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/so.shtml); or

• Send an email to rule-comments@sec.gov. Please include File Number SR–MIAX–2016–30 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–2016–30. 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/so.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–2016–30, and should be submitted on or before October 4, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.15
Brent J. Fields, Secretary.

[FR Doc. 2016–21913 Filed 9–12–16; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission will hold a closed meeting on Thursday, September 15, 2016 at 2 p.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters also may be present.

The General Counsel of the Commission, or her designee, has certified that, in her opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(3), (5), (7), 9(B) and (10) and 17 CFR 200.402(a)(3), (a)(5), (a)(7), (a)(9)(ii) and (a)(10), permit consideration of the scheduled matter at the closed meeting.

Commissioner Stein, as duty officer, voted to consider the items listed for the closed meeting in closed session.

The subject matter of the closed meeting will be:

Institution and settlement of injunctive actions;

Institution and settlement of administrative proceedings; and

Other matters relating to enforcement proceedings.

At times, changes in Commission priorities require alterations in the scheduling of meeting items.

For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact Brent J. Fields from the Office of the Secretary at (202) 551–5400.

Dated: September 8, 2016.

Brent J. Fields, Secretary.

[FR Doc. 2016–22035 Filed 9–9–16; 11:15 am]
BILLING CODE 8011–01–P


SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 6.1(b)(41) and Rule 6.4

September 7, 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 September 6, 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 Substance of the Proposed Rule Change

The Exchange proposes to amend Rule 6.1(b)(41) and Rule 6.4. The proposed rule change is available on the Exchange’s Web site at 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 purpose of the filing is to amend Rule 6.1(b)(41) and Rule 6.4, so as to allow the listing and trading of options with Wednesday expirations.


Currently, under the Short Term Option Series Program, the Exchange may open for trading on any Thursday or Friday that is a business day series of options on that class that expire on each of the next five Fridays, provided that such Friday is not a Friday in which monthly options series or Quarterly Options Series expire (“Short Term Option Series”). The Exchange is now proposing to amend its rule to permit the listing of options expiring on Wednesdays. Specifically, the Exchange is proposing that it may open for trading on any Tuesday or Wednesday that is a business day, series of options on the SPDR S&P 500 ETF Trust (SPY) to expire on any Wednesday of the month that is a business day and is not a Wednesday in which Quarterly Options Series expire (“Wednesday SPY Expirations”). The proposed Wednesday SPY Expiration series will be similar to the current Short Term Option Series, with certain exceptions, as explained in greater detail below. The Exchange notes that having Wednesday expirations is not a novel proposal. Specifically, the Chicago Board Options Exchange, Incorporated (“CBOE”) recently received approval to list Wednesday expirations for broad-based indexes. The Commission also recently approved a proposal by the BOX Options Exchange LLC (“BOX”) to list Wednesday expirations for SPY Options.

In regards to Wednesday SPY Expirations, the Exchange is proposing to remove the current restriction preventing the Exchange from listing Short Term Option Series that expire in the same week in which monthly option series in SPY expire. Specifically, the Exchange will be allowed to list Wednesday SPY Expirations in the same week in which monthly option series in SPY expire. The current restriction to prohibit the expiration of monthly and Short Term Option Series from expiring on the same trading day is reasonable to avoid investor confusion. This confusion will not apply with Wednesday SPY Expirations and standard monthly options because they will not expire on the same trading day, as standard monthly options do not expire on Wednesdays. Additionally, it would lead to investor confusion if Wednesday SPY Expirations were not listed for one week every month because there was a monthly SPY expiration on the Friday of that week.

Under the proposed Wednesday SPY Expirations, the Exchange may list up to five consecutive Wednesday SPY Expirations at one time. The Exchange may have no more than a total of five Wednesday SPY Expirations listed. This is the same listing procedure as Short Term Option Series that expire on Fridays. The Exchange is also proposing to clarify that the five expiration limit in the current Short Term Option Series Program Rule will not include any Wednesday SPY Expirations. This means, under the proposal, the Exchange would be allowed to list five Short Term Option Series expirations for SPY expiring on Friday under the current rule and five Wednesday SPY Expirations. The interval between strike prices for the proposed Wednesday SPY Expirations will be the same as those for the current Short Term Option Series. Specifically, the Wednesday SPY Expirations will have $0.50 strike intervals.

Currently, for each Short Term Option Expiration Date, the Exchange is limited to opening thirty (30) series for each expiration date for the specific class. The thirty (30) series restriction does not include series that are open by other securities exchanges under their respective short term option rules; NYSE Arca may list these additional series that are listed by other exchanges. The thirty (30) series restriction shall apply to Wednesday SPY Expiration series as well. In addition, the Exchange will be able to list series that are listed by other exchanges, assuming they file similar rules with the Commission to list SPY options expiring on Wednesdays.

