select the DMM units, to add the word "eligible" before "DMM units."

The Exchange also proposes amending the second sentence of Rule 103B(III)(A)(2)(b), which provides that at least one representative of the listing company must be a senior official of the rank of Corporate Secretary or higher. The Exchange proposes to provide senior officials at the issuer with the option to designate an individual to participate in the meeting on their behalf by adding the clause "or a designee of such senior official" at the end of the second sentence of the Rule. The Exchange believes that the proposed change would enable issuers to more efficiently manage the interview process and prevent scheduling conflicts among its most senior executives from unduly delaying the interviews.

Current Rule 103B(A)(2)(b) further provides that no more than three representatives of each DMM unit may participate in the meeting, each of whom must be employees of the DMM unit. The Exchange proposes to eliminate the cap on the number of DMM representatives that can participate in issuer interviews by deleting the phrase "No more than three" before "representatives of each DMM unit" and capitalize the "r". The Exchange believes that the current cap on number of representatives from the DMM unit limits the ability of a DMM unit to assess who may be best suited to attend an interview with an issuer. The Exchange further believes that providing DMM units with greater flexibility in determining how many people to bring to an interview would enable the DMMs to make that determination as necessary.

The Exchange also proposes to make participation by representatives of the DMM units mandatory by deleting "may" before "participate in the meeting" and replacing it with "must."

In addition, the Exchange proposes to specify that employees of a member organization operating a DMM unit are permitted to attend allocation interviews by adding "member organization operating a" before "DMM unit." Under Exchange Rules, a "DMM unit" can be operated as either a stand-alone member organization or as a trading unit within a member organization.<sup>7</sup> The proposed change would enable senior management of a broker-dealer operating a DMM unit to be eligible to participate in allocation interviews.

Finally, the Exchange proposes to delete the heading of Rule 103B(III)(A)(3), which is currently "Issuer's Selection of DMM Unit," and subpart (a). The text of current Rule 103B(III)(A)(3)(a) would become the text of new Rule 103B(III)(A)(3) and would be amended to replace references to "shall" with "will" in two places and "shall then" with "will" in another.

#### Rule 103B(III)(B)—Exchange Selection of DMM Unit by Delegation

Rule 103B(III)(B) is currently titled "DMM Unit Selected by the Exchange" and sets forth the second allocation option, which is selection of a DMM unit by the Exchange by delegation from the issuer.

The Exchange proposes to delete the current title and replace it with "Exchange Selection of DMM Unit by Delegation" to more accurately delineate the second option. As discussed below, the Exchange proposes various changes to Rule 103B(III)(B) to further delineate selection of a DMM unit based on delegated authority from the issuer and distinguish it from direct issuer selections under Rule 103B(III)(A).

The Exchange proposes to amend subsection (B)(1) to remove the clause providing that ESP selection of a DMM unit be "based on a review of all information available to the issuer." The proposed change would enable the ESP to consider confidential statistical or market quality data for each eligible DMM unit that is only available to the Exchange. The Exchange believes that enabling the ESP, which as discussed below would be composed of Exchange staff only, to consider such information in its selection of a DMM unit on behalf of an issuer would facilitate more informed and objective decisions and

<sup>6</sup> See Rule 103B(III)(B)(1).

<sup>7</sup> See Rules 2(j) and 98(b)(1).

would expedite the allocation, and ultimately the trading, of securities on the Exchange.

Relatedly, the Exchange proposes to reduce the size of the ESP to three Exchange employees designated by the Chief Executive Officer in order to streamline the ESP selection process and the operations of the ESP itself. The Exchange believes that limiting the ESP to Exchange employees would be appropriate given that the ESP would have access to highly confidential statistical or market quality data about DMM firms that would be inappropriate to share with non-Exchange employees.

Further, the second paragraph of current Rule 103B(III)(B)(1) would become Rule 103B(III)(B)(2). The Exchange proposes to specify in this provision that the ESP would select the DMM unit and remove the clause providing that the ESP select the DMM unit “pursuant to the provisions of 103B(III)(A) above” as unnecessary.

