

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

Extension:

Rule 17f-1(c) and Form X-17F-1A. SEC File No. 270-29, OMB Control No. 3235-0037.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 17f-1(c) (17 CFR 240.17f-1(c) and Form X-17F-1A (17 CFR 249.100) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 17f-1(c) requires approximately 15,500 entities in the securities industry to report lost, stolen, missing, or counterfeit securities certificates to the Commission or its designee, to a registered transfer agent for the issue, and, when criminal activity is suspected, to the Federal Bureau of Investigation. Such entities are required to use Form X-17F-1A to make such reports. Filing these reports fulfills a statutory requirement that reporting institutions report and inquire about missing, lost, counterfeit, or stolen securities. Since these reports are compiled in a central database, the rule facilitates reporting institutions to access the database that stores information for the Lost and Stolen Securities Program.

We estimate that 15,500 reporting institutions will report that securities certificates are either missing, lost, counterfeit, or stolen annually and that each reporting institution will submit this report 30 times each year. The staff estimates that the average amount of time necessary to comply with Rule 17f-1(c) and Form X17F-1A is five minutes per submission. The total burden is 38,750 hours annually for the entire industry (15,500 times 30 times 5 divided by 60).

Rule 17f-1(c) is a reporting rule and does not specify a retention period. The rule requires an incident-based reporting requirement by the reporting institutions when securities certificates are discovered to be missing, lost, counterfeit, or stolen. Registering under Rule 17f-1(c) is mandatory to obtain the

benefit of a central database that stores information about missing, lost, counterfeit, or stolen securities for the Lost and Stolen Securities Program. Reporting institutions required to register under Rule 17f-1(c) will not be kept confidential; however, the Lost and Stolen Securities Program database will be kept confidential.

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

The public may view background documentation for this information collection at the following Web site: www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an email to: shagufta.ahmed@omb.eop.gov; and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street, NE Washington, DC 20549, or by sending an email to PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Dated: September 25, 2015.

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

Extension:

Rule 613; SEC File No. 270-616, OMB Control No. 3235-0671.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the existing collection of information provided for in the following rule: Rule 613 (17 CFR 242.613), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*).

Rule 613 of Regulation NMS (17 CFR part 242) requires national securities exchanges and national securities associations ("self-regulatory organizations" or "SROs") to jointly submit to the Commission a national market system ("NMS") plan to govern the creation, implementation, and maintenance of a consolidated audit trail and central repository for the collection of information for NMS securities. The NMS plan must require each SRO and its respective members to provide certain data to the central repository in compliance with Rule 613. When it adopted Rule 613, the Commission discussed the burden hours associated with the development and submission of the NMS plan.¹ In doing so, the Commission noted that the development and submission of the NMS plan is part of a multi-step process for developing the consolidated audit trail and that the Commission deferred its discussion of the burden hours associated with the other paperwork requirements required by Rule 613—such as the requirements to provide certain data to the central repository—until after the SROs submit an NMS plan and there has been an opportunity for public comment.²

The SROs submitted to the Commission the NMS plan on September 30, 2014³ and an amended and restated NMS Plan on February 27, 2015.⁴ Although the existing collection of information pertains to the development and submission of an NMS plan, and such NMS plan has been developed and submitted, the Commission believes it is prudent to extend this collection of information during the pendency of the Commission's review of the NMS plan.

The Commission estimates that each of the 19 SROs would spend a total of 2,760 burden hours of internal legal, compliance, information technology, and business operations time to comply with the existing collection of information, calculated as follows: (880 programmer analyst hours) + (880 business analyst hours) + (700 attorney hours) + (300 compliance manager hours) = 2,760 burden hours to prepare and file an NMS plan, or approximately 52,440 burden hours in the aggregate, calculated as follows: (2,760 burden

¹ See Securities Exchange Act Release No. 67457 (July 18, 2012), 77 FR 45722 (August 1, 2012) ("Adopting Release"), at 45804-45807.

² *Id.* at 45804.

³ See Letter from the SROs, to Brent J. Fields, Secretary, Commission, dated September 30, 2014 ("CAT NMS Plan").