As is the case with current Short Term Option Series, the Wednesday SPY Expiration series will be P.M.-settled. The Exchange does not believe that any market disruptions will be encountered with the introduction of P.M.-settled Wednesday SPY Expirations. The Exchange currently trades P.M.-settled Short Term Option Series that expire almost every Friday, which provide market participants a tool to hedge special events and to reduce the premium cost of buying protection. The Exchange seeks to introduce Wednesday SPY Expirations to, among other things, expand hedging tools available to market participants and to continue the reduction of the premium cost of buying protection. The Exchange believes that Wednesday expirations, similar to Friday expirations, would allow market participants to purchase an option based on their timing as needed and allow them to tailor their investment and hedging needs more effectively.

The Exchange is also amending the definition of Short Term Option Series to make clear that it includes Wednesday expirations. Specifically, the Exchange is amending the definition to expand Short Term Option Series to those listed on any Tuesday or Wednesday and that expire on the Wednesday of the next business week. If a Tuesday or Wednesday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Tuesday or Wednesday. The Exchange is also revising portions of the definition that have not been updated to reflect changes in the Short Term Options rules. Specifically, the Exchange proposes to rename One Week options as Short Term options so that reference to the product is consistent across Rule 6.1(b)(41). The Exchange also proposes to amend Rule 6.1(b)(41) to clarify that Short Term Options may be opened and may expire on a Tuesday, Wednesday and Thursday, in addition to Friday which was already a part of the rule. The proposed changes are non-substantive and are intended to add clarity to Exchange rules.

The Exchange believes that the introduction of Wednesday SPY Expirations will provide investors with a flexible and valuable tool to manage risk exposure, minimize capital outlays, and be more responsive to the timing of events affecting the industry.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”), in general, and further the objectives of Section 6(b)(5), in particular, 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, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system. In particular, the Exchange believes the Short Term Option Series Program

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6 The Exchange may open for trading on any Thursday or Friday that is a business day series of options on that class that expire on each of the next five Fridays that are business days and are not Fridays in which monthly option series or Quarterly Options Series expire (“Short Term Option Expiration Date”). See Rule 6.4, Commentary .07.


has been successful to date and that Wednesday SPY Expirations simply expand the ability of investors to hedge risk against market movements stemming from economic releases or market events that occur throughout the month in the same way that the Short Term Option Series Program has expanded the landscape of hedging. Similarly, the Exchange believes Wednesday SPY Expirations should create greater trading and hedging opportunities and flexibility, and provide customers with the ability to more closely tailor their investment objectives. The Exchange believes that allowing Wednesday SPY Expirations and monthly SPY expirations in the same week will benefit investors and minimize investor confusion by providing Wednesday SPY Expirations in a continuous and uniform manner.

The Exchange believes that the proposed non-substantive changes to Rule 6.1(b)(41) would remove impediments to and perfect the mechanism of a free and open market and national market system by providing greater clarity to the rule text regarding the listing and trading of Short Term Options on the Exchange.

Finally, the Exchange represents that it has an adequate surveillance program in place to detect manipulative trading in Wednesday SPY Expirations in the same way it monitors trading in the current Short Term Option Series. The Exchange also represents that it has the necessary systems capacity to support the new options series.

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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that having Wednesday expirations is not a novel proposal.9 The Exchange does not believe the proposal will impose any burden on intramarket competition, as all market participants will be treated in the same manner. Additionally, the Exchange does not believe the proposal will impose any burden on intermarket competition, as nothing prevents the other options exchanges from proposing similar rules to those that the Exchange is currently proposing.

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

Because the foregoing 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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act10 and Rule 19b–4(f)(6) thereunder.11

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative for 30 days from the date of filing. However, Rule 19b–4(f)(6)(iii)12 permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission notes that it recently approved BOX’s substantially similar proposal to list and trade Wednesday SPY Expirations.13 The Exchange has stated that waiver of the operative delay will allow the Exchange to list and trade Wednesday SPY Expirations as soon as possible, and therefore, promote competition among the option exchanges. For these reasons, the Commission believes that the proposed rule change presents no novel issues and that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest, and will allow the Exchange to remain competitive with other exchanges. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposal effective upon filing.14 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–NYSEArca–2016–127 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–NYSEArca–2016–127. 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, are 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

See supra, note 5.

See supra, notes 4 and 5.

