Summary of the Application

1. Applicants request an order to permit (a) a Fund1 (each a “Fund of Funds”) to acquire shares of Underlying Funds in excess of the limits in sections 12(d)(1)(A) and (C) of the Act and (b) the Underlying Funds that are registered open-end investment companies or series thereof, their principal underwriters and any broker or dealer registered under the Securities Exchange Act of 1934 to sell shares of the Underlying Fund to the Fund of Funds in excess of the limits in section 12(d)(1)(B) of the Act. Applicants also request an order of exemption under sections 12(d)(1)(A) and (C) of the Act for Funds through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits in sections 12(d)(1)(A), (B), and (C) of the Act.

2. Applicants agree that any order granting the requested relief will be subject to the terms and conditions stated in the application. Such terms and conditions are designed to, among other things, help prevent any potential (i) undue influence over an Underlying Fund that is not in the same “group of investment companies” as the Fund of Funds through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits of the Act.

3. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities, or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors. Section 17(b) of the Act authorizes the Commission to grant an order permitting a transaction otherwise prohibited by section 17(a) if it finds that (a) the terms of the proposed transaction are fair and reasonable and do not involve overreaching on the part of any person concerned; (b) the proposed transaction is consistent with the policies of each registered investment company involved; and (c) the proposed transaction is consistent with the general purposes of the Act.

4. A Fund of Funds generally would purchase and sell shares of an Underlying Fund that operates as an ETF through secondary market transactions rather than through principal transactions with the Underlying Fund. Applicants nevertheless request relief from section 17(a) to permit a Fund of Funds to purchase or redeem shares from the ETF. A Fund of Funds will purchase and sell shares of an Underlying Fund that is a closed-end fund through secondary market transactions at market prices rather than through principal transactions with the closed-end fund. Accordingly, applicants are not requesting section 17(a) relief with respect to transactions in shares of closed-end funds (including business development companies).

5. Applicants represent that a Funds of Funds will not invest in reliance on the order in business development companies or closed-end investment companies that are not listed and traded on a national securities exchange.

6. Applicants state that each of the Funds of Funds has obtained exemptions from the Commission necessary to permit their shares to be listed and traded on a national securities exchange at negotiated prices and, accordingly, to operate as an exchange-traded fund (“ETF”).

7. Applicants state that each of the Funds of Funds is part of the same “group of investment companies” as Good Hill ETF Trust (each, a “Fund”). For purposes of the requested relief, the term “group of investment companies” means any two or more investment companies, including closed-end investment companies and business development companies, that hold themselves out to investors as related companies for purposes of investment and investor services.

8. Applicants state that the policies of each registered investment company involved in the proposed transactions are designed to, among other things, help prevent any potential undue influence over an Underlying Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits of the Act.

9. Applicants represent that the terms and conditions of the requested relief will be subject to the terms and conditions stated in the application. Such terms and conditions are designed to, among other things, help prevent any potential undue influence over an Underlying Fund through control or voting power, or in connection with certain services, transactions, and underwritings, (ii) excessive layering of fees, and (iii) overly complex fund structures, which are the concerns underlying the limits of the Act.
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 Exchange proposes to amend Supplementary Material .10 to Rule 103B—Equities to provide that any senior official of a listed company with the rank of Corporate Secretary or higher can sign the written request of a listed company seeking to change its DMM unit required by that provision.

