

proposed amendment simply gives TPHs initiating AIM auctions the ability, when utilizing the auto-match feature, to guarantee price improvement beyond the NBBO (if 50 standard option contracts or 500 mini-option contracts or greater) or beyond one cent/one minimum increment better than the NBBO (if less than 50 standard option contracts or 500 mini-option contracts, which generally protects investors and the public interest by giving Agency Orders the possibility of receiving better execution prices.

*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**

Because the foregoing proposed rule change does not:

- A. Significantly affect the protection of investors or the public interest;
- B. impose any significant burden on competition; and
- C. become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6)<sup>10</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-CBOE-2017-018 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-CBOE-2017-018. 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 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 Number SR-CBOE-2017-018, and should be submitted on or before March 30, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

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

[FR Doc. 2017-04604 Filed 3-8-17; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-80148; File No. SR-MIAX-2017-10]

**Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule**

March 3, 2017.

Pursuant to the provisions of 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 February 24, 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 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 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 the Market Maker Sliding Scale (defined

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

<sup>11</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.

below) contained in its Fee Schedule to increase certain “taker” fees for certain tiers assessed to MIAX Options Market Makers,<sup>3</sup> as described below.

Section (1)(a)(i) of the Fee Schedule sets forth the Exchange’s Market Maker Sliding Scale for Market Maker Transaction Fees (the “Sliding Scale”). The Sliding Scale assesses a per contract transaction fee on a Market Maker for the execution of simple orders and quotes (collectively, “simple orders”) and complex orders and quotes (collectively, “complex orders”). The amount of the transaction fee is based on the Market Maker’s percentage of total national market maker volume in all options classes that trade on the Exchange during a particular calendar month, and the Exchange aggregates the volume executed by Market Makers in both simple orders and complex orders for purposes of determining the applicable tier and corresponding per

contract transaction fee amount.<sup>4</sup> The Sliding Scale applies to all MIAX Options Market Makers for transactions in all products (except for mini-options, for which there are separate product fees), with fees established for option classes in the Penny Pilot Program<sup>5</sup> (“penny option classes”) and separate fees for non-penny option classes, and further based on whether the Market Maker is acting as a “maker” or a “taker”<sup>6</sup> in simple orders. Market Makers that place resting liquidity, *i.e.*, quotes or orders on the MIAX Options System,<sup>7</sup> are assessed the “maker” fee. Market Makers that execute against (remove) resting liquidity are assessed a higher “taker” fee. This is distinguished from traditional “maker-taker” models where “makers” typically receive a rebate and “takers” are assessed a fee; the Exchange instead assesses lower transaction fees to “makers” as compared to “takers,” similar to the

manner implemented at other exchanges.<sup>8</sup>

Further, the Exchange provides discounted transaction fees for Members<sup>9</sup> and their qualified Affiliates<sup>10</sup> that achieve certain volume thresholds through the submission of Priority Customer<sup>11</sup> orders under the Exchange’s Priority Customer Rebate Program (“PCRP”),<sup>12</sup> which is set forth on two tables: One setting forth the transaction fees applicable to Members and their Affiliates that are in PCRP Volume Tier 3 or higher; and the other setting forth the transaction fees applicable to Members and their Affiliates that are not in PCRP Volume Tier 3 or higher. The Sliding Scale also includes maker and taker fees in both tables in each tier for simple orders in penny option classes and non-penny option classes.

The current Sliding Scale tables are as follows:

**MEMBERS AND THEIR AFFILIATES IN PRIORITY CUSTOMER REBATE PROGRAM VOLUME TIER 3 OR HIGHER**

Tier	Percentage thresholds	Simple				Complex			
		Per contract fee for penny classes		Per contract fee for non-penny classes		Per contract fee for penny classes	Per contract fee for non-penny classes	Per contract surcharge for removing liquidity against a resting priority customer complex order on the strategy book for penny and non-penny classes	
		Maker	Taker	Maker	Taker				
<b>All MIAX Market Makers</b>									
1	\$0.00–0.075	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.29	\$0.10	\$0.10
2	Above 0.075–0.60	0.15	0.22	0.19	0.27	0.19	0.23	0.10	0.10
3	Above 0.60–1.00	0.08	0.15	0.12	0.20	0.12	0.16	0.10	0.10
4	Above 1.00–1.50	0.04	0.06	0.08	0.12	0.07	0.11	0.10	0.10
5	Above 1.50	0.02	0.04	0.06	0.10	0.05	0.09	0.10	0.10

