

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–NYSEArca–2016–142, and should be submitted on or before December 9, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Brent J. Fields,
Secretary.

[FR Doc. 2016–27748 Filed 11–17–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Investor Education and Advocacy, Washington, DC 20549–0213.

Extension:

Rule 12d3–1, SEC File No. 270–504, OMB Control No. 3235–0561

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the “Commission”) is soliciting comments on the collections of information summarized below. The Commission plans to submit these existing collections of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 12(d)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a) generally prohibits registered investment companies (“funds”), and companies controlled by funds, from purchasing securities issued by a registered investment adviser, broker, dealer, or underwriter (“securities-related businesses”). Rule 12d3–1 (“Exemption of acquisitions of securities issued by persons engaged in securities related businesses” (17 CFR 270.12d3–1)) permits a fund to invest up to five percent of its assets in securities of an issuer deriving more than fifteen percent of its gross revenues from securities-related businesses, but a fund may not rely on rule 12d3–1 to acquire securities of its own investment

adviser or any affiliated person of its own investment adviser.

A fund may, however, rely on an exemption in rule 12d3–1 to acquire securities issued by its subadvisers in circumstances in which the subadviser would have little ability to take advantage of the fund, because it is not in a position to direct the fund’s securities purchases. The exemption in rule 12d3–1(c)(3) is available if (i) the subadviser is not, and is not an affiliated person of, an investment adviser that provides advice with respect to the portion of the fund that is acquiring the securities, and (ii) the advisory contracts of the subadviser, and any subadviser that is advising the purchasing portion of the fund, prohibit them from consulting with each other concerning securities transactions of the fund, and limit their responsibility in providing advice to providing advice with respect to discrete portions of the fund’s portfolio.

Based on an analysis of third-party information, the staff estimates that approximately 319 fund portfolios enter into subadvisory agreements each year.¹ Based on discussions with industry representatives, the staff estimates that it will require approximately 3 attorney hours to draft and execute additional clauses in new subadvisory contracts in order for funds and subadvisers to be able to rely on the exemptions in rule 12d3–1. Because these additional clauses are identical to the clauses that a fund would need to insert in their subadvisory contracts to rely on rules 10f–3, 17a–10, and 17e–1 and because we believe that funds that use one such rule generally use all of these rules, we apportion this 3 hour time burden equally to all four rules. Therefore, we estimate that the burden allocated to rule 12d3–1 for this contract change would be 0.75 hours.² Assuming that all 319 funds that enter into new subadvisory contracts each year make the modification to their contract required by the rule, we estimate that the rule’s contract modification requirement will result in 239.25 burden hours annually.³

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

¹ Based on information available from Morningstar and the ICI Fact Book, we estimate that 37 percent of funds are advised by subadvisers.

² This estimate is based on the following calculation (3 hours ÷ 4 rules = .75 hours).

³ This estimate is based on the following calculation: (0.75 hours × 319 portfolios = 239.25 burden hours).

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency’s estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, C/O Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: PRA_Mailbox@sec.gov.

Dated: November 14, 2016.

Brent J. Fields,
Secretary.

[FR Doc. 2016–27749 Filed 11–17–16; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–79304; File No. SR–DTC–2016–013]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the DTC Settlement Service Guide and Distributions Guide Relating to the Anticipated U.S. Market Transition to a Shortened Settlement Cycle

November 14, 2016.

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 November 7, 2016, The Depository Trust Company (“DTC”) 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 clearing agency. DTC filed the proposed rule change pursuant to Section 19(b)(3)(A) ³ of the Act and Rule 19b–4(f)(4) ⁴ thereunder. The proposed rule change was effective upon filing with the Commission. The Commission is

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b–4(f)(4).

²⁶ 17 CFR 200.30–3(a)(12).

publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would amend the Settlement Service Guide ("Settlement Guide")⁵ and the Distributions Guide ("Distributions Guide")⁶ (collectively, "Guides") of The Depository Trust Company ("DTC") to make technical revisions to the Guides in anticipation of the U.S. market transition to "T+2" settlement and other revisions, as described below.⁷ The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.⁸ Therefore, DTC would not implement versions of the Guides reflecting the proposed rule change until an effective date is established by the subsequent proposed rule change.⁹

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The standard settlement cycle for certain securities has not changed since 1993, when the Commission adopted the current version of Rule 15c6-1(a)

⁵ Available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.pdf>.

