

disapproved. The Commission is extending this 45-day time period. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> designates December 9, 2015, as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-EDGA-2015-36).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Brent J. Fields,**  
*Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76212; File No. SR-EDGX-2015-46]]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 11.11, Routing to Away Trading Centers

October 21, 2015.

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 October 13, 2015, EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>4</sup> and Rule 19-4(f)(6) thereunder,<sup>5</sup> which renders it effective upon filing with the Commission. 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 filed a proposal to amend Rule 11.11, Routing to Away Trading Centers, to: (i) Enable Users<sup>6</sup> to designate their orders for participation in the re-opening (following a halt, suspension, or pause) of a primary listing market (BATS, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the re-opening time of such market; and (ii) amend the ROOC routing option to remove a provision regarding not routing orders in BATS listed securities designated for participation in the re-opening process on BATS following a halt, suspension, or pause.

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant 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 amend Rule 11.11, Routing to Away Trading Centers, to: (i) Enable Users<sup>7</sup> to designate their orders for participation in the re-opening (following a halt, suspension, or pause) of a primary listing market (BATS, NYSE, Nasdaq, NYSE MKT, or NYSE Arca); and (ii) amend the ROOC routing option to remove a provision regarding not routing orders in BATS listed securities designated for participation in the re-

opening process on BATS following a halt, suspension, or pause. The Exchange currently offers the ROOC routing option, under which Users may designate their orders for participation in the opening or closing process, in addition to the re-opening (following a halt, suspension, or pause), of a primary listing market, if received before the opening/re-opening/closing time of such market.<sup>8</sup> However, some Users only wish that their orders be routed to participate in the primary market's re-opening process, and not its opening or closing processes. Therefore, the Exchange proposes to enable Users to designate their orders for participation in the re-opening of a primary listing market.

The proposed optionality would operate like the current ROOC routing option, but for routing to the primary listing market's opening or closing process. Lastly, like the ROOC routing option, any remaining shares will either be posted to the EDGX Book, executed, or routed to destinations on the System routing table.<sup>9</sup> Should no halt, suspension, or pause occur on the primary listing market, such orders would remain on the EDGX Book, executed, or routed to destinations on the System routing table.

In addition, the Exchange proposes to amend the ROOC routing option to remove a provision regarding not routing orders in BATS listed securities designated for participation in the re-opening process on BATS following a halt, suspension, or pause. Previously, due to system limitations, the Exchange was unable to route orders in BATS listed securities to participate in the re-opening process on BATS following a halt, suspension or pause. In such case, the orders remained on the EDGX Book<sup>10</sup> and became eligible for execution once the halt, suspension, or pause has been lifted. The Exchange has since performed the necessary system modifications and removed this restriction from its system. The Exchange is now able to route orders in BATS listed securities to BATS to participate in the reopening following a halt, suspension or pause pursuant to the ROOC routing option. Therefore, the Exchange proposes to remove this

<sup>6</sup> See Exchange Rule 11.11(g)(8).

<sup>7</sup> The term "System routing table" refers to the proprietary process for determining the specific options exchanges to which the System routes orders and the order in which it routes them. See Exchange Rule 11.11(g).

<sup>10</sup> The term "EDGX Book" is defined as "the System's electronic file of orders." See Exchange Rule 1.5(d).

<sup>6</sup> *Id.*

<sup>7</sup> 17 CFR 200.30-3(a)(31).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19-4.

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19-4(f)(6).

<sup>6</sup> The term "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." See Exchange Rule 1.5(ee).

<sup>7</sup> The term "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." See Exchange Rule 1.5(ee).

restriction from the description of the ROOC routing option under Rule 11.11.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>11</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>12</sup> in particular, in that it is designed 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 mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. Certain Users whose orders are resting on the EDGX Book may wish that their order only be routed to the primary market's re-opening process following a halt, suspension or pause, and not the primary market's opening or closing processes. The proposed rule change promotes just and equitable principles of trade because it would provide such Users with additional flexibility where they wish that their order only be eligible to route to the primary listing market to participate in the re-opening process following a halt, suspension or pause. In addition, and as discussed above, the proposed rule change is similar to the Exchange's current ROOC routing option.

The Exchange also believes its proposal to remove a provision from the description of the ROOC routing option regarding not routing orders in BATS listed securities designated for participation in the re-opening process on BATS following a halt, suspension, or pause is consistent with Section 6(b)(5) of the Act<sup>13</sup> in that it intended [sic] to make the Exchange's rules clearer and less confusing for investors by eliminating a provision that is no longer necessary. Previously, due to system limitations, the Exchange was unable to route orders in BATS listed securities to participate in the re-opening process on BATS following a halt, suspension or pause. The Exchange has since removed this restriction from its system. The proposed change updates the description of the ROOC routing option to remove this restriction for BATS listed securities as the Exchange is now able to route such orders to BATS to participate in the opening process following a halt, suspension or pause. Therefore, the Exchange believes the proposal removes impediments to and perfects the

mechanism of a free and open market and a national market system, and, in general, protects investors and the public interest because it would enable the Exchange to treat orders in BATS listed securities that are subject to the ROOC routing option like NYSE and Nasdaq listed securities and route such order [sic] to the re-opening process on BATS following a halt, suspension or pause.