<sup>3</sup>The term “Market Makers” refers to Lead Market Makers (“LMMs”), Primary Lead Market Makers (“PLMMs”), and Registered Market Makers (“RMMs”) collectively. See Exchange Rule 100. A Directed Order Lead Market Maker (“DLMM”) and Directed Primary Lead Market Maker (“DPLMM”) is a party to a transaction being allocated to the LMM or PLMM and is the result of an order that has been directed to the LMM or PLMM. See Fee Schedule, note 2.

<sup>4</sup>The calculation of the volume thresholds does not include QCC Orders, PRIME AOC Responses, and unrelated MIAX Market Maker quotes or unrelated MIAX Market Maker orders that are received during the Response Time Interval and executed against the PRIME Order. See Fee Schedule, page 2. For a further discussion of these exclusions, see Securities Exchange Act Release No. 78299 (July 12, 2016), 81 FR 46734 (July 18, 2016)(SR-MIAX-2016-20).

<sup>5</sup>See Securities Exchange Act Release No. 78080 (June 15, 2016), 81 FR 40377 (June 21, 2016) (SR-MIAX-2016-16).

<sup>6</sup>See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016) (SR-MIAX-2016-21).

<sup>7</sup>The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

<sup>8</sup>The Exchange notes that similar maker-taker pricing is implemented at International Securities Exchange, LLC (“ISE”). ISE’s Schedule of Fees, Section I, assesses maker fees to ISE market makers in its select symbols that are lower than its taker fees. ISE’s fees are distinguished from the MIAX Options fees because the ISE fees apply to ISE market maker orders sent to ISE by ISE Electronic Access Members, whereas the Exchange’s fees apply to quotes and orders submitted by Market Maker.

<sup>9</sup>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.

<sup>10</sup>For purposes of the MIAX Options Fee Schedule, the term “Affiliate” means an affiliate of a Member of at least 75% common ownership between the firms as reflected on each firm’s Form BD, Schedule A (“Affiliate”). See Fee Schedule, note 1.

<sup>11</sup>The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). A “Priority Customer Order” means an order for the account of a Priority Customer. See Exchange Rule 100.

<sup>12</sup>Under the PCRP, MIAX Options credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in all multiply-listed option classes (excluding QCC Orders, mini-options, Priority Customer-to-Priority Customer Orders, PRIME AOC Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers, and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in Exchange Rule 1400), provided the Member meets certain percentage thresholds in a month as described in the Priority Customer Rebate Program table. See Fee Schedule, Section (1)(a)iii.

MEMBERS AND THEIR AFFILIATES NOT IN PRIORITY CUSTOMER REBATE PROGRAM VOLUME TIER 3 OR HIGHER

Tier	Percentage thresholds	Simple				Complex			
		Per contract fee for penny classes		Per contract fee for non-penny classes		Per contract fee for penny classes	Per contract fee for non-penny classes	Per contract surcharge for removing liquidity against a resting priority customer complex order on the strategy book for penny and non-penny classes	
		Maker	Taker	Maker	Taker				
<b>All MIAX Market Makers</b>									
1	0.00–0.075	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.29	\$0.10	\$0.10
2	Above 0.075–0.60	0.17	0.24	0.21	0.29	0.19	0.23	0.10	0.10
3	Above 0.60–1.00	0.10	0.17	0.14	0.22	0.12	0.16	0.10	0.10
4	Above 1.00–1.50	0.06	0.08	0.10	0.14	0.07	0.11	0.10	0.10
5	Above 1.50	0.04	0.06	0.08	0.12	0.05	0.09	0.10	0.10

The Exchange proposes to increase the taker fees as set forth in both tables below:

