SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80227; File No. SR–CHX–2017–05]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Modify the Date of Appendix B Web Site Data Publication Pursuant to the Regulation NMS Plan To Implement a Tick Size Pilot Program


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 February 28, 2017, the Chicago Stock Exchange, Inc. (“CHX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the 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

CHX proposes to amend Article 20, Rule 13(b) of the Rules of the Exchange (“CHX Rules”) to modify the date of Appendix B Web site data publication pursuant to the Regulation NMS Plan to Implement a Tick Size Pilot Program (“Plan”).

The text of this proposed rule change is available on the Exchange’s Web site at (www.chx.com) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes 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 CHX has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.


1 The Proposed Rule Change was published for notice and comment in the Federal Register on February 28, 2017, until April 28, 2017. In the SRO Tick Size Plan Proposal, the Plan Participants stated that the public data would be made available for free “on a disaggregated basis by trading

4 Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in CHX Article 20, Rule 13.
5 On November 30, 2016, the SEC granted exemptive relief to the Plan Participants to, among other things, delay the publication of Web site data pursuant to Appendices B and C to the Plan until February 28, 2017, and to delay the ongoing Web site publication by ninety days such that data would be published within 120 calendar days following the end of the month. