begins. Because the Service will assist the stabilizing agent in performing this function, which is performed by no other broker, Nasdaq believes that it is reasonable to limit access to the Service to the Stabilizing Agent. Moreover, because the Service will cease to be available once the Cross is executed and the information provided therein will quickly become stale, Nasdaq does not believe that access to the information will provide the Stabilizing Agent with any unfair advantage.

Nasdaq believes that the proposal to move provisions of Rule 7015 into Rule 7017 is consistent with the Act because the change is intended to promote a clear understanding of the rule text by including in a single rule all Nasdaq data services that are specifically designed to support the initial trading of securities that are the subject of an IPO or a Follow-On Offering. Nasdaq further believes that the proposal to make the Service available to eligible recipients at no additional charge is reasonable because it will not result in any increase in the costs incurred by a Stabilizing Agent to receive the additional information. Nasdaq further believes that the proposal is consistent with an equitable allocation of fees and not unfairly discriminatory because additional information is being provided to a limited group of potential users in order to assist in the promotion of fair and orderly markets during a Follow-On Offering. Accordingly, the absence of an additional fee is designed to encourage eligible members to accept the information in order to ensure that the goals of the proposal are advanced to the greatest extent possible.

Nasdaq further believes that the non-substantive changes it is making to move information about the IPO Indicator Service from Rule 7015 to new Rule 7017, and to provide additional detail in Rule 7017 about the information available through the IPO Indicator Service, are consistent with the Act because they will promote a clearer understanding of the IPO Indicator Service by members and other interested persons.

B. Self-Regulatory Organization’s Statement on Burden on Competition

Nasdaq does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In fact, because the Service is intended to provide the Stabilizing Agent with information about the condition of the Nasdaq order book in advance of the Cross, Nasdaq believes that the proposal will help it compete more effectively with NYSE by allowing it to provide to Stabilizing Agents with information that is similar in effect to the information available to stabilizing agents through the NYSE DMM. Accordingly, Nasdaq does not believe that there can be any reasonable objection to the proposal on competitive grounds.

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 (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 the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove such proposed rule change, or

(B) institute proceedings to 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-NASDAQ–2017–015 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–NASDAQ–2017–015. 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–NASDAQ–2017–015 and should be submitted on or before March 27, 2017. For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.21

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–04204 Filed 3–3–17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Investors Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt DEEP, a New Depth of Book Market Data Feed, Rename TOPS Viewer to IEX Data Platform, and Include Depth of Book Market Data Therein


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that, on February 15, 2017, the Investors Exchange LLC (“IEX” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to

solicit comments on the proposed rule change from interested persons.

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

Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 ("Act"), and Rule 19b–4 thereunder,5 Investors Exchange LLC ("IEX" or the "Exchange") is filing with the Commission a proposed rule change to amend Rule 11.330(a)(3) to adopt a new market data product to be known as DEEP, which is an uncompressed data feed that provides aggregated depth of book quotations for all displayed orders for securities traded on IEX, and execution information (i.e., last sale information) for executions on the Exchange. Additionally, the Exchange proposes to amend Rule 11.330(a)(2) in order to change the name of its data feed currently known as TOPS Viewer to IEX Data Platform, and to add aggregated depth of book quotations for up to ten (10) price levels to the IEX Data Platform. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b–4(f)(vi)(iii) under the Act.6

The text of the proposed rule change is available at the Exchange’s Web site at www.iextrading.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 the 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 these statements is available, 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 11.330(a)(3) to describe a new market data product to be known as DEEP. Currently, the Exchange offers TOPS, an uncompressed data feed that provides aggregated top of book quotations for all displayed orders resting on the Order Book and execution information (i.e., last sale information) for executions on the Exchange. The data disseminated on TOPS is also available via TOPS Viewer through the Exchange’s public Web site. Both TOPS and TOPS Viewer are provided free of charge. Based on informal discussion with market participants and other Users, the Exchange has determined that there is demand for a depth of book feed offering. Accordingly, the Exchange proposes to amend Rule 11.330(a)(3) to offer DEEP. As proposed, DEEP will disseminate, on a real-time basis, aggregated depth of book quotations for all displayed orders resting on the Order Book at each price level for securities traded on IEX (i.e., displayed top of book and full depth of book quotations) and execution information (i.e., last sale information) for executions on the Exchange. DEEP will be provided free of charge.

