solicited or received. DTC will notify the Commission of any written comments received by DTC.

**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) of the Act 14 and subparagraphs (f)(2) and (f)(4) of Rule 19b–4 thereunder. 15 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–2015–013 on the subject line.

**Paper Comments**
- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090. All submissions should refer to File Number SR–DTC–2015–013. 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 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 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–2015–013 and should be submitted on or before January 28, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority. 16

Jill M. Peterson, Assistant Secretary.

[FR Doc. 2015–33310 Filed 1–6–16; 8:45 am]

**BILLING CODE 8011–01–P**

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**SEcurities and Exchange COMMISSION**


Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend the By-Laws of Nasdaq, Inc.

December 31, 2015.

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 December 21, 2015, Stock Clearing Corporation of Philadelphia (“SCCP”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by SCCP. On December 29, 2015, SCCP filed Amendment No. 1 to the proposal. 3 The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

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19 Amendment No. 1 amends and replaces the original filing in its entirety. In Amendment No. 1, SCCP, among other things, clarified the operation of the current and proposed provisions of the By-Laws of Nasdaq, Inc. and how the proposed rule change would operate in conjunction with the Listing Rules of The NASDAQ Stock Market. See infra, note 5.

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**I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change**

SCCP is filing this proposed rule change with respect to amendments of the By-Laws (the “By-Laws”) of its parent corporation, Nasdaq, Inc. (“Nasdaq” or the “Company”), to revise the requirements regarding Director classifications. This Amendment No. 1 to SR–SCCP–2015–02 amends and replaces the original filing in its entirety. The proposed amendments will be implemented on a date designated by the Company following approval by the Commission. The text of the proposed rule change is available on SCCP’s Web site at http://nasdaqomxpath.cchwallstreet.com/nasdaqomxpath/sccp/, at the principal office of SCCP, 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, SCCP 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. SCCP 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

The Company is proposing amendments to certain provisions of its By-Laws that relate to Director classifications. Specifically, the Company proposes to revise Section 4.3 of the By-Laws to state that it may, rather than shall, include at least one, but no more than two, Issuer Directors on its Board. In addition, the Company proposes to revise Section 4.7 of the By-Laws to clarify the procedures when a Director’s classification changes to an issuer classification.

2. Statutory Basis

Therefore, the proposed amendments do not affect in any way the Company’s obligation, as an issuer listed on The NASDAQ Stock Market, to comply with the Listing Rules, and the Company will continue to comply with the Listing Rules, including provisions relating to corporate governance, following the effectiveness of the proposed By-Law amendments.
between annual meetings of stockholders.

i. Section 4.3

Currently, the Company’s By-Laws require that all of the Company's Directors be classified as: (i) Industry Directors; (ii) Non-Industry Directors, which are further classified as either Issuer Directors or Public Directors; or (iii) Staff Directors. Section 4.3 of the By-Laws includes composition requirements for the Board based on these classifications. Specifically, the number of Non-Industry Directors on the Board must equal or exceed the number of Industry Directors. In addition, the Board must include at least two Public Directors and at least one, but no more than two, Issuer Directors. Finally, the Board shall include no more than one Staff Director, unless the Board consists of ten or more Directors, in which case, the Board shall include no more than two Staff Directors.

The Company proposes to amend Section 4.3 of the By-Laws to state that the Board may, rather than shall, include one, but no more than two, Issuer Directors. With this change, the Company intends to give itself the option, but not the requirement, to include one or two Issuer Directors on its Board. Issuer Directors bring to the Board the perspective of an officer or employee of companies listed on The NASDAQ Stock Market. While the Company highly values the views of its listed companies, it does not believe that it is strictly necessary to have an Issuer Director on its own Board to represent those views. Within the overall governance structure of the Company and its subsidiaries, issues relating to listed companies are generally the province of NASDAQ and its Board of Directors, rather than the Company and its Board of Directors. The Company is a holding company for over 100 subsidiaries that provide both regulated and unregulated products and services across the globe, while NASDAQ is the Company subsidiary that, among other things, provides listing services on The NASDAQ Stock Market. The Company’s Board generally focuses on the overall strategic direction of the Company, while NASDAQ’s Board generally focuses on issues relevant specifically to The NASDAQ Stock Market, including issues affecting listed companies. Furthermore, NASDAQ’s Board includes issuer representation, as required by its By-Laws. Finally, if the Company’s Board ever does address issues relating to listed companies, its Directors are experienced and capable enough to handle those issues without specifically having an Issuer Director on the Board.