Supplementary Material .10 to Rule 103B—Equities establishes a process to be followed by any listed company wishing to change to a new DMM unit. The rule provides that a listed company wishing to change DMM units must file with the Corporate Secretary of the Exchange a written notice (the “Issuer Notice”), signed by the company’s chief executive officer. The Issuer Notice is required to indicate the specific issues prompting this request. It has been the Exchange’s experience that companies have occasionally found it burdensome to obtain the signature of their CEO for purposes of submitting an Issuer Notice and that this requirement has caused an undesirable delay when companies are making their submissions. We also note that this requirement is inconsistent with the provisions of Rule 103B—Equities in relation to an issuer’s initial selection of a DMM, which provides that any senior official with the rank of Corporate Secretary or higher (or, in the case of a structured product listing, a senior officer of the issuer) can sign the notice in which a listed company informs the Exchange of its initial selection of a DMM unit. It has been the Exchange’s experience that a senior officer other than the chief executive officer often manages the DMM relationship on behalf of the listed company and has authority to take action in relation to that relationship. We also note that the NYSE recently amended its parallel provision (Section 806.01 of the NYSE’s Listed Company Manual) to address this issue by providing that an Issuer Notice may be signed by an official of the listed company with the rank of Corporate Secretary or higher. Consequently, we propose to amend Supplementary Material .10 to Rule 103B—Equities to make the same change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) of the Act, in particular in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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 and is not designed to permit unfair or deceptive acts or practices in or related to any seminal stock exchange.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act and Rule 19b–4(f)(6) thereunder. 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 after 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 and Rule 19b–4(f)(6) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, pursuant to Rule 19b–4(f)(6)(iii), the Commission may 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 delayed effective delay thus that the proposed rule change may become operative immediately. The Exchange believes that by providing greater flexibility in the preparation of the paperwork needed to request a change of DMM unit is in the interest of investors as it is important to the maintenance of a high quality market for an issuer’s stock that the issuer has a good relationship with its DMM. As the Exchange notes in its filing, the proposal would better conform the process for changing a DMM to that which is used for initially selecting a DMM. In particular, the issuer’s signature that would be required to change a company’s DMM

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must be that of a senior official at the company with a rank of Corporate Secretary or above. Based on the foregoing, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. For this reason, the Commission hereby waives the 30-day operative delay and designates the proposal operative upon filing.12 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 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. Please include File Number SR–NYSEMKT–2016–14 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–NYSEMKT–2016–14. 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–NYSEMKT–2016–14, and should be submitted on or before March 3, 2016.

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

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1. To Provide That the Co-Location Services Offered by the Exchange Include Three Time Feeds and Four Partial Cabinet Bundle Options

February 5, 2016.

I. Introduction

On November 27, 2015 the New York Stock Exchange LLC (‘‘the Exchange’’) filed with the Securities and Exchange Commission (‘‘Commission’’), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (‘‘Act’’) and Rule 19b–4 thereunder,2 a proposed rule change to provide that the co-location services offered by the Exchange include three time feeds and four bundled co-location services (‘‘Partial Cabinet Solution bundles’’). The proposed rule change was published for comment in the Federal Register on December 16, 2015.3 The Commission received one comment letter on the proposed rule change.4 On January 20, 2016, the Exchange filed a response letter.5 On January 28, 2016, the Exchange filed Amendment No. 1 to the proposed rule change.6 The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons and is approving the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

II. Description of the Proposal, as Modified by Amendment No. 1

The Exchange proposes to change its rules to provide that the co-location services offered by the Exchange include three time feeds and four Partial Cabinet Solution bundles, and to establish fees for these services.

Time Feeds

The Exchange proposes to offer Users the option to purchase connectivity to one or more of three time feeds.7 Each proposed time feed provides a feed with the current time of day using one of three different time protocols: Global Positioning System (‘‘GPS’’) Time Source, the Network Time Protocol (‘‘NTP’’), and Precision Timing Protocol

12 For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
16 See Securities Exchange Act Release No. 34–76612 (December 10, 2015), 80 FR 78269 (‘‘Notice’’). On January 28, 2016, the Exchange consented to extending the time period for the Commission to either approve or disapprove the proposed rule change, or to institute proceedings to determine whether to approve or disapprove the proposed rule change, to February 5, 2016.
17 See letter from Kermit Kubitz to the Commission, dated January 6, 2016 (‘‘Kubitz Letter’’).
18 See letter from Martha Redding Senior Counsel & Assistant Secretary, NYSE to Brent J. Fields, Secretary of the Commission, dated January 20, 2016 (‘‘Exchange Response Letter’’).
19 Amendment No. 1 (i) updates the proposal to specify that that Partial Cabinet Solution bundles, originally proposed to be offered on January 1, 2016, instead will be offered on the date that is the later of February 1, 2016 and the date of any Commission approval of the proposal; and (ii) as described further below, adds clarity to the proposal by specifying the differences in precision among the three time feeds.