SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain Rules Related to Flexible Exchange Options

February 6, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b–4 thereunder, notice is hereby given that on January 25, 2017, NYSE Arca, Inc. ("NYSE Arca" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 certain rules related to Flexible Exchange Options ("FLEX Options"). 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 this filing is to amend certain rules related to FLEX Options, as described below.

FLEX Options are customized equity or index contracts that allow investors to tailor contract terms for exchange-listed equity and index options.4 The Exchange is proposing to allow FLEX Options in ByRDs, make available, additional settlement styles, modify how exercise prices and premiums are expressed, change certain provisions relating to floor-based trading, and modify other related provisions pertaining to FLEX Options.

FLEX Options for Binary Return Derivatives Contracts ("ByRDs")

The Exchange proposes to modify its rules to enable market participants to trade FLEX options contracts in ByRDs.5 Specifically, the Exchange proposes to add a new definition of "FLEX ByRDs," which would be a "Binary Return Derivatives contract on any ByRD-eligible underlying security that is subject to the rules in this Section."6 The Exchange also proposes to revise Rule 5.30(b)(15) to include FLEX ByRDs in the definition of "Series of FLEX Options."7 Because FLEX ByRDs would have to be settled in cash, based on the Volume-Weighted Average Price (or VWAP) of the underlying security, market participants could not modify these terms. However, market participants may trade FLEX ByRDs with non-standard strike prices and/or non-standard expiration dates. Regarding position limits, the Exchange proposes to make clear the position limits that apply to FLEX ByRDs shall be the same as Non-FLEX ByRDs, as set forth in Rule 5.86(a), except that positions in FLEX ByRDs shall be aggregated with positions in Non-FLEX ByRDs on the same or similar underlying for the purpose of calculating position limits.9 The Exchange also proposes to include in proposed Rule 5.35(b)(ii) that "[f]or purposes of the position limits established under this Rule, long positions in 'Finish Low' and short positions in 'Finish High' Binary Return Derivatives shall be considered to be on the same side of the market; and short positions in 'Finish Low' and long positions in 'Finish High' Binary Return Derivatives shall be considered to be on the same side of the market."10

Consistent with these changes, the Exchange also proposes to define Non-FLEX ByRDs as “a Non-FLEX Option that is a Binary Return Derivatives contract,” in new paragraph (b)(22) to Rule 5.30. The Exchange believes that FLEX ByRDs would enable market participants to negotiate terms that differ from standardized ByRDs, which would, in turn, provide greater opportunities for investors to manage risk through the use of FLEX Options.11 The Exchange notes that the proposed rules related to FLEX ByRDs are materially identical to rules recently approved on another options exchange.12

Additional Settlement Styles for FLEX Options: Asian and Quiet Style

The Exchange proposes to permit parties to FLEX Index Options on
Broad-Based Index Options to designate Asian style settlement and Cliquet style settlement, both of which are currently offered on another options exchange.\textsuperscript{13} As proposed in new paragraph (e)(5) of Rule 5.32 and new paragraph (b)(20) of Rule 5.30, FLEX Index Options on Broad-Based Index Options with Asian style settlement would be cash-settled call\textsuperscript{14} option contracts for which the final payout would be based on an arithmetic average of specified closing prices of an underlying Broad-Based Index taken on twelve predetermined monthly observation dates, including the expiration date (“Asian option”).

The monthly observation dates would be determined by working backwards from the farthest out observation date prior to the expiration date. When the scheduled observation date for an Asian option occurs on a holiday or a weekend, the observation would occur on the immediately preceding business day. The exercise settlement amount for Asian options would be calculated similarly to other options (i.e., the difference between the strike price and the averaged settlement value would determine the value, or “moneyness” of the contract at expiration). Asian options would have a term of approximately one year and would expire anytime from 350 to 371 days (i.e., approximately 50 to 53 calendar weeks) from the date of initial listing. The contract multiplier (or Index Multiplier) for an Asian option that settles in U.S. dollars would be $100, for example.\textsuperscript{15} Finally, because settlement value is determined by observations taken over a 12-month period, Asian style settlement requires European-style exercise. An example of an Asian FLEX call option expiring in-the-money (i.e., expire anytime from 350 to 371 days) would be exercised and would expire out-of-the-money. This is because the exercise settlement value for this 2060 call option is equal to 2050.98 (when rounded). Since the strike price of 2060 is more than the 2050.98 exercise settlement value, this option would not be exercised and would expire worthless.