Consistent with IEX’s existing approach whereby data disseminated on TOPS is also available via TOPS Viewer through the Exchange’s public Web site, IEX is proposing to continue this paradigm by also providing aggregated depth of book quotations for all displayed orders resting on the Order Book for up to ten (10) price levels that are disseminated through DEEP via the Exchange’s public Web site. Accordingly, the Exchange proposes to amend Rule 11.330(a)(2) to modify the name of its data product currently known as TOPS Viewer, and instead title it the IEX Data Platform, to reflect that such platform will provide a suite of data that includes data disseminated by TOPS and a subset of data disseminated by DEEP.

As is the case currently with respect to TOPS and TOPS Viewer, the aggregated best bid and offer ("BBO") and last sale information disseminated through DEEP and the IEX Data Platform will also be reported under the Consolidated Tape Association ("CTA") Plan or the Nasdaq/UTP Plan. The Exchange will release such information to DEEP and the IEX Data Platform in compliance with Rule 603(a) of Regulation NMS, which requires that exchanges distribute market data on terms that are "fair and reasonable" and "not unreasonably discriminatory," and prohibits an exchange from releasing data relating to quotes and trades to its customers through proprietary feeds before it sends its quotes and trade reports for inclusion in the consolidated feeds.8

The Exchange plans to implement the proposed changes during the second quarter of 2017 pending completion of necessary technology changes and subject to effectiveness of this proposed rule change. The Exchange will announce the implementation date of the proposed changes by Trader Alert at least 10 business days in advance of such implementation date and within 90 days of effectiveness of this proposed rule change.

2. Statutory Basis

IEX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act 9 in general, and with Section 6(b)(5) of the Act10 in particular. DEEP will be provided consistent with the purposes of Section 6(b)(5) of the Act.11 Moreover, the proposed rule change is not designed to permit unfair discrimination among customers, issuers, and brokers; and is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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.

The proposed rule change is designed to promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system by providing quotation and transaction information to market participants. The Exchange also believes this proposal is consistent with Section 6(b)(5) of the Act because it is designed to protect investors and the public interest and promote just and equitable principles of trade by providing transparency regarding displayed orders in the IEX System, and also provides market participants with the option to receive IEX BBO and last sale information otherwise than under the CTA and Nasdaq/UTP Plans. Further, the proposal would not permit unfair discrimination because the information will be available to all market participants.

Section 6(b)(5) of the Act requires that rules of self-regulatory organizations be designed to prevent discrimination among participants. Section 19(b)(1) of the Act provides for the Commission to approve or disapprove a proposed rule change within 30 days of the filing, unless the Commission issues a notice of disapproval within 30 days of the filing. The Exchange believes that the proposed rule change is consistent with the purposes of Section 6(b)(5) of the Act and that the Commission should approve it.

8 See Regulation NMS, 70 FR 37496, 37567 (June 29, 2005) (adopting release); see also Concept Release, 75 FR at 3601 (January 21, 2010).


participants and market data vendors on an equivalent basis, and without charge. In addition, any market participant that wishes to receive IEX BBO and last sale information via the CTA and Nasdaq/UTP Plans will still be able to do so.

The Exchange also believes that the proposed rule change is consistent with Section 11(A) of the Act in that it supports (1) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets and (2) the availability to brokers, dealers, and investors of information with respect to quotations and markets other than exchange markets, and between exchange markets.

Furthermore, the proposed rule change is consistent with Rule 603 of Regulation NMS,13 which provides that information with respect to quotations for and transactions in securities, supports (1) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets, and between exchange markets and brokers and dealers, among exchange markets.

Section 11(A) of the Act12 in that it supports (1) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets, and between exchange markets.

The proposed rule change is consistent with Rule 603 of Regulation NMS,13 which provides that information with respect to quotations for and transactions in securities, supports (1) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets, and between exchange markets.

Furthermore, the proposed rule change is consistent with Rule 603 of Regulation NMS,13 which provides that information with respect to quotations for and transactions in securities, supports (1) fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchange markets, and between exchange markets.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)15 of the Act and Rule 19b–4(f)(6) thereunder.16

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 under Section 19(b)(2)(B)17 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, 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–IEX–2017–05 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–IEX–2017–05. This file number should be included in 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 communications relating 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 Section, 100 F Street NE., Washington, DC 20549–1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also 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–IEX–2017–05 and should be submitted on or before March 27, 2017.