Therefore, it is not strictly necessary to have an officer or employee of a listed company on the Company’s Board of Directors, and accordingly, the Company proposes to amend its By-Laws to give itself the option, but not the requirement, to include an Issuer Director on its Board.

ii. Section 4.7

As required by Section 4.13(h)(iii) of the By-Laws, the Company’s Corporate Secretary certifies to the Nominating & Governance Committee of the Company’s Board on an annual basis the classification of each Director following a review of information relating to the classifications collected from the Directors. This certification usually occurs in connection with the Company’s annual meeting of stockholders, and at the same time, Directors are elected to serve on various Board committees, all of which have compositional requirements relating to the classifications. However, Directors’ classifications may change from time to time following the annual meeting due to various changes in personal circumstances (e.g., a retirement or job change). Directors are required to report to the Corporate Secretary any change in the information used as the basis of their classification.

Section 4.7 of the By-Laws addresses potential disqualifications of Directors due to a classification change. Under this section, the term of office of a Director shall terminate immediately upon a determination by the Board, by a majority vote of the remaining Directors, that: (a) The Director no longer satisfies the classification for which the Director was elected; and (b) the Director’s continued service would violate the Board compositional requirements. Section 4.7 also states that if a Director position becomes vacant because of such disqualification, and the remaining term of office is not more than six months, the By-Laws do not require an immediate replacement.

The Company has observed two potential weaknesses relating to the disqualification procedures as currently drafted. First, Section 4.7 of the By-Laws does not address a situation where a Director’s classification has changed, but the Board believes that it is in the best interests of the Company and its stockholders for such Director to remain on the Board. Second, the By-Laws could be read to contemplate that the Company must immediately cure any deficiencies in Board or committee composition that may occur because of a change in a Director or committee
member’s classification because otherwise the Board would not meet all of the compositional requirements set forth in Section 4.3 of the By-Laws.15 It would be extremely disruptive to the Board, its committees and the Company to add, remove, disqualify or replace a Director between annual meetings of stockholders simply because the Director no longer has the same classification he or she had at the time of the annual meeting. In addition, the selection of nominees to the Company’s Board is an extremely complex process, managed by the Board’s Nominating & Governance Committee, that takes almost the full year between annual meetings of stockholders. The Nominating & Governance Committee considers possible candidates suggested by Board members, industry groups, stockholders, senior management and/or a third-party search firm engaged from time-to-time to assist in identifying and evaluating qualified candidates. In evaluating candidates for nomination to the Board, the Nominating & Governance Committee reviews the skills, qualifications, characteristics and experience desired for the Board as a whole and for its individual members, with the objective of having a Board that reflects diverse backgrounds and senior level experience in the areas of global business, finance, legal and regulatory, technology and marketing. The Nominating & Governance Committee evaluates each individual candidate in the context of the Board as a whole, with the objective of maintaining a group of Directors that can further the success of the company, while representing the interests of stockholders, employees and the communities in which the company operates. Because the nominee selection process is so long and complex, the Board cannot act quickly to replace a Director whose classification has changed, and it is not in the best interests of the Company’s stockholders for the Board to be forced to take such an action when the Director otherwise provides valuable service to the Board. The Company therefore proposes to amend Section 4.7 of the By-Laws to provide that the Board may elect to defer until the next annual meeting of stockholders a determination regarding a change in a Director’s classification and such Director’s continued service on the Board.16 Further, if the Board makes such an election, neither the Board nor any committee shall be deemed to be in violation of Section 4.3 of the By-Laws, which relates to Board composition, or Section 4.13 of the By-Laws, which relates to committee composition. This will give the Board the option to retain Directors whose classification has changed, but whose continued service is otherwise beneficial to the Board, the Company and its stockholders. This also will prevent the significant disruption that would occur if the Board had to replace a Director between annual meetings of stockholders and allow the Board to continue to make informed, deliberate decisions regarding Director nominees, rather than force it to act quickly in a way that is not in the best interest of the Company’s stockholders.  