The second paragraph of current Rule 103B(III)(B)(1) would become Rule 103B(III)(B)(3). The Exchange proposes to remove the clause providing that tie votes are decided by the CEO of the Exchange or his or her designee as unnecessary given that the proposed three-person ESP could not deadlock. The Exchange also proposes non-substantive changes to the remainder of this paragraph to clarify that selection of the ESP selects the DMM unit and to replace “shall” with “will” in three places.

Current Rule 103B(III)(B)(2), governing the DMM one-year obligation, would become Rule 103B(III)(C). The first sentence would be deleted as unnecessary in order to streamline the Rule. The text of the Rule would also be amended to replace “shall be” with “with” before “required.”

Finally, current Rule 103B(III)(B)(3), governing foreign listing considerations, would become Rule 103B(III)(D).

#### Rule 103B(VI)—Policy Notes

The Exchange proposes the following changes to Rule 103B(VI).

First, the last sentence of subsections (1) and (3) of Rule 103B(VI)(D) (Listed Company Mergers) would be amended to delete an extra period in each.

Second, Rule 103B(VI)(F) (Allocation of Group of Closed-End Management Investment Companies) would be amended to specify that an issuer listing additional funds within nine months from the initial listing may select a different DMM unit from the group of eligible DMM units that the issuer interviewed or reviewed in the allocation process. The current Rule only references DMM units that the

issuer has “interviewed.” Including “or reviewed” in the proposed Rule would explicitly cover allocations made by delegation to the Exchange under option two where an issuer reviewed but may not have formally interviewed a DMM unit.

Second, Rule 103B(VI)(G) (Allocation Freeze Policy) would be amended to remove outdated references to Exchange Rules 475 or 476, which have been replaced by the Rule 8000 and 9000 Series references in the Rule. Further, the Exchange proposes to replace the two outdated references to “specialty stock” with “DMM security.”<sup>8</sup>

Finally, the Exchange proposes to amend Rule 103B(VI)(H) (Allocation Sunset Policy) to extend the period an allocation decision remains binding on an IPO listing from twelve to eighteen months of such decision. The proposed change would provide listing issuers with greater flexibility when an IPO is postponed before being referred for allocation through the allocation process pursuant to NYSE Rule 103B(III).

The Exchange also proposes to amend the Rule to cover the contingency where the individual DMM selected by an issuer to trade its securities is no longer with the selected DMM unit during the period that allocation decisions remain effective. The Exchange proposes to permit a company in that circumstance to choose whether to stay with the selected DMM unit or be referred to allocation. Further, the Exchange proposes to provide the company with the choice of interviewing a replacement DMM from that DMM unit prior to deciding whether to stay with the selected DMM unit or be referred to allocation. Finally, the Exchange proposes to replace one reference to “shall” in the last sentence of the Rule with “will.”

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>10</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market

system, and protect investors and the public interest, as follows.

The Exchange believes that the proposed amendments to Rule 103B(III)(A)(1) to provide that issuers interview all DMMs would promote just and equitable principles of trade because no eligible DMM unit would be excluded from the issuer interview. Additionally, the Exchange believes that the proposal is designed to remove impediments to, and perfect the mechanism of a free and open market and a national market system, because it would lead to increased competition without being overly burdensome on issuers and would provide issuers with greater choice in the selection of a DMM unit. The Exchange believes that the increase in competition would also provide DMM units with a greater incentive to perform optimally.

The Exchange believes that the proposed amendments to Rule 103B(III)(A)(2)(b) to permit senior officials at issuers to designate a representative to attend DMM interviews would remove impediments to, and perfect the mechanism of a free and open market, by allowing issuers to more efficiently manage the interview process and prevent scheduling conflicts from unduly delaying interviews and the assignment of securities to DMM units, which ultimately facilitates the fair and orderly trading in the subject security.

The Exchange believes that the additional proposed amendments to Rule 103B(III)(A)(2)(b) to eliminate the cap on the number of DMM representatives that can participate in issuer interviews, making participation by representatives of the DMM units in such interviews mandatory, and permitting employees of a member organization operating a DMM to attend allocation interviews, is designed to remove impediments to, and perfect the mechanism of a free and open market, because it would give issuers greater exposure to management and other staff at the proposed DMM units and provide them with more information about the firms during the interview, thus enhancing the value of the interviews for issuers and facilitating their choice of DMM.