MEMBERS AND THEIR AFFILIATES IN PRIORITY CUSTOMER REBATE PROGRAM VOLUME TIER 3 OR HIGHER

Tier	Percentage thresholds	Simple				Complex			
		Per contract fee for penny classes		Per contract fee for non-penny classes		Per contract fee for penny classes	Per contract fee for non-penny classes	Per contract surcharge for removing liquidity against a resting priority customer complex order on the strategy book for penny and non-penny classes	
		Maker	Taker	Maker	Taker				
<b>All MIAX Market Makers</b>									
1	\$0.00–0.075	\$0.21	\$0.23	\$0.25	\$0.30	\$0.25	\$0.29	\$0.10	\$0.10
2	Above 0.075–0.60	0.15	0.22	0.19	0.27	0.19	0.23	0.10	0.10
3	Above 0.60–1.00	0.08	0.19	0.12	0.23	0.12	0.16	0.10	0.10
4	Above 1.00–1.50	0.04	0.18	0.08	0.22	0.07	0.11	0.10	0.10
5	Above 1.50	0.02	0.17	0.06	0.21	0.05	0.09	0.10	0.10

MEMBERS AND THEIR AFFILIATES NOT IN PRIORITY CUSTOMER REBATE PROGRAM VOLUME TIER 3 OR HIGHER

Tier	Percentage thresholds	Simple				Complex			
		Per contract fee for penny classes		Per contract fee for non-penny classes		Per contract fee for penny classes	Per contract fee for non-penny classes	Per contract surcharge for removing liquidity against a resting priority customer complex order on the strategy book for penny and non-penny classes	
		Maker	Taker	Maker	Taker				
<b>All MIAX Market Makers</b>									
1	\$0.00–0.075	\$0.23	\$0.25	\$0.27	\$0.32	\$0.25	\$0.29	\$0.10	\$0.10
2	Above 0.075–0.60	0.17	0.24	0.21	0.29	0.19	0.23	0.10	0.10
3	Above 0.60–1.00	0.10	0.21	0.14	0.25	0.12	0.16	0.10	0.10
4	Above 1.00–1.50	0.06	0.20	0.10	0.24	0.07	0.11	0.10	0.10
5	Above 1.50	0.04	0.19	0.08	0.23	0.05	0.09	0.10	0.10

The Exchange has determined to substantially reduce the magnitude of volume discounts that Market Makers achieve in Tiers 3, 4, and 5, as a taker for Members who are in the Priority Customer Rebate Program Volume Tier 3 or Higher and for Members who are not in the Priority Customer Rebate

Program Volume Tier 3 or Higher. This significant, volume-based discount was designed to incentivize Market Makers to act as a taker on the Exchange.<sup>13</sup> For business and competitive reasons, the

<sup>13</sup> See Securities Exchange Act Release No. 78519 (August 9, 2016), 81 FR 54162 (August 15, 2016)(SR-MIAX-2016-21).

Exchange now believes it is appropriate to reduce the magnitude of discounts. The Exchange is not eliminating the discounts entirely, but narrowing the ranges between the highest fee (assessed for Tier 1) and fees assessed in Tiers 3, 4, and 5) in each of the two tables. The proposed Market Maker taker fees are

generally in line with the Market Maker taker fees charged by other exchanges for executing simple orders at similar volume levels, including Exchanges that don't offer a volume discount for market maker taker volume.<sup>14</sup>

The proposed rule change is scheduled to become operative March 1, 2017.

## 2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>15</sup> in general, and furthers the objectives of Sections 6(b)(4) of the Act,<sup>16</sup> 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,<sup>17</sup> 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 taker fee increase for the various tiers is equitable and not unfairly discriminatory because all similarly situated Market Makers are subject to the same fees and access to the Exchange is offered on terms that are not unfairly discriminatory. The Exchange initially set its taker fees at the various volume levels based upon business determinations and an analysis of current taker fees and volume levels at other exchanges. When the Exchange initially adopted taker fees,<sup>18</sup> it set its higher tier taker fees much lower than other exchanges in order to encourage its Market Makers to reach for higher volume levels in order to achieve greater discounts. For competitive and business

reasons, the Exchange believes that it no longer needs to offer such deep discounts in the higher tiers and desires to narrow the range between the lower and higher tiers with respect to the taker fees. The Exchange also believes that it is appropriate to increase taker fees to be more in line with competing exchanges. The Exchange notes that the increased taker fees are comparable to those assessed by other exchanges and that even with the increase, the Exchange's taker fees are still less than those assessed by such exchanges.<sup>19</sup>

The Exchange's proposal to assess a higher fee to Market Makers that take liquidity in penny option and non-penny option classes is also reasonable, equitable and not unfairly discriminatory under the Act. While distinguished from the traditional "maker-taker" fee model under which an exchange pays a per-contract rebate to their members to encourage them to place resting liquidity by providing quotes and orders ("maker") on their trading systems and assessing a fee that executes against a resting order ("taker"), the Exchange assesses a reduced fee for "makers" as compared to "takers" rather than giving the "maker" a rebate.