As proposed in new paragraph (e)(6) of Rule 5.32 and new paragraph (b)(21) of Rule 5.30, FLEX Index Options on Broad-Based Index Options with Cliquet style settlement would be cash-settled call\textsuperscript{16} option contracts for which the final payout would be based on the sum of monthly returns (i.e., percent changes in the closing value of the underlying Broad-Based Index from one month to the next). If, in the above example, the strike price for the Asian FLEX call option was 2060, that contract would have expired out-of-the-money. This is because the exercise settlement value for this 2060 call option is equal to 2050.98 (when rounded). Since the strike price of 2060 is more than the 2050.98 exercise settlement value, this option would not be exercised and would expire worthless.

Because Asian FLEX options use the “preceding business day convention,” the dates of May 23, 2015 and August 23, 2015, were not used in the above example because those dates will fall on a weekend or a holiday. Instead the business days immediately preceding those dates were used as the monthly observation date.

If, in the above example, the strike price for the Asian FLEX call option was 2060, that contract would have expired out-of-the-money. This is because the exercise settlement value for this 2060 call option is equal to 2050.98 (when rounded). Since the strike price of 2060 is more than the 2050.98 exercise settlement value, this option would not be exercised and would expire worthless.

12 Puts would not be permitted.

13 See e.g., Chicago Board Options Exchange, Inc. (“CBOE”) Rules 24A.1 (Definitions), 24A.4 (Terms of FLEX Options), 24B.1 (Definitions) and 24B.4 (Terms of FLEX Options). See also NYSE MKT Rules 9000(b)(16), (19), 9030(b)(4), (5). FLEX ByRDS could not be settled using Asian or Cliquet settlement. See, e.g., supra note 11.

14 Puts would not be permitted.

15 See Rule 5.30(b)(9) providing that Index Multiplier means the monetary amount, stated in terms of the settlement currency specified in the contract, by which the current index value is to be multiplied to arrive at the value required to be delivered to the holder of a call or by the holder of a put upon valid exercise of the option and setting forth the established Index Multipliers for FLEX Index Options on domestic indices.

16 Puts would not be permitted.

17 See id.
options so that if the sum of the monthly returns is negative, a Cliquet option would expire worthless. Unlike other options, Cliquet options would not have a traditional exercise (strike) price. Rather, the exercise (strike) price field for a Cliquet option would represent the designated capped monthly return for the contract and would be expressed in dollars and cents. For example, a capped monthly return of 2.25% would be represented by the dollar amount of $2.25. The “strike” price for a Cliquet option may only be expressed in a dollar and cents amount and the “strike” price for a Cliquet option may only span a range between $0.05 and $25.95. In addition, the “strike” price for a Cliquet option may only be designated in $0.05 increments, e.g., $1.75, $2.50, $4.15. Increments of $0.01 in the “strike” price field (representing the capped monthly return) would not be permitted.

The first “monthly” return for a Cliquet option would be based on the initial reference price, which would be the closing value of the underlying broad-based index on the date a new Cliquet option is listed. The time period measured for the first “monthly” return would be between the initial listing date and the first monthly observation date. For example, if a Cliquet option was opened on January 1 and the parties designated the 31st of each month as the monthly observation date, the measurement period for the first monthly return would span the time period from January 1 to January 31. The time period measured for the second monthly return, and all subsequent monthly returns, would run from the 31st of one month to the 31st of the next month (or the last Exchange business day of each month depending on the actual number of calendar days in each month covered by the contract).

Cliquet options would have European-style exercise and may not be exercised prior to the expiration date. The exercise settlement value for Cliquet options would be equal to the initial reference price of the underlying broad-based index multiplied by the sum of the monthly returns (with the cap applied) on the 12 consecutive monthly observation dates, which include the expiration date of the option, provided that the sum is greater than 0. If the sum of the monthly returns (with the applied cap) is 0 or a less, the option would expire worthless.

An example of a Cliquet option follows. On January 21, 2015, an investor hedging the value of the S&P 500 Index over a year purchases a Cliquet FLEX call option expiring on January 22, 2016 with a capped monthly return of 2% and a contract multiplier of $100. The initial reference price of the S&P 500 Index (closing value) on January 21, 2015 is 2000. The option has monthly observation dates occurring on the 23rd of each month.