⁶ Available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Distributions%20Service%20Guide%20FINAL%20November%202014.pdf>.

⁷ Capitalized terms not otherwise defined herein have the respective meanings set forth in the DTC Rules, By-laws and Organization Certificate ("Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>, the Settlement Guide and the Distributions Guide.

⁸ 17 CFR 240.19b-4.

⁹ DTC will post versions of the relevant sections of the respective Guides reflecting the changes as they would appear upon the effectiveness of the subsequent proposed rule change mentioned above and will include a note on the cover page of the Guides to advise Participants of these changes.

under the Act,¹⁰ which (subject to certain exceptions) prohibits any broker-dealer from entering into a contract for the purchase or sale of a security that provides for payment and delivery later than three business days after the trade date, unless otherwise expressly agreed to by the parties at the time of the transaction.

In an effort to reduce counterparty risk, decrease clearing capital requirements, reduce liquidity demands and harmonize the settlement cycle globally, the financial services industry, in coordination with its regulators, has been working on shortening the standard settlement cycle from T+3 to T+2. In connection therewith, the Commission has proposed a rule change to shorten the standard settlement cycle from T+3 to T+2.¹¹

Effect on DTC

DTC provides depository and book-entry services pursuant to its Rules and Procedures, including its service guides and operational arrangements.¹² DTC services include custody of securities certificates and other instruments, and settlement and asset services for types of eligible securities including, among others, equities, warrants, rights, corporate debt and notes, municipal bonds, government securities, asset-backed securities, depository receipts and money market instruments. As the holder of securities *vis a vis* issuers, DTC receives distributions, dividends, and corporate actions and passes them to its Participants.

DTC processes transactions for settlement, subject to its risk controls, on the same day it receives them. Distributions on securities held at DTC on behalf of its Participants pass through DTC and are credited to the accounts of Participants on the same day that they are paid to DTC. As a result, DTC's Rules and Procedures are not generally affected by the industry's move to T+2.

However, certain provisions in the Settlement Guide and Distributions Guide, respectively, relating to the DTC ID Net Service ("ID Net")¹³ and distributions on securities held at DTC

¹⁰ 17 CFR 240.15c6-1.

¹¹ Amendment to Securities Transaction Settlement Cycle. See Securities Exchange Act Release No. 78962 (September 28, 2016), 81 FR 69240 (October 5, 2016) (S7-22-16).

¹² Available at www.dtcc.com.

¹³ ID Net allows DTC Participants that are also members of National Securities Clearing Corporation ("NSCC") to realize certain processing efficiencies with respect to institutional transactions processed at DTC for which related broker transactions are processed through NSCC's Continuous Net Settlement System ("CNS"). See Settlement Guide, *supra* note 5, at 35-43.

include a presumption that transactions settle on a three-day settlement cycle (*i.e.*, T+3). This is expected to change as the securities industry switches to a standard T+2 settlement cycle in 2017. Pursuant to the proposed rule change, DTC would revise the texts of Guides to make conforming and technical changes as described below.

Settlement Guide Changes

DTC would modify the Settlement Guide relating to ID Net to accommodate the eventual move to T+2.

First, the deadline for submission of affirmed ID Net trades by a Matching Utility would be changed to 11:30 a.m. eastern time on settlement date minus one ("SD-1") rather than specifically stating the deadline at 9 p.m. on T+2. The move to T+2 necessitates this change since ID transactions must enter the ID Net processing on the date prior to settlement date to realize processing efficiencies in relation to related CNS transactions settling on settlement date, as set forth in the Settlement Guide.¹⁴

Second, the Settlement Guide would be revised to state that ID Net Firms may exempt a receive obligation from ID Net before the night of SD-1 rather than before the night of T+2 as is currently stated. The move to T+2 necessitates this change because transactions are staged for ID Net on the night before settlement date.