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

The Exchange does not believe that the proposal will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that its proposal would increase competition because it offers Users an alternative means to route orders to the primary listing market to participate in the re-opening following a halt, suspension, or pause as if they entered orders on that market directly. In addition, the proposed rule change amendment to the ROOC routing option is not designed to address any competitive issues but rather avoid investor confusion by updating the rule text to reflect current system functionality.

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

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

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

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 for 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>14</sup> and Rule 19b-4(f)(6) thereunder.<sup>15</sup>

The Exchange has asked the Commission to waive the 30-day

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the 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.

operative delay so that the proposal may become operative immediately upon filing. The Exchange stated that waiver of the operative delay will allow the ROOC routing option to be used to route orders in BATS listed securities to BATS to participate in the re-opening process on BATS. The Exchange also stated that the proposal would enable orders in BATS listed securities to be treated like orders in NYSE and Nasdaq listed securities when using the ROOC routing option. Moreover, the Exchange stated that the proposed new routing functionality would operate like its current ROOC routing option and would provide Users with additional flexibility to have their orders routed only to the primary market's re-opening process. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.<sup>16</sup>

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-EDGX-2015-46 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.

<sup>16</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> *Id.*

All submissions should refer to File Number SR-EDGX-2015-46. 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-EDGX-2015-46, and should be submitted on or before November 17, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-27214 Filed 10-26-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76213; File No. SR-FINRA-2015-043]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Reporting of OTC Transactions in Exchange-Traded Managed Fund Shares (NextShares) to FINRA

October 21, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

(“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 15, 2015, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to adopt Rule 6184 (Transactions in Exchange-Traded Managed Fund Shares (“NextShares”)) relating to the reporting of over-the-counter (“OTC”) transactions in exchange-traded managed fund shares, which have been approved by the SEC for listing and trading on the Nasdaq Stock Market LLC (“Nasdaq”). Exchange-traded managed fund shares are referred to under Nasdaq rules and herein as “NextShares.”

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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 Background

In November 2014, the SEC approved a proposed rule change filed by Nasdaq

to adopt Nasdaq Rule 5745 governing the listing and trading of NextShares.<sup>4</sup> As described more fully in Nasdaq's filing, NextShares will trade in the secondary market using a new trading protocol called “NAV-Based Trading.” In NAV-Based Trading, all bids, offers and execution prices will be expressed as a premium or discount (which may be zero) to the fund's next-determined net asset value per share (“NAV”), e.g., NAV – \$0.01 or NAV+\$0.01. A NextShares Fund's NAV will be determined each business day after the close of trading. All trades will be binding at the time of execution, with the transaction prices contingent upon the determination of the NAV at the end of the trading day.<sup>5</sup> Pursuant to Nasdaq Rule 5745, trading in NextShares is limited to Nasdaq's Regular Market Session through 4:00 p.m.<sup>6</sup>

In its filing with the SEC, Nasdaq explained that, because existing order transmission and processing systems commonly used by exchanges and firms are generally not designed to accommodate pricing arrangements such as NAV-Based Trading, the prices of NextShares trades and quotes will be represented intraday using a “proxy price” format. In proxy price format, a NextShares Fund's next-determined NAV will be represented as 100.00. A premium or discount of a stated amount to the next-determined NAV will be represented by the same increment or decrement from 100, e.g., NAV – \$0.01 will be represented as 99.99, and NAV+\$0.01 will be represented as 100.01. Nasdaq will report intraday bids, offers and trades for NextShares in real-time to the consolidated tape using the proxy price format. However, the trade will not clear and settle at the price expressed in the proxy price format. After a NextShares Fund's NAV has been calculated at the end of the trading day, Nasdaq will price each

<sup>4</sup> See Securities Exchange Act Release No. 73562 (November 7, 2014), 79 FR 68309 (November 14, 2014) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of File No. SR-NASDAQ-2014-020). In SR-NASDAQ-2014-020, Nasdaq used the terms “ETMF” and “ETMF Shares.” On October 13, 2015, Nasdaq filed a proposed rule change to amend Nasdaq Rule 5745 to replace these terms with “NextShares Fund” and “NextShares,” respectively. See SR-NASDAQ-2015-121, available at [nasdaq.cchwallstreet.com/NASDAQ/pdf/nasdaq-filings/2015/SR-NASDAQ-2015-121.pdf](http://nasdaq.cchwallstreet.com/NASDAQ/pdf/nasdaq-filings/2015/SR-NASDAQ-2015-121.pdf).

<sup>5</sup> Thus, because in NAV-Based Trading, prices of executed trades are not determined until the reference NAV is calculated, buyers and sellers of NextShares will not know the final value of their purchases and sales until the end of the trading day.

<sup>6</sup> As explained in SR-NASDAQ-2014-020, Nasdaq Rule 4120(b)(4) defines “Regular Market Session” as the trading session from 9:30 a.m. to 4:00 p.m. or 4:15 p.m.; NextShares will trade until 4:00 p.m.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> 17 CFR 200.30-3(a)(12).