<table>
<thead>
<tr>
<th>Monthly observation date</th>
<th>S&amp;P 500 index closing value (Si)</th>
<th>Actual monthly return %</th>
<th>Capped monthly return (CMR%)</th>
<th>Sum of monthly returns %</th>
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Exercise Settlement Value: 

\[(4.08\% \times 2000.00) + 2 = 83.60\]

*Because Cliquet FLEX options use the “preceding business day convention,” the dates of May 23, 2015, and August 23, 2015, were not used in the above example because those dates fall on a weekend or a holiday. Instead the business days immediately preceding those dates were used as the monthly observation dates.

**Monthly capped return applied.

The exercise settlement amount for this January 22, 2016 Cliquet option, with a capped monthly 2% return (“strike price”) and a contract multiplier of $100 would be equal to $8,360. This value would be calculated by summing the monthly capped returns (equal to 4.08%) and multiplying that amount by the initial reference price (equal to 2000), which equals 81.60. The “strike price” (2%) amount would then be added to that amount (81.60) to arrive at an exercise settlement value of 83.60. Because the “strike price” field for a Cliquet option would be the manner in which the designated capped monthly return would be identified for the contract and because the designated monthly return for the contract would have been already substantively applied to determine the exercise settlement value, the “strike price” of 2.0 would be subtracted from the exercise settlement value before the contract multiplier ($100) would be applied \[(83.60 - 2) \times 100\]. Accordingly, resulting payout for this contract would be $8,160.

If the sum of the monthly capped returns had been negative, this option would have expired worthless.

Regarding the proposed settlement styles, the Exchange would use the same surveillance procedures currently utilized for the Exchange’s other FLEX Options, including FLEX Index Options. The Exchange further represents that these surveillance procedures will be adequate to monitor trading in these option products. For surveillance purposes, the Exchange would have access to information regarding trading activity in the pertinent underlying securities.

FLEX Exercise Prices and Premiums

The Exchange also proposes to modify how exercise prices and premiums for FLEX Options may be expressed, which would reflect recent changes in the marketplace. The Exchange notes that when it adopted rules for FLEX Options,
strike prices were designated in one-eighth of a dollar, and options were priced in fractions of a dollar. Now that decimalization has been applied to options trading, including trading in FLEX Options, certain exchange rules have been revised to reflect the decimal equivalent of a previously approved fractional term. Thus, the Exchange proposes to collapse current Rules 5.32(f)(2) and (f)(5) into a revised Rule 5.32(f)(2), to provide that exercise prices and premiums may be stated in terms of:

(i) A dollar amount; (ii) a method for fixing such a number at the time a FLEX Request for Quote or FLEX Order is traded; or (iii) a percentage of the price of the underlying security at the time of the trade or as of the close of trading on the Exchange on the trade date.

The Exchange notes that this change would align with the Exchange’s treatment of FLEX Index Options as well as the rules of other exchanges. In addition, the Exchange proposes to modify Rule 5.32 by adding new paragraph (e)(2)(C) and modifying paragraph (f)(2) to provide that:

Exercise prices may be rounded to the nearest minimum tick or other decimal increment determined by the Exchange on a class-by-class basis that may not be smaller than $0.01. Premiums will be rounded to the nearest minimum tick. For exercise prices and premiums stated using a percentage-based methodology, such values may be stated in a percentage increment determined by the Exchange on a class-by-class basis that may not be smaller than 0.01% and will be rounded as provided above.

The Exchange notes that this proposed change is consistent with the rules of another options exchange. The Exchange believes this change would provide greater flexibility in terms of describing an option contract tailored to the needs of the investor.

Additional Updates To Reflect Trading in FLEX Options

The Exchange is also proposing the following modifications to streamline and update FLEX Options Rules:

- “FLEX” Options. The Exchange proposes to define “FLEX” as shorthand for Flexible Options in the title of Section 4.
- FLEX Post Official. The Exchange proposes to modify the name of “FLEX Post Official” to eliminate “Post” from the title to more accurately reflect the position. When the Exchange first began trading FLEX Options, it designated FLEX Post Officials to refer to specially qualified Trading Officials stationed at specific FLEX posts to address the nuances related to those products (e.g., the method for announcing a Request for Quotes and appointing FLEX Qualified Market Makers). However, as trading in FLEX Options gained popularity, it became apparent that liquidity for FLEX Options was more readily available at trading posts where the standard options in the underlying security traded rather than at a specific FLEX post. Thus, the Exchange proposes to change the name of “FLEX Post Official” in Rules 5.30(b)(7) and 5.38 to eliminate the reference to physical FLEX posts and to refer simply to “FLEX Officials”, which would better reflect the realities of trading FLEX Options on the Exchange and clarify and add transparency to Exchange rules.

