

same fee. Moreover, the proposed fee is reasonable because other exchanges charge for similar services at their data centers.⁶

Additionally, Members and Non-Members are not required to use the service but instead it is offered as a convenience to all Members and Non-Members. The proposed fee is reasonably designed because it will permit both Members and Non-Members to request the use of the Exchange's on-site data center personnel as technical support and as a convenience that is equally available to them.

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 enhancement of services by the Exchange provided to its Members and others using its facilities will not have an impact on competition. In fact, MIAX's proposed technical support services at a Member or Non-Member's request will benefit all who use such services. As stated above, other exchanges charge for similar services at their data centers.⁷ The Exchange's hourly rate for such services is within the range of prices for similar services offered by other exchanges, and therefore the Exchange believes that the proposed hourly rate for technical support does not impose a burden on competition.⁸

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 and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed

⁶ See Chicago Board Options Exchange, Incorporated ("CBOE") Fees Schedule, p. 9. CBOE charges \$100 per hour for technical support outside normal hours and for after-hours technician services with a four hour minimum required. See also NYSE Amex Options ("Amex") Fee Schedule, Section V(B) and NYSE Arca Options ("Arca") Fees and Charges, p. 18. Both Amex and Arca charge \$100 per half hour for "Hot Hands Services," which consists of allowing Amex and Arca Users to use Amex or Arca on-site data center personnel to maintain User equipment, support network troubleshooting, rack and stack, power recycling and install and document cable. See also NASDAQ PHLX LLC ("Phlx") Pricing Schedule, Section X(d). Phlx charges \$150 per hour for "Remote Hands Service" and \$250 per hour plus materials if necessary for "Power Consulting Services."

⁷ *Id.*

⁸ See *id.*

rule change reflects this competitive environment because the hourly rate is competitive with the rates offered by other exchanges for similar services.⁹

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.

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,¹⁰ and Rule 19b-4(f)(2)¹¹ thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-MIAX-2016-13 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-MIAX-2016-13. 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

⁹ See *supra* note 6.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

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-MIAX-2016-13, and should be submitted on or before June 30, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Brent J. Fields,

Secretary.

[FR Doc. 2016-13612 Filed 6-8-16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77988; File No. SR-FICC-2016-001]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Approving Proposed Rule Change Relating to the GCF Repo[®] Service

June 3, 2016.

On April 19, 2016, the Fixed Income Clearing Corporation ("FICC" or the "Corporation") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-FICC-2016-001 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder.² The proposed rule change was published for comment in the **Federal Register** on April 27, 2016.³ The Commission received no comments on the proposed rule change. For the

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 34-77675 (April 21, 2016), 81 FR 24922 (April 27, 2016) (SR-FICC-2016-001).

reasons discussed below, the Commission is approving the proposed rule change.

I. Description of the Proposed Rule Change

FICC seeks the Commission's approval to amend the Government Securities Division ("GSD") Rulebook⁴ ("GSD Rules") in order to: (1) Permanently adopt the pilot program (the "2015 Pilot Program")⁵ that is currently in effect for the GCF Repo^{®6} service and that is scheduled to expire on June 22, 2016; (2) add clarifying rule changes regarding a process that is currently in effect with respect to the GCF Repo service and that FICC refers to as the "net-of-net" settlement process; and (3) make technical changes to the GSD Rules. The proposed rule changes consist of changes to GSD Rule 1, GSD Rule 20, and the *Schedule of GCF Timeframes*.

A. The GCF Repo Service

The GCF Repo service allows dealer members of FICC's Government Services Division to trade general collateral finance repos ("GCF Repos")⁷ throughout the day without requiring intraday, trade-for-trade settlement on a delivery-versus-payment⁸ basis. The service allows dealers to trade GCF Repos, based on rate and term, with inter-dealer broker netting members on a blind basis. Standardized, generic CUSIP numbers have been established exclusively for GCF Repo processing, and are used to specify the type of underlying security that is eligible to serve as collateral for GCF Repos. Only Fedwire eligible, book-entry securities may serve as collateral for GCF Repos. Acceptable collateral for GCF Repos include most U.S. Treasury securities, non-mortgage-backed federal agency securities, fixed and adjustable rate mortgage-backed securities, Treasury Inflation-Protected Securities and

separate trading of registered interest and principal securities.⁹

B. Background of the Pilot Program

Because FICC's GCF Repo service operates as a tri-party mechanism, FICC states that it was asked to alter the service to align it with the recommendations of the Tri-Party Repo Infrastructure Reform Task Force ("TPR").¹⁰ FICC consequently developed a pilot program ("2011 Pilot Program") to address the TPR's recommendations,¹¹ and sought Commission approval to institute that program.¹² The Commission approved the 2011 Pilot Program on August 29, 2011 for a period of one year.¹³ When the expiration date for the 2011 Pilot Program approached, FICC sought Commission approval to implement the 2012 Pilot Program, which continued the 2011 Pilot Program in some aspects, and modified it in others.¹⁴ The Commission approved the 2012 Pilot Program, as well as subsequent one-year extensions of the pilot program in 2013, 2014, and 2015 (respectively, the "2013 Pilot Program," "2014 Pilot Program," and "2015 Pilot Program").¹⁵ The 2015

⁹ See Securities Exchange Act Release No. 34-58696 (September 30, 2008), 73 FR 58698, 58699 (October 7, 2008) (SR-FICC-2008-04).