DTC would also delete a reference in the Settlement Guide that states that ID Net trades must settle in the "regular way" and defines "regular way" as T+3. This provision is obsolete as DTC does not include scheduled settlement date as a criteria for ID Net processing.

Distributions Guide Changes

DTC would modify the Distributions Guide text relating to the DTC interim accounting process to account for the Shortened Settlement Cycle.

Interim accounting is an important part of the entitlement and allocation process relating to distributions. During the interim accounting period, DTC facilitates the entitlements and allocation process systematically for both the buyer and seller of a transaction conducted in the marketplace and submitted to CNS.¹⁵ The interim accounting period is defined as the time period during which a trade settling has income or a due bill attached to it.¹⁶ The due bill period is

¹⁴ *Id.*

¹⁵ Securities movements for transactions processed through CNS occur free of payment at DTC. See Settlement Guide, *supra* note 5, at 15.

¹⁶ In the absence of DTC's interim accounting process, trades scheduled to settle after the record date "with distribution" (those that entitle the

determined in accordance with market rules¹⁷ and currently extends for the time from the record date¹⁸ plus one day up to the ex-date plus two days.¹⁹ In order to prepare for the migration to T+2 settlement, DTC would modify the interim accounting process to account for the shortened period. In this regard, DTC would revise the Distributions Guide to reflect that the interim accounting period would reflect

the anticipated due bill period that would be recognized by the industry, such that the interim accounting period would extend from the record date plus one day up to the ex-date plus one day. The proposed change to the interim accounting period would be reflected in the text of the subsections of the Interim Accounting section of the Distributions Guide.

DTC would also adjust the table in the Distributions Guide which describes the date on which certain stock distributions, the timing for which are tied to the settlement cycle, are allocated. Specifically, the table would be revised for affected distribution types, as follows to account for the shortening of the settlement cycle:

For this type of distribution ²⁰	Allocation normally occurs ²¹
Stock dividends with a late ex-date	On the payable date or ex-date +32, whichever comes later.
Stock splits, with ex-distribution beginning on the business day following the payable date.	For the split shares on ex-date +32.
Stock spinoffs to a DTC-eligible security	On the payable date, or ex-date +32, whichever comes later.

DTC would also revise the text of the Distributions Guide to make a grammatical correction.

Implementation Date

The proposed rule changes to the Guides would not become effective until DTC has submitted a subsequent proposed rule change under Rule 19b-4.²² Therefore DTC would not implement the proposed changes until an effective date is established by the subsequent proposed rule change. DTC anticipates that the implementation date would correspond with the industry's transition to a T+2 settlement cycle, which is currently anticipated to be in September 2017. It is anticipated by DTC that the proposed rule changes to the Guides would become effective immediately unless further regulatory action is required.

2. Statutory Basis

Section 17A(b)(3)(F) of the Act²³ requires that the rules of the clearing agency be designed, *inter alia*, to promote the prompt and accurate clearance and settlement of securities transactions. DTC believes that the proposed rule change is consistent with this provision because it would allow ID Net transactions and distributions to continue to be processed when the U.S. market standard settlement cycle is shortened. Thus, by allowing processing of transactions through ID Net and the Distributions Service in accordance with standard U.S. settlement

timeframes (including when the standard settlement cycle is shortened), the proposed rule changes would promote the prompt and accurate clearance and settlement of securities transactions.

(B) Clearing Agency's Statement on Burden on Competition

DTC does not believe that the proposed rule change have any impact on competition because the proposed rule change consists of conforming and technical changes to the texts of the Guides that would correspond with the industry's transition to a T+2 settlement cycle.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

DTC has not solicited and does not intend to solicit comments regarding the proposed rule change. DTC has not received any unsolicited written comments from interested parties. To the extent DTC receives written comments on the proposed rule change, DTC will forward such comments to the Commission.

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)²⁴ of the Act and paragraph (f) of Rule 19b-4²⁵ 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.

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-DTC-2016-013 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR-DTC-2016-013. 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

receiver to the distribution) would have a due bill or income payment that attached to document the entitlement and associated obligations between the seller and buyer relating to the distribution. The distribution entitlement would then need to be handled between the seller and the buyer of the security outside of DTC's Distributions Service.