The Exchange believes that the proposed amendments to Rule 103B(III)(B)(1) to remove the requirement that the ESP base its review on information available to the issuer would remove impediments to, and perfect the mechanism of a free and open market, by enabling the ESP consider confidential statistical or market quality data for each eligible DMM unit that is only available to the

<sup>8</sup> As defined in Rule 98(b)(2), the term “DMM securities” means any securities allocated to the DMM unit pursuant to Rule 103B or other applicable rules.

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

<sup>10</sup> 15 U.S.C. 78f(b)(5).

Exchange, thereby facilitating more informed and objective decisions by the ESPs on behalf of issuers. Similarly, the Exchange believes that the proposed amendments to Rule 103B(III)(B)(1) reducing the size of the ESP to three Exchange employees designated by the Chief Executive Officer would streamline and facilitate the process of assigning securities to DMM units by allowing for more flexibility in composing the ESP, which ultimately facilitates and expedites the allocation and ultimately the trading of securities on the Exchange.

The Exchange believes that the amendments to Rule 103B(VI)(H) extending the sunset period from twelve to eighteen months will foster cooperation and coordination with person engaged in facilitating securities transactions and will remove impediments to a free and open market because it recognizes that all IPOs may not be brought to market in a twelve month period and avoids repeating administrative steps in the listing process, thereby promoting efficient use of the Exchange's resources. The proposed rule change also remove impediments to, and perfect the mechanism of a free and open market, by providing issuers with a greater opportunity for input in the allocation process.

Finally, the Exchange's proposal to make various technical, non-substantive changes to the text of Rules 103B(III) and (VI)—renaming headings and section renumbering, replacing “shall” with “will,” deleting extraneous punctuation, deleting redundant and unnecessary clauses, adding clarifying text and updated references, and replacing outdated references—adds clarity and transparency to the Exchange's Rules and reduces potential investor confusion, which would remove impediments to and perfect the mechanism of a free and open market and a national market system.

#### *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 Exchange believes that the proposed changes would increase competition among DMM units by allowing more DMM units to participate in the interview process and provide DMM units with a greater incentive to perform optimally potentially and enhance the quality of the services DMMs provide to issuers. Further, the Exchange believes that the proposed changes would not be

burdensome to issuers. Further, even assuming an increase in the burden on issuers during the allocation process resulting from the proposed changes, the Exchange believes that any such increased burden will be small relative to the benefits that additional competition between DMM units may provide. Issuers could, moreover, permit the Exchange to select the DMM unit pursuant to the process found in NYSE Rule 103B(III)(B).

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>11</sup> and Rule 19b-4(f)(6) thereunder.<sup>12</sup> 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 prior to 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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>13</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>14</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of such 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>17</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-NYSE-2017-06 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-NYSE-2017-06. 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>11</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> 15 U.S.C. 78s(b)(2)(B).

available publicly. All submissions should refer to File Number SR–NYSE–2017–06 and should be submitted on or before March 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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

[FR Doc. 2017–04206 Filed 3–3–17; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80117; File No. SR–NYSEMKT–2017–09]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to the Co-Location Services Offered by the Exchange Adding a Wireless Connection to Toronto Stock Exchange (TSX) Third Party Data

February 28, 2017.

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 February 15, 2017, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) 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 the Substance of the Proposed Rule Change

The Exchange proposes to change the co-location services offered by the Exchange to include a means for co-located Users to receive the Toronto Stock Market market data feed through a wireless connection. In addition, the proposed rule change reflects changes to the NYSE MKT Equities Price List (“Price List”) and the NYSE Amex Options Fee Schedule (“Fee Schedule”) related to the proposed service. The proposed rule change is available on the Exchange’s Web site at [www.nyse.com](http://www.nyse.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 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 those 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 change the co-location<sup>4</sup> services offered by the Exchange to include a means for Users<sup>5</sup> to have access to the Toronto Stock Exchange market data feed through a wireless connection. In addition, the proposed rule change reflects changes to the Exchange’s Price List and Fee Schedule related to the proposed service.