¹⁰ The TPR was an industry group formed and sponsored in 2009 by the Federal Reserve Bank of New York to address weaknesses that emerged in the tri-party repo market during the financial crisis. The TPR's chief goal was to develop recommendations to address the risks presented by the reversal of tri-party repo transactions, and to develop procedures to ensure that tri-party repos would be collateralized throughout the day, rather than at the end of the day.

¹¹ The TPR issued preliminary and final reports setting forth its recommendations for the reform of the tri-party repo market. See Tri-Party Repo Infrastructure Reform Task Force Report of May 17, 2000, available at http://www.newyorkfed.org/prc/files/report_100517.pdf; see also Tri-Party Repo Infrastructure Reform Task Force Final Report (February 15, 2012), available at http://www.newyorkfed.org/tripartyrepo/pdf/report_120215.pdf.

¹² Securities Exchange Act Release No. 34-64955 (July 25, 2011), 76 FR 45638 (July 29, 2011) (SR-FICC-2011-05).

¹³ Securities Exchange Act Release No. 34-65213 (August 29, 2011), 76 FR 54824 (September 2, 2011) (SR-FICC-2011-05).

¹⁴ The 2012 Pilot Program implemented several changes which, although described in the rule filing that accompanied the 2011 Pilot Program, were not implemented during the 2011 Pilot Program's period of effectiveness. They include: (i) Moving the time for unwinding repos from 7:30 a.m. to 3:30 p.m.; (ii) moving the net-free-equity process from morning to the evening; and (iii) establishing rules for intraday GCF Repo collateral substitutions. See Securities Exchange Act Release No. 34-67227 (June 20, 2012), 77 FR 38108 (June 26, 2012) (SR-FICC-2012-05).

¹⁵ Securities Exchange Release No. 34-67621 (August 8, 2012), 77 FR 48572 (August 14, 2012) (SR-FICC-2012-05); Securities Exchange Release No. 34-70068 (July 30, 2013), 78 FR 47453 (August 5, 2013) (SR-FICC-2013-06); Securities Exchange

Pilot Program, as well its predecessors, the 2014, 2013, and 2012 Pilot Programs, have been the subject of a number of notices and approval orders published by the Commission.¹⁶ These notices and orders provide extensive detail on both the GCF Repo service and the pilot program itself.

In proposed rule change SR-FICC-2016-001, FICC seeks the Commission's approval to permanently adopt the GSD Rules associated with the 2015 Pilot Program, which expires on June 22, 2016. In addition, FICC also seeks to add a clarification to the GSD Rules to reflect the net-of-net settlement process in the GCF Repo service. According to FICC, the net-of-net settlement clarification is also a result of Tri-Party Reform and reflects current practice at the GSD. FICC seeks to permanently adopt these changes rather than continually file annual extensions of the pilot program. The rule changes associated with the pilot have been in place since 2011 with certain additional modifications made in 2012, and FICC's members are accustomed to them. FICC states that this is also the case regarding the net-of-net settlement changes, which came into effect when the clearing banks implemented this process in 2014 and 2015. According to FICC, changes to the GSD Rules regarding the net-of-net settlement process require no operational changes on the part of FICC. However, FICC seeks to update the GSD Rules in an effort to ensure that the GSD Rules reflect the current net-of-net settlement process. According to FICC, any future changes that arise as a result of Tri-Party Reform will constitute stand-alone rule changes, and are not expected to affect the rule changes covered in this present filing. Finally, in addition to the above, FICC seeks to amend the GSD Rules to include non-substantive, technical changes for clarity.

Act Release No. 34-72457 (June 24, 2014), 79 FR 36856 (June 30, 2014) (SR-FICC-2014-02); and Securities Exchange Act Release No. 34-75258 (June 22, 2015), 80 FR 36879 (June 26, 2015) (SR-FICC-2015-002).

¹⁶ See Securities Exchange Act Release Nos. 34-67227 (June 20, 2012), 77 FR 38108 (June 26, 2012) (SR-FICC-2012-05); 34-67621 (August 8, 2012), 77 FR 48572 (August 14, 2012) (SR-FICC-2012-05); 34-69774 (June 17, 2013), 78 FR 37631 (June 21, 2013) (SR-FICC-2013-06); 34-70068 (July 30, 2013), 78 FR 47453 (August 5, 2013) (SR-FICC-2013-06); 34-72184 (May 19, 2014), 79 FR 29828 (May 23, 2014) (SR-FICC-2014-02); 34-72457 (June 24, 2014), 79 FR 36856 (June 30, 2014) (SR-FICC-2014-02); 34-74973 (May 15, 2015), 80 FR 29352 (May 21, 2015) (SR-FICC-2015-002); and 34-75258 (June 22, 2015), 80 FR 36879 (June 26, 2015) (SR-FICC-2015-002).