- FLEX Trading Procedures and Principles. The Exchange proposes to modify Rule 5.33 (FLEX Trading Procedures and Principles) to likewise update the rule text to accurately reflect trading in FLEX Options. First, the Exchange proposes to modify paragraphs (a)(1) and (2) of Rule 5.33, which provide that FLEX Market Makers have to quote Options through various means to their FLEX Trading Posts and FLEX Market Makers. The Exchange proposes to modify rule text and add transparency to Exchange rules.

- FLEX Options Trading. The Exchange proposes to collapse the two separate current Rules 5.31(a) (Hours of Trading) and 5.31(b) (Trading Rotations) into a single proposed Rule 5.31, FLEX Option Trading, with the paragraphs (a) and (b) providing the same headings and substantive rule text, which would add internal consistency to the format of Exchange rules.

20 See Rule 5.30(b)(2) (providing that exercise prices may be rounded to the nearest $0.10 or one-eighth of a dollar) and (f)(5) (providing that exercise prices may be rounded to the nearest $0.10).
21 See, e.g., Rule 5.32(e)(2); CBOE Rule 24A.4(b)(2) and (c)(2); NYSE MKT Rules 903G(b)(1), (c)(2).
22 See proposed Rule 5.32(e)(2)(C) and (f)(2). The proposed rule removes reference to exercise prices being rounded to the nearest tenth or one-eighth of a dollar. See id.

See, e.g., CBOE Rule 24A.4(b)(2) (permitting bids and offers to be expressed in increments determined by the Exchange, which increments may be no smaller than $0.01). See also NYSE MKT Rules 903G(b)(1), (c)(2).
23 See proposed Section 4 (Flexible Exchange (“FLEX”) Options). The Exchange also proposes to revise Rule 5.30(b)(2) to remove an errant semicolon from the term “BBO Improvement Interval.”
24 See proposed Rule 5.30(b)(7) and 5.38.
25 See proposed Rules 5.30(b)(7) and 5.37(c), and 5.38. Similarly, because there are no longer physical posts on the Trading Floor that are solely “FLEX posts,” the Exchange proposes to remove the FLEX modifier from Rule 5.31(b)(3) and Rule 6.78(e)(1)(C) and (E) (Transactions Off the Exchange), such that the revised rule text refers only to a “post.” See proposed Rules 5.31(b)(1) and 6.78(e)(1)(C), (E).
26 The Exchange notes that reference to FLEX Official is consistent with proposed Rule 5.30(b)(7).
27 See proposed Rule 5.38 (detailing duties of Exchange employees designated to act as FLEX Officials).
28 See id.
29 See, e.g., CBOE Rule 24A.5(a)(i) and (ii).
30 See Rule 6.78(e)(1)(C) and (E) (Transactions Off the Exchange), such that the revised rule text refers only to a “post.” See proposed Rules 5.30(b)(7) and 5.37(c), 5.38.
31 See proposed Rule 5.30(b)(7) and 5.37(c), 5.38.
32 See proposed Rule 5.31. The Exchange proposes to collapse two separate current Rules 5.31(a) (Hours of Trading) and 5.31(b) (Trading Rotations) into a single proposed Rule 5.31, FLEX Option Trading, with the paragraphs (a) and (b) providing the same headings and substantive rule text, which would add internal consistency to the format of Exchange rules.
• Terms of FLEX Options. The Exchange proposes to modify several aspects of Rule 5.32 (Terms of FLEX Options). First, the Exchange proposes to clarify that each FLEX Request for Quote and FLEX contract must contain the underlying security in the case of FLEX Equity Options or (rather than “and”) underlying index, in the case of FLEX Index Options.²³ The Exchange believes this change would add clarity and transparency to Exchange rules.

Second, the Exchange proposes to modify Rule 5.32(b)(7) to make clear that the minimum size of one contract for FLEX Options applies to both transactions (per current rule text) “and quotations” (per proposed rule text). This proposed change corresponds to the Exchange’s proposal to adopt on a permanent basis its pilot program its pilot program regarding minimum value sizes for opening transactions in new series of FLEX Options and FLEX Quotes.²⁴ The Exchange believes this change would add clarity and transparency to Exchange rules.