The Exchange provides Users with wireless connections to seven market data feeds or combinations of feeds from third party markets (the “Existing Third Party Data”).<sup>6</sup> The Exchange now proposes to add to its Price List and Fee Schedule a new market data feed from the Toronto Stock Exchange (such feed, “TSX” and, together with the Existing

Third Party Data, the “Third Party Data”).

Through a new affiliate, the Exchange would provide the proposed wireless connection to TSX through wireless connections into the colocation center in the Data Center. The proposed rule change would become operative when the Exchange acquires such new affiliate (the “Acquisition”), expected to be no later than June 30, 2017. The Exchange will announce the date that the wireless connection to the TSX will be available through a customer notice.

To receive TSX, the User would enter into a contract with the Toronto Stock Exchange, which would charge the User the applicable market data fees for TSX. The Exchange would charge the User fees for the wireless connection for TSX.<sup>7</sup>

For each wireless connection to TSX, a User would be charged a \$5,000 non-recurring initial charge and a monthly recurring charge (“MRC”) of \$8,500. The Exchange proposes to revise its Price List and Fee Schedule to reflect fees related to the connection to TSX.

As with the Existing Third Party Data, if a User purchased two wireless connections, it would pay two non-recurring initial charges. The wireless connection would include the use of one port for connectivity to TSX. A User would not pay a fee for the use of such port. However, a User would not be able to use the same port that it uses for connectivity to TSX to connect to Existing Third Party Data. Accordingly, a User that connects to both TSX and Existing Third Party Data would have at least two ports.<sup>8</sup>

As with the previously approved wireless connections to Third Party Data, the Exchange proposes to waive the first month’s MRC, to allow Users to test the receipt of TSX for a month before incurring any MRCs.

The company which the Exchange expects to acquire in the Acquisition currently provides wireless connections to TSX to customers who are also Users (the “Existing Customers”). The Exchange would not charge such Existing Customers the non-recurring initial charge or waive the first month’s

<sup>7</sup> A User would only receive TSX if it had entered into a contract with the Toronto Stock Exchange.

<sup>8</sup> If a User purchases a wireless connection to TSX, that connection would include the use of one port for connectivity to TSX. If the same User connects to Existing Third Party Data, it would receive the use of one port for connectivity to the Existing Third Party Data. It would not be separately charged for such ports. A User only requires one port to connect to the Existing Third Party Data, irrespective of how many of the wireless connections it orders. It may purchase additional ports. See Wireless Approval Release, at 81649.

<sup>4</sup> The Exchange initially filed rule changes relating to its co-location services with the Securities and Exchange Commission (“Commission”) in 2010. See Securities Exchange Act Release No. 62961 (September 21, 2010), 75 FR 59299 (September 27, 2010) (SR–NYSEAmex–2010–80). The Exchange operates a data center in Mahwah, New Jersey (the “Data Center”) from which it provides co-location services to Users.

<sup>5</sup> For purposes of the Exchange’s co-location services, a “User” means any market participant that requests to receive co-location services directly from the Exchange. See Securities Exchange Act Release No. 76009 (September 29, 2015), 80 FR 60213 (October 5, 2015) (SR–NYSEMKT–2015–67). As specified in the Price List and Fee Schedule, a User that incurs co-location fees for a particular co-location service pursuant thereto would not be subject to co-location fees for the same co-location service charged by the Exchange’s affiliates New York Stock Exchange LLC (“NYSE LLC”) and NYSE Arca, Inc. (“NYSE Arca”). See Securities Exchange Act Release No. 70176 (August 13, 2013), 78 FR 50471 (August 19, 2013) (SR–NYSEMKT–2013–67).

<sup>6</sup> See Securities Exchange Act Release Nos. 76750 (December 23, 2015), 80 FR 81648 (December 30, 2015) (SR–NYSEMKT–2015–85) (“Wireless Approval Release”); 78376 (July 21, 2016), 81 FR 49311 (July 27, 2016) (SR–NYSEMKT–2016–70).

<sup>18</sup> 17 CFR 200.30–3(a)(12).

<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.