⁴ The GSD Rulebook is available at DTCC's Web site, www.dtcc.com/legal/rules-and-procedures.aspx.

⁵ Securities Exchange Act Release No. 34-75258 (June 22, 2015), 80 FR 36879 (June 26, 2015) (SR-FICC-2015-002).

⁶ GCF Repo is a registered trademark of FICC/DTCC.

⁷ A GCF Repo is one in which the lender of funds is willing to accept any of a class of U.S. Treasuries, U.S. government agency securities, and certain mortgage-backed securities as collateral for the repurchase obligation. This is in contrast to a specific collateral repo.

⁸ Delivery-versus-payment is a settlement procedure in which the buyer's cash payment for the securities it has purchased is due at the time the securities are delivered.

II. Discussion

Section 19(b)(2)(C) of the Act¹⁷ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act¹⁸ requires, among other things, that the rules of a clearing agency be designed to achieve several goals, including (i) promoting the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions, (ii) assuring the safeguarding of securities and funds that are in the custody or control of the clearing agency or for which it is responsible, and (iii) protecting investors and the public interest.

The Commission finds that the proposed rule change is consistent with Section 17A of the Act¹⁹ and the rules thereunder applicable to FICC. The proposal will permanently adopt the rules in the 2015 Pilot Program, which were intended to advance the TPR's Tri-Party Reform recommendations by moving the morning unwind process to the afternoon to ensure that such transactions are collateralized all day and, therefore, limiting the amount of intraday credit that is extended by clearing banks during the day. Permanently adopting these rules will serve to minimize systemic risk and avoid the need for seeking future approvals of renewing the 2015 Pilot Program annually, thereby bringing certainty to market participants as to FICC's rules implementing the Tri-Party Reform recommendations. Accordingly, the permanent adoption of the 2015 Pilot Program rules should help to protect investors and promote the public interest, consistent with Section 17A(b)(3)(F) of the Act.

The proposal also eliminates obsolete language from the GSD Rules by codifying the net-of-net settlement process in the GSD Rules, and makes non-substantive clarifying corrections to the GSD Rules. Accordingly, the changes related to the net-of-net settlement process and the clarifying changes to the GSD Rules should provide for a more well-founded and transparent legal framework for FICC's activities, consistent with Act Rule 17Ad-22(d)(1).²⁰

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act, particularly those set forth in Section 17A,²¹ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²² that the proposed rule change (SR-FICC-2016-001) be, and hereby is, *approved*.²³

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77992; File No. SR-NYSEArca-2016-79]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to the Listing and Trading of Shares of the Virtus Japan Alpha ETF Under NYSE Arca Equities Rule 8.600

June 3, 2016.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on May 24, 2016, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 list and trade shares of the Virtus Japan Alpha ETF under NYSE Arca Equities Rule 8.600 ("Managed Fund Shares"). The proposed rule change is available on the Exchange's Web site at www.nyse.com, at the principal office of the Exchange,

¹⁷ 15 U.S.C. 78q-1.

²² 15 U.S.C. 78s(b)(2).

²³ In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 list and trade shares ("Shares") of the following under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares:⁴ Virtus Japan Alpha ETF ("Fund").⁵

The Shares will be offered by Virtus ETF Trust II ("Trust"), which is registered with the Commission as an open-end management investment company.⁶ Virtus ETF Advisers LLC

⁴ A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) ("1940 Act") organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company Units, listed and traded on the Exchange under NYSE Arca Equities Rule 5.2(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

⁵ The Commission has previously approved listing and trading on the Exchange of a number of actively managed funds under Rule 8.600. See, e.g., Securities Exchange Act Release Nos. 57801 (May 8, 2008), 73 FR 27878 (May 14, 2008) (SR-NYSEArca-2008-31) (order approving Exchange listing and trading of twelve actively-managed funds of the WisdomTree Trust); 62502 (July 15, 2010), 75 FR 42471 (July 21, 2010) (SR-NYSEArca-2010-57) (order approving listing and trading of AdviserShares WCM/BNY Mellon Focused Growth ADR ETF); 63076 (October 12, 2010), 75 FR 63874 (October 18, 2010) (SR-NYSEArca-2010-79) (order approving listing and trading of Cambria Global Tactical ETF); 71540 (February 12, 2014), 79 FR 9515 (February 19, 2014) (SR-NYSEArca-2013-138) (order approving listing and trading of shares of the iShares Enhanced International Large-Cap ETF and iShares Enhanced International Small-Cap ETF).

⁶ The Trust is registered under the 1940 Act. On February 26, 2016, the Trust filed with the Commission an amendment to its registration

¹⁷ 15 U.S.C. 78s(b)(2)(C).

¹⁸ 15 U.S.C. 78q-1(b)(3)(F).

¹⁹ 15 U.S.C. 78q-1.

²⁰ 17 CFR 240.17Ad-22(d)(1).