14 See, e.g., Nasdaq Rule 7023(a)(1)(C), which describes the Nasdaq TotalView as a depth-of-book data feed that includes all orders and quotes from all Nasdaq members displayed in the Nasdaq Market Center as well as the aggregate size of such orders and quotes at each price level in the execution functionality of the Nasdaq Market Center; See also NYSE OpenBook Aggregated, available at http://www.nyydata.com/nysedata/Default.aspx?tabid=1421, which provides a real-time view of the NYSE limit order book including the aggregated size at each price level; See Bats Rule 11.22(a) and 11.22(c), which describe the Bats TCP Depth and Multicast Depth feeds as an uncompressed data feed that offers depth of book quotations and execution information based on order entries entered into the System; See also Bats Rule 11.22(m), which describes the BZX Summary Depth feed as a data feed that offers aggregated two-sided quotations for all displayed orders entered into the System for up to five (5) price levels.


16 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange’s intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend MIAX Options Rule 519, MIAX Order Monitor


Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) and Rule 19b–4 thereunder, notice is hereby given that on February 23, 2017, Miami International Securities Exchange, LLC (“MIAX Options” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a proposed rule change as described in paragraphs (b)–(d) of the rule: Order Size Protection, Open Order Protection, and Open Contract Protection, respectively, which are all defined below.

The MIAX Order Monitor is a risk management feature of the Exchange’s System.6 Pursuant to paragraph (b) of Rule 519, the MIAX Order Monitor prevents certain orders from executing or being placed on the Book if the size of the order exceeds the Order Size Protection designated by the Member submitting the order (proposed “Order Size Protection”).5 If the maximum size of an order is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.7 Pursuant to paragraph (c) of Rule 519, the MIAX Order Monitor rejects any orders that exceed the maximum number of open orders held in the System on behalf of a particular Member (the “Open Order Protection”).8 If the maximum number of open orders is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.9

Pursuant to paragraph (d) of Rule 519, the MIAX Order Monitor rejects any orders that cause the number of open contracts represented by orders held in the System on behalf of a particular Member (the “Open Contract Protection”)10 to exceed a specified maximum number of contracts. If the maximum number of open contracts is not designated by the Member, the Exchange will set a default maximum value which will be determined by the Exchange and announced to Members through a Regulatory Circular.11

The Exchange also proposes to make minor, non-substantive changes to paragraph (b) to make the language clear and consistent with the remainder of the rule. The Exchange proposes to amend the heading of paragraph (b) from “Order Size Protections” to “Order Size Protection” to more accurately reflect the scope of the functionality. Additionally, the Exchange proposes to change the rule text to more accurately describe that the functionality operates on a per order basis. The Exchange proposes to make clarifying changes to the second sentence by changing the first occurrence of “orders” to “an order” and changing the second occurrence of “orders” to “order” and placing it after the word “maximum” so the proposed revised sentence would read, “[i]f the maximum size of an order is not designated by the Member, the Exchange will set a maximum order size on behalf of the Member by default.” The Order Size Protection operates on an order by order basis, and the Exchange believes the revised language more accurately describes the functionality.

Additionally, the Exchange proposes to amend paragraph (b) to eliminate the option for Members to disable the Order Size Protection. The proposed sentence will read, “[m]embers may designate the order size protection on a firm wide basis.” Should a Member fail to designate an Order Size Protection value, the Exchange will apply a default setting, which it will determine and announce to Members through a Regulatory Circular.

The Exchange also proposes to amend paragraph (c) to remove the option for Members to disable the Open Order Protection. If a Member does not designate an appropriate value, the Exchange will apply a default value, which it will determine and announce to Members through a Regulatory Circular.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.18

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–04202 Filed 3–3–17; 8:45 am]
BILLING CODE 8011–01–P

1 The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.
2 The term “System” means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.
3 The term “Book” means the electronic book of buy and sell orders and quotes maintained by the System. See Exchange Rule 100.
4 See Exchange Rule 519(b).
5 The Exchange notes that the current default maximum order size is 10,000 contracts.
6 The Exchange notes that the current default maximum number of open orders is 30,000.
7 See Exchange Rule 519(c).
8 See Exchange Rule 519(c).
9 The Exchange notes that the current default maximum number of open contracts is 1,000,000.
10 See Exchange Rule 519(d).
11 The Exchange notes that the current default maximum number of open contracts is 1,000,000.