⁴ See Letter from the SROs, to Brent J. Fields, Secretary, Commission, dated February 27, 2015 ("Amended and Restated CAT NMS Plan").

hours per SRO) \times (19 SROs) = 52,440 burden hours. Amortized over three years, the annualized burden hours would be 920 hours per SRO, or a total of 17,480 for all 19 SROs.

The Commission further estimates that the aggregate one-time reporting burden for preparing and filing an NMS plan would be approximately \$20,000 in external legal costs per SRO, calculated as follows: 50 legal hours \times \$400 per hour = \$20,000, for an aggregate burden of \$380,000, calculated as follows: (\$20,000 in external legal costs per SRO) \times (19 SROs) = \$380,000. Amortized over three years, the annualized capital external cost would be \$6,667 per SRO, or a total of \$126,667 for all 19 SROs.

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

The public may view background documentation for this information collection at the following Web site: www.reginfo.gov. Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: Shagufta_Ahmed@omb.eop.gov; and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or by sending an email to: PRA_Mailbox@sec.gov. Comments must be submitted to OMB within 30 days of this notice.

Dated: September 25, 2015.

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75987; File No. SR-NASDAQ-2015-112]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend Rule 4758

September 25, 2015.

Pursuant to 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

September 21, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend NASDAQ Rule 4758 (Order Routing) to adopt a new routing option, the Retail Order Process (“RTFY”).

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at the Exchange’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

NASDAQ is amending Rule 4758, which describes its order routing processes, to add the new RTFY order routing option under NASDAQ Rule 4758(a)(1)(A)(v) for Designated Retail Orders (“DROs”).³ Retail order firms often send non-marketable order flow, that is—orders that are not executable against the best prices available in the market place based on their limit price—to post and display on exchanges. Some of the orders that have been deemed to be non-marketable by the entering firm become marketable by the time the exchange receives them and ultimately remove liquidity from the exchange order book. As discussed more fully below, the RTFY order routing option is designed to enhance execution quality and benefit retail investors by

providing price improvement opportunities to retail order flow.

The Exchange is proposing RTFY, which is similar to TFTY,⁴ as an alternative method for posting non-marketable order flow on the Exchange order book. Rather than allowing the marketable DROs to immediately remove liquidity from the Exchange order book (unless explicitly instructed to do so), the order will be routed to destinations in the System routing table⁵ to increase price improvement opportunities for the DROs. RTFY may remove liquidity from the Exchange book after routing to other destinations. Any non-marketable RTFY orders will post on the Exchange book. In this regard, the RTFY routing option does not differ from the TFTY routing option. Specifically, members using TFTY will not check the NASDAQ book (unless so instructed by the entering firm) for available shares and will instead route to the destination with lower transaction fees.⁶

The destinations in the System routing table for RTFY will include OTC market makers,⁷ which may also be registered NASDAQ market makers⁸ (“Market Makers”). The Exchange believes Market Makers will likely provide the greatest opportunity for price improvement for the DROs. The Exchange believes the RTFY routing option will benefit DROs by providing additional price improvement opportunities for retail investors that they do not otherwise enjoy today.

If a RTFY order is posted on the Exchange, either because it was non-marketable when it was received or it has exhausted all available liquidity within its limit price—including the Exchange, Reg NMS protected quotations and other destinations in the System routing table—and the order is subsequently locked or crossed by another market center, the System will not route to the locking or crossing market center.

⁴ See NASDAQ Rule 4758(a)(1)(A)(v).

⁵ The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. NASDAQ reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. See NASDAQ Rule 4758(a)(1)(A).

⁶ See Securities Exchange Act Release No. 61460 (Feb. 1, 2010), 75 FR 66183 (Feb. 5, 2010) (SR-NASDAQ-2010-018).

⁷ An “OTC market maker” in a stock is defined in Rule 600(b)(52) of Regulation NMS as, in general, a dealer that holds itself out as willing to buy and sell the stock, otherwise than on a national securities exchange, in amounts of less than block size (less than 10,000 shares).

⁸ See NASDAQ Rule 4612.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See NASDAQ Rule 7018.