The Exchange believes that the maker-taker pricing model is an important competitive tool for exchanges and directly or indirectly can provide better prices for investors. Such pricing models may narrow the MIA X Options Bid and Offer ("MBBO") because the reduced fee for "makers" effectively subsidizes, and thus encourages, the posting of liquidity, while the assessment of lower fees in higher tiers to "takers" encourages Market Makers to provide order flow. The Exchange believes that this pricing model provides Market Makers with greater incentive to either match or improve upon the best price displayed on MIA X Options, all to the benefit of investors and the public in the form of improved execution prices.

Further, the Exchange's assessment of a higher fee to Market Makers who remove liquidity is reasonable, equitable and not unfairly discriminatory and follows a similar line of reasoning. It is common practice among options exchanges to differentiate between fees for adding liquidity and fees for removing liquidity, and such differentiation has been accepted as not unfairly discriminatory under the Act.<sup>20</sup> The Exchange believes that the differentiation in pricing between "makers" and "takers" is appropriate,

because "takers" remove liquidity and benefit disproportionately from their executions as compared to "makers," without assuming the obligations that "makers" assume in making continuous, two-sided markets, and without engaging in competitive price discovery and improvement in the same manner as "makers." Liquidity removers benefit from the price and size discovery function that liquidity providers have performed in posting their quotations and orders, and when executing against resting liquidity, a "taker" is not taking the risk of an order or quote sitting unexecuted on the Book. The Exchange believes for these reasons that assessing a higher "taker" fee for the various tiers for simple orders is equitable, reasonable and not unfairly discriminatory, and thus consistent with the Act.

## 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 proposed fee structure is intended to promote narrower spreads and encourage the posting of liquidity (instead of taking liquidity), and thus should promote better prices. The proposed rule change should enable the Exchange to attract, and compete for, order flow with other exchanges and the higher fees for removing liquidity will encourage Market Makers to submit order flow that adds liquidity, not removes it.

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. The Exchange believes that the proposed rule changes reflect this competitive environment because they modify the Exchange's fees in a manner that encourages market participants to provide liquidity and to send order flow to the Exchange rather than remove liquidity from the market place.

## C. 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.

<sup>14</sup> See ISE Schedule of Fees, Section I (ISE assesses Market Makers a taker fee of .44 per contract in Select Symbols); see also ISE Gemini ("Gemini") Schedule of Fees, Section I (Gemini assesses Market Makers a taker fee of \$.49 per contract in penny option classes and SPY for Tiers 1 through 3, with Tier 1 being total affiliated member ADV of up to 99,999 contracts, Tier 2 being total affiliated member ADV of between 100,00 [sic] and 224,999 contracts and Tier 3 being total affiliated member ADV of between 225,000 and 349,999 contracts and \$.48 per contract in penny options classes and SPY for Tier 4, which is total affiliated member ADV of 350,000 contracts or more); see further Bats BZX Options Exchange ("BATS") Fee Schedule, p. 1 (BATS assesses Market Maker a taker fee of \$.50 per contract in penny option classes and 1.07 per contract in non-penny option classes).

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

<sup>16</sup> 15 U.S.C. 78f(b)(4).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> See *supra* note 13.

<sup>19</sup> See *supra* note 14.

<sup>20</sup> *Id.*

### 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,<sup>21</sup> and Rule 19b-4(f)(2)<sup>22</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 shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2017-10 on the subject line.

#### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2017-10. 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 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 Number SR-MIAX-2017-10, and should be submitted on or before March 30, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

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

[FR Doc. 2017-04600 Filed 3-8-17; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80154; File Nos. SR-NYSEMKT-2016-52 and SR-NYSEArca-2016-103]

### Self-Regulatory Organizations; NYSE MKT LLC; NYSE Arca Inc.; Order Approving Proposed Rule Changes To Extend the Time Within Which a Member, Member Organization, an ATP Holder, OTP Holder, or OTP Firm Must File a Uniform Termination Notice for Securities Industry Registration ("Form U5")

March 3, 2017.