2. Statutory Basis  
SCCP believes that its proposal is consistent with Section 17A(b)(3)(C) of the Act,17 in that it assures a fair representation of shareholders and participants in the selection of directors and administration of its affairs. While the proposals relate to the organizational documents of the Company, rather than SCCP, SCCP is indirectly owned by the Company, and therefore, the Company’s stockholders have an indirect stake in SCCP. In addition, the participants in SCCP, to the extent any exist, could purchase stock in the Company in the open market, just like any other stockholder. First, the Company is proposing an amendment to Section 4.3 of the By-Laws to state that it may, rather than shall, include at least one, but no more than two, Issuer Directors on its Board. SCCP believes that this change will assure a fair representation of shareholders and participants in the selection of directors and administration of its affairs by allowing the Company’s Nominating & Governance Committee to select nominees for the Company’s Board based on the overall strategic needs of the Board, the Company and its stockholders without forcing the Board to fill one slot with an officer or director of a listed company (i.e., an Issuer Director). SCCP notes that the Company would still have the option to include Issuer Directors on the Board, and SCCP believes the views of listed companies are well-represented on the Board without the explicit participation of an Issuer Director.18 Second, the Company is proposing an amendment to Section 4.7 of the By-Laws to provide that the Board may elect to defer until the next annual meeting of stockholders a determination regarding a change in a Director’s classification and such Director’s continued service on the Board. Further, if the Board makes such an election, neither the Board nor any committee shall be deemed to be in violation of Section 4.3 of the By-Laws, which relates to Board composition, or Section 4.13 of the By-Laws, which relates to committee composition. SCCP believes that this change will assure a fair representation of shareholders and participants in the selection of directors and administration of its affairs by clarifying the disqualification provisions in the Company’s By-Laws, which are currently ambiguous. In addition, the change will prevent the significant disruption that would occur if the Board were forced to replace an otherwise valuable director between annual meetings.

B. Self-Regulatory Organization’s Statement on Burden on Competition  
Because the proposed rule change relates to the governance of the Company and not to the operations of SCCP, SCCP 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.  
C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others  
No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action  
Within 45 days of the date of publication of this notice in the Federal Register or within such longer period up to 90 days of such date (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SCCP consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) Institute proceedings to

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15 But see Kurz v. Holbrook, 989 A.2d 140, 156–57 (Del.Ch. 2010) (holding that a by-law cannot disqualify a director who was duly qualified at the time of election or the middle of his or her term), rev’d on other grounds sub nom Crown EMAK P’ners, LLC v. Kurz, 992 A.2d 377 (Del. 2010); see also Klausen v. Allegro Development Corp., 2013 WL 5736980, at *23 (Del. Ch., Oct. 11, 2013) (noting that director qualifications are applied at the front-end of the director’s term when such director is elected and qualified), aff’d 106 A.3d 1035 (Del. 2014).

16 The intent of the amendment is to allow the Board a deferral until the next annual meeting when it can nominate a slate of directors with classifications sufficient to satisfy the requirements of Section 4.3 of the By-Laws for election by the Company’s stockholders. Assuming due election of the Board’s nominees, the Board therefore will comply with Section 4.3 of the By-Laws immediately after the next annual meeting.


18 See note 12, supra.
determine whether the proposed rule change should be 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–SCCP–2015–02 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–SCCP–2015–02. 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.

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–SCCP–2015–02, and should be submitted on or before January 28, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.1

Jill M. Peterson,
Assistant Secretary.

[FR Doc. 2015–33306 Filed 1–6–16; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations;
NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Amend the By-Laws of Nasdaq, Inc.

December 31, 2015.

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 December 21, 2015, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On December 29, 2015, the Exchange filed Amendment No. 1 to the proposal.3 The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1, from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange is filing this proposed rule change with respect to amendments to the By-Laws (the “By-Laws”) of its parent corporation, Nasdaq, Inc. (“Nasdaq” or the “Company”), to revise the requirements regarding Director classifications. This Amendment No. 1 to SR–BX–2015–085 amends and replaces the original filing in its entirety. The proposed amendments will be implemented on a date designated by the Company following approval by the Exchange. The text of the proposed rule change is available on the Exchange’s Web site at http://nasdaqomxbx.chcwallstreet.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 aspects of such statements.

A. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Company is proposing amendments to certain provisions of its By-Laws that relate to Director classifications.4 Specifically, the Company proposes to revise Section 4.3 of the By-Laws to state that it may, rather than shall, include at least one, but no more than two, Issuer Directors on its Board. In addition, the Company proposes to revise Section 4.7 of the By-Laws to clarify the procedures when a Director’s classification changes between annual meetings of stockholders.

i. Section 4.3

Currently, the Company’s By-Laws require that all of the Company’s Directors be classified as: (i) Industry

4 Amendment No. 1 amends and replaces the original filing in its entirety. In Amendment No. 1, the Exchange, among other things, clarified the operation of the current and proposed provisions of the By-Laws of Nasdaq, Inc. and how the proposed rule change would operate in conjunction with the Listing Rules of The NASDAQ Stock Market. See infra, note 5.
5 The provisions of the Company’s By-Laws that relate to Director classifications are completely distinct from the Listing Rules of The NASDAQ Stock Market. Therefore, the proposed amendments do not affect in any way the Company’s obligation, as an issuer listed on The NASDAQ Stock Market, to comply with the Listing Rules, and the Company will continue to comply with the Listing Rules, including provisions relating to corporate governance, following the effectiveness of the proposed By-Law amendments.