The Exchange is proposing to modify Rule 5.32(f)(3) to address exercise settlement of FLEX Options that are FLEX ByRDs, as the current rule only addresses exercise settlement by physical delivery.²⁵ Specifically, the Exchange proposes to designate the current description of exercise settlement by physical delivery as paragraph (3)(i) and to make clear this provisions applies solely to FLEX Equity Options other than FLEX ByRDs. Finally, the Exchange proposes paragraph (3)(ii) to state that exercise settlement and style of FLEX ByRDs would be the same as Non-FLEX ByRDs, pursuant to the VWAP settlement provision set forth in Rule 5.89 and pursuant to the European exercise style set forth in Rule 5.82(b)(1).” ²⁶

Finally, the Exchange also proposes to modify Commentary .01 to Rule 5.32, to provide that FLEX Options may be permitted in puts and calls that do not have identical terms, including, as proposed, “the same settlement style.” Commentary .01 to Rule 5.32 is designed to prevent the trading of a FLEX Option that has the exact same terms (underlying security, exercise style, expiration date, exercise price and, as proposed, settlement style) as a Standard or (non-FLEX) Option. In other words, as long as just one term of the FLEX Option is different from an existing “regular” or “non-FLEX” option it may be traded as a FLEX Option.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),²⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act,²⁸ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

The Exchange believes that the proposal to add FLEX ByRDs would remove impediments to and perfect the mechanism of a free and open market as FLEX ByRDs would enable market participants to negotiate terms that differ from standardized ByRDs, which would, in turn provide greater opportunities for investors to manage risk through the use of FLEX Options to the benefit of investors and the public interest. The Exchange notes that ByRDs are subject to heightened initial and continued listing standards and the settlement price based on an all-day VWAP, which should address any potential manipulation concerns.²⁹

The Exchange believes that specifying that FLEX ByRDs can only be traded on ByRDs-eligible underlying securities that meet the same heightened initial and continued listing standards as ByRDs, thereby helping to ensure that only highly capitalized, actively traded stocks and ETFs will underlie cash-settled FLEX ByRDs, as well as requiring settlement based on all-day VWAP (as required for standardized ByRDs), should help to mitigate concerns about manipulation in the underlying security to benefit a position in FLEX ByRDs.³⁰

The Exchange further believes that establishing position limits for FLEX ByRDs to be the same as Non-FLEX ByRDs position limits, which are currently 25,000 contracts on the same side of the market,³¹ and aggregating positions in FLEX ByRDs with Non-FLEX ByRDs on the same or similar underlying security for purposes of calculating position limits is reasonable and consistent with the Act. In approving position limits for ByRDs, the Commission noted that these position limits appeared to reasonably balance the promotion of a free and open market for these securities with minimization of incentives for market manipulation.³²

By establishing the same position limits for FLEX ByRDs as for Non-FLEX ByRDs and, importantly, aggregating such positions on the same side of the market,³³ the Exchange similarly believes that the position limit requirements for FLEX ByRDs should help to ensure that the trading of FLEX ByRDs would not increase the potential for manipulation and could help to minimize such incentives. Moreover, as noted above, because FLEX ByRDs must, like standardized ByRDs, be cash settled, European-style exercise, with a settlement price based on an all-day VWAP (and meet heightened listing and continued listing standards), unlike other FLEX Options, the only non-standardized terms that can be flexed are strike prices and expiration dates. Further, the Exchange would surveil trading in FLEX ByRDs utilizing existing surveillance procedures pertaining to Non-FLEX ByRDs and FLEX Options. Finally, the Exchange notes that its proposal to offer FLEX ByRDs is consistent with the rules of another options exchange and therefore raise no novel issues for the Commission.³⁴

The Exchange believes that the proposal to permit additional settlement types—Asian and Cliquet—would remove impediments to and perfect the

²³ See proposed Rule 5.32(b)(1). The Exchange also proposes to modify the punctuation Rule 5.32(b)(6) from a period to a semi-colon and to add the word “and” to add internal consistency to Exchange rules.


²⁵ Rule 5.32(f)(3) currently provides that “[e]xercise settlement shall be by physical delivery of the underlying security or Exchange-Traded Fund Shares.”

²⁶ See proposed Rule 5.32(f)(3)(i)–(iii).