#### I. Introduction

On June 16, 2016, NYSE MKT LLC ("NYSE MKT") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> a proposed rule change to extend the time within which a member or member organization, or an Amex Trading Permit Holder ("ATP Holder") must file a Form U5, or any amendments thereto. The proposed rule change was published for comment in the **Federal Register** on July 7, 2016.<sup>4</sup> On July 14, 2016, NYSE Arca, Inc. ("NYSE Arca") (NYSE MKT and NYSE Arca, each an "Exchange") filed with the Commission, a proposed rule change

to extend the time within which an Options Trading Permit Holder ("OTP Holder") or Options Trading Permit Firm ("OTP Firm") must file a Form U5, or any amendments thereto. The proposed rule change was published for comment in the **Federal Register** on July 27, 2016.<sup>5</sup> The Commission received two comment letters regarding the proposals.<sup>6</sup> NYSE responded to the NASAA Letter on August 12, 2016.<sup>7</sup>

On October 5, 2016, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule changes.<sup>8</sup> The Commission received four additional comment letters regarding the proposals.<sup>9</sup> NYSE responded to the OIA Letter on October 26, 2016.<sup>10</sup> On December 21, 2016, the Commission designated a longer period of time to determine whether to approve or disapprove the proposed rule changes.<sup>11</sup> Thereafter the Commission received one additional comment letter.<sup>12</sup> NYSE submitted a response on January 16, 2017.<sup>13</sup> This order approves the proposed rule changes.

#### II. Description of the Proposals

##### NYSEMKT-2016-52

As set forth in the NYSE MKT Notice, NYSE MKT proposes to amend its rules regarding when a member, member

<sup>5</sup> See Securities Exchange Act Release No. 78381 (July 21, 2016), 81 FR 49286 ("NYSE Arca Notice").

<sup>6</sup> See letters from Judith Shaw, President, North American Securities Administrators Association, Inc., dated August 3, 2016 ("NASAA Letter") and Rick A. Fleming, Investor Advocate and Tracey L. McNeil, Ombudsman, Office of the Investor Advocate, Commission, dated October 3, 2016 ("OIA Letter"), to Brent J. Fields, Secretary, Securities and Exchange Commission.

<sup>7</sup> See letter from Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange LLC ("NYSE") dated August 12, 2016 ("NYSE Letter I"), to Brent J. Fields, Secretary, Commission.

<sup>8</sup> See Securities Exchange Act Release No. 79055, 81 FR 70460 (October 12, 2016).

<sup>9</sup> See letters from Kevin Zambrowicz, Associate General Counsel, Securities Industry and Financial Markets Association, dated October 19, 2016 ("SIFMA Letter"), Michele Van Tassel, President, Association of Registration Management ("ARM"), dated November 4, 2016 ("ARM Letter I"), Edwin L. Reed, Deputy Director, Alabama Securities Commission, dated November 14, 2016 ("ASC Letter"), and Mike Rothman, President, NASAA, dated November 16, 2016 ("NASAA Response") to Brent J. Fields, Secretary, Commission.

<sup>10</sup> See letter from Elizabeth K. King, General Counsel and Corporate Secretary, NYSE, dated October 26, 2016 ("NYSE Letter II") to Brent J. Fields, Secretary, Commission.

<sup>11</sup> See Securities Exchange Act Release No. 79645, 81 FR 95679 (December 28, 2016).

<sup>12</sup> See letter from Michele Van Tassel, President, ARM, dated January 4, 2017 ("ARM Letter II") to Brent J. Fields, Secretary, Commission.

<sup>13</sup> See letter from Elizabeth K. King, General Counsel and Corporate Secretary, NYSE, dated January 16, 2017 ("NYSE Letter III") to Brent J. Fields, Secretary, Commission.

<sup>23</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.

<sup>4</sup> See Securities Exchange Act Release No. 78198 (June 30, 2016), 81 FR 44363 ("NYSE MKT Notice").

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>22</sup> 17 CFR 240.19b-4(f)(2).