11 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intention to file 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.
13 See supra note 5.
14 For purposes only of waiving the 30-day operative delay, the Commission has also
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–NYSEArca–2016–127 and should be submitted on or before October 4, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.13
Brent J. Fields, Secretary.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to MSRB Rules G–15 and G–30 To Require Disclosure of Mark-Ups and Mark-Downs to Retail Customers on Certain Principal Transactions and To Provide Guidance on Prevailing Market Price

September 7, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Exchange Act” or “Act”)1 and Rule 19b–4 thereunder,2 notice is hereby given that on September 2, 2016 the Municipal Securities Rulemaking Board (the “MSRB” or “Board”) filed with the Securities and Exchange Commission (the “SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. 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 MSRB filed with the Commission a proposed rule change to amend MSRB Rule G–15, on confirmation, clearance, settlement and other uniform practice requirements with respect to customer transactions, and MSRB Rule G–30, on prices and commissions, (the “proposed rule change”) to require brokers, dealers and municipal securities dealers (collectively, “dealers”) to disclose mark-ups and mark-downs to retail customers on certain principal transactions and to provide dealers guidance on prevailing market price for the purpose of calculating mark-ups and mark-downs and other Rule G–30 determinations.

If the Commission approves the proposed rule change, the MSRB will announce the effective date of the proposed rule change no later than 90 days following Commission approval. The effective date will be no later than 365 days following Commission approval.


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 MSRB 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 MSRB 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

Proposed Amendments to Rule G–15

The MSRB is proposing to amend Rule G–15 to require dealers to provide additional pricing information on customer confirmations in connection with specified municipal securities transactions with retail customers. Specifically, if a dealer trades as principal with a retail (i.e., non-institutional) customer in a municipal security, the dealer must disclose the dealer’s mark-up or mark-down (collectively, “mark-up,” unless the context requires otherwise) from the prevailing market price for the security on the customer confirmation, if the dealer also executes one or more offsetting principal transaction(s) on the same trading day as the customer, on the same side of the market as the customer, in an aggregate size that meets or exceeds the size of the customer trade.

Many dealers already are required to disclose additional pricing information to customers for certain types of transactions under certain circumstances. Pursuant to Exchange Act Rule 10b–10, dealers effecting equity transactions in which they act in a riskless principal capacity must disclose on the customer confirmation the difference between the price to the customer and the dealer’s contemporaneous purchase or sale price.3 Pursuant to Rule G–15, dealers effecting municipal securities transactions in which they act in an agent capacity must disclose on the customer confirmation the amount of remuneration received from the customer in connection with the transaction (i.e., the commission). The MSRB has conducted analyses of various data reported to its Electronic Municipal Market Access (EMMA®) system4 in order to evaluate the potential need for the proposed mark-up disclosure rule. Over the period from July 1, 2015 through September 30, 2015 (Q3 2015),5 the average daily number of retail-size6 customer transactions in the secondary market for municipal securities in which the dealer acted in a principal capacity was 15,538. The transactions were mainly concentrated

17 CFR 240.10b–10. Under Rule 10b–10, where a broker or dealer is acting as principal for its own account and is not a market maker in an equity security, and receives a customer order in that equity security that it executes by means of a principal trade to offset the contemporaneous trade with the customer, the rule requires the broker or dealer to disclose the difference between the price to the customer and the dealer’s contemporaneous purchase (for customer purchases) or sale price (for customer sales). See Rule 10b–10(a)(2)(ii)(A). Where the broker or dealer acts as principal for another transaction in a defined National Market System stock, or an equity security that is listed on a national securities exchange and is subject to last sale reporting, the rule requires the broker or dealer to report the reported trade price, the price to the customer, and the difference, if any, between the reported trade price and the price to the customer. See Rule 10b–10(a)(2)(ii)(B).
3 EMMA is a registered trademark of the MSRB.
4 EMMA is a registered trademark of the MSRB.
5 Q3 2015 trading activity was substantially similar to trading activity in the preceding two and following one quarter. For example, the total number of trades reported to EMMA in Q3 2015 was 2,319,070 while the average number of trades reported to EMMA per quarter in 2015 was 2,305,705. Similarly, the number of retail-size customer transactions in the secondary market in which the dealer acted in a principal capacity in Q3 2015 was 994,409 while the average number of trades per quarter with the same characteristics during 2015 was 980,809.
6 The data reported to the MSRB do not indicate whether the customer purchasing or selling a security has an “institutional” account as defined in Rule G–8(a)(xii). Therefore, for the purposes of the analysis included here, the MSRB has defined a “retail-size” transaction as any customer transaction with a reported trade amount of 100 bonds or fewer or a face value of $100,000 or less. The MSRB recognizes that this proxy for retail customers may, in some cases, include transactions with institutional account holders and may also fail to include transactions with some retail customers.