¹⁷ E.g., New York Stock Exchange ("NYSE") Rules 255-259, available at <http://nyserules.nyse.com/>

nyse/rules/nyse-rules/chp_1_3/chp_1_3_16/default.asp.

¹⁸ The record date is the date when an investor must be on the issuer's books as a shareholder to receive a distribution.

¹⁹ The ex-date is determined in accordance with the applicable market procedures. E.g., NYSE Listed Company Manual, Section 703.03 (part 2) (Stock Split/Stock Rights/Stock Dividend Listing Process, available at <http://nysemanual.nyse.com/lcm/Help/>

[mapContent.asp?sec=lcm-sections&title=sx-ruling-nyse-policymanual_703.02\(part2\)&id=chp_1_8_3_4](http://www.sec.gov/mapContent.asp?sec=lcm-sections&title=sx-ruling-nyse-policymanual_703.02(part2)&id=chp_1_8_3_4).

²⁰ Stock distribution types unaffected by the proposed rule change are not shown.

²¹ Bold, strike-through text indicates a deletion. Bold, underlined text indicates an addition.

²² 17 CFR 240.19b-4.

²³ 15 U.S.C. 78q-1(b)(3)(F).

²⁴ 15 U.S.C. 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f).

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 DTC and on DTCC's Web site (<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-DTC-2016-013 and should be submitted on or before December 9, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁶

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79306; File No. SR-BatsEDGX-2016-63]

Self-Regulatory Organizations; Bats EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Fees for Use of Bats EDGX Exchange, Inc.

November 14, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 1, 2016, Bats EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change 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 the fee schedule applicable to Members⁵ and non-members of the Exchange pursuant to EDGA Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange's Web site at 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose Fee Code Z

The Exchange proposes to increase the fee for orders yielding fee code Z, which is yielded on orders routed to a non-exchange destination using ROUZ⁶ routing strategy, from \$0.00100 to \$0.00120 per share for securities priced at or above \$1.00. The Exchange does not propose to amend the rate for orders

yielding fee code Z in securities priced below \$1.00.

Fee Code O

The Exchange also proposes to amend footnote 5 of its Fee Schedule to increase the fee cap for orders yielding fee code O from \$20,000 to \$35,000 per month per Member. Fee code O is appended to orders that are touted to participate in the listing market's opening or re-opening cross and are charged a fee of \$0.00100 per share for orders in securities priced at or above \$1.00 and 0.30% of the transaction dollar value for securities priced below \$1.00. When the Exchange routes to a listing exchange's opening cross, such as the Nasdaq Stock Market LLC ("Nasdaq"), the Exchange passes through the tier saving that Bats Trading, Inc. ("Bats Trading"), the Exchange's routing broker-dealer, achieves on an away exchange to its Members. This tier savings takes the form of a cap of Member's fees at \$20,000 per month for using fee code O. The proposed increase in the fee cap under footnote 5 is in response to the September 2016 fee cap change by Nasdaq for orders that participate in their opening cross processes.⁷ Nasdaq's September 2016 fee cap increase requires that members add, at a minimum, one million shares of liquidity to Nasdaq, on average per day, during the month to be eligible for its existing fee cap of \$35,000 for orders that participate in the opening cross. When Bats Trading routes to Nasdaq's opening cross, it will now be subject to the increase fee cap and new tier requirement. The proposed increase to the fee cap under footnote 5 would enable the Exchange to equitably allocate its costs among all Members utilizing fee code O. Therefore, the Exchange proposes to amend footnote 5 to increase the fee cap for orders yielding fee code O from \$20,000 to \$35,000 per month per Member in response to Nasdaq's September 2016 increased fee cap and related requirements.

Implementation Date

The Exchange proposes to implement this amendment to its Fee Schedule November 1, 2016.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ The term "Member" is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

⁶ See Exchange Rule 11.11(g)(3).

⁷ See Securities Exchange Act Release No. 78977 (September 29, 2016), 81 FR 691140 [sic] (October 5, 2016) (SR-Nasdaq-2016-132) (increasing the fee cap for orders executed in its opening cross from \$30,000 to \$35,000).

²⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.