³⁰ For purposes of these position limits, long positions in “Finish Low” and short positions in “Finish High” ByRDs would be considered to be on the same side of the market; and short positions in “Finish Low” and long positions in “Finish High” ByRDs would be considered to be on the same side of the market. See proposed Rule 5.35(b)(ii).

³¹ See MKT Approval Order, supra note 12, 81 FR at 76525.

³² The exercise limits for FLEX ByRDs will be equivalent to the position limits for FLEX ByRDs described in proposed Rule 5.35(b)(ii). See Rule 5.36.

³³ See ByRDs Order, supra note 39, 79 FR at 76525.

³⁴ See MKT Approval Order, supra note 12.
The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues who offer similar functionality. The Exchange also believes the proposed rule change promotes competition because it would enable the Exchange to provide market participants with FLEX Options transaction possibilities that are similar to that of other options exchanges. The Exchange believes the proposed rules encourage competition amongst market participants to provide tailored FLEX Options contracts.

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)(i) 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 prior to 30 days from 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)(iii) thereunder.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B) of the Act 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.


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 Advisory Committee on Small and Emerging Companies will hold a public meeting on Wednesday, February 15, in Multi-Purpose Room LL–006 at the Commission’s headquarters, 100 F Street NE., Washington, DC.

The meeting will begin at 9:30 a.m. (ET) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission’s Web site at www.sec.gov.

On January 30, 2017, the Commission published notice of the Committee meeting (Release No. 33–10292), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

The agenda for the meeting includes matters relating to rules and regulations affecting small and emerging companies under the federal securities laws.

For further information, please contact Brent J. Fields from the Office of the Secretary at (202) 551–5400.

Dated: February 8, 2017.

Brent J. Fields, Secretary.

SEIS was prepared consistent with the National Environmental Policy Act (NEPA) of 1969 (42 United States Code [U.S.C.] Section 4321, et seq.), the regulations of the Council on Environmental Quality (CEQ) (40 Code of Federal Regulations [CFR] 1500–1508), and the Department’s NEPA implementing regulations (22 CFR part 161).

DATES: The Department invites U.S. agencies, organizations, tribal governments, and members of the public to submit comments to assist the Department in identifying environmental and other relevant issues, any measures that might be adopted to reduce the proposed Project’s environmental impacts, and other information relevant to the Draft SEIS. The 45-day public comment period begins with the publication of this Notice on February 10, 2017 and ends on March 27, 2017. Comments submitted electronically through www.regulations.gov as described below are strongly encouraged, but all comments will be given equal weight.

All comments received during the public comment period may be made public, no matter how initially submitted. Comments are not private and will not be edited to remove identifying or contact information. The Department cautions commenters against including any information that they would not want publicly disclosed. The Department further requests that any party soliciting or aggregating comments from other persons direct those persons not to include any identifying or contact information, or information they would not want publicly disclosed, in their comments.

The Department will hold a public meeting on Tuesday March 7, 2017 at the Sanford Center, 1111 Event Center Drive NE., Bemidji, Minnesota from 4:30 to 7:30 p.m.

ADDRESSES: Parties may submit comments at http://www.regulations.gov by entering the “Enbridge Line 67” into the search field and following the prompts. Written comments should be addressed to: Ms. Mary D. Hassell, U.S. Department of State, 2201 C Street NW., Room 2727, Washington, DC 20520. As described above, comments are not privately reviewed. All comments from agencies or organizations should indicate a contact person for the agency or organization.

Robert W. Errett, Deputy Secretary.

[FR Doc. 2017–02906 Filed 2–8–17; 4:15 pm]

BILLING CODE 8011–01–P

DEPARTMENT OF STATE


AGENCY: Department of State.

ACTION: Notice; solicitation of comments.

SUMMARY: The U.S. Department of State (Department) announces availability for the public review and comment of the Draft Supplemental Environmental Impact Statement for the Line 67 Expansion (Draft SEIS). This document analyzes the potential environmental effects of issuing a Presidential Permit authorizing an increase in flow of liquid hydrocarbons through the Line 67 pipeline border segment. The Draft SEIS was prepared consistent with the National Environmental Policy Act (NEPA) of 1969 (42 United States Code [U.S.C.] Section 4321, et seq.), the regulations of the Council on Environmental Quality (CEQ) (40 Code of Federal Regulations [CFR] 1500–1508), and the Department’s NEPA implementing regulations (22 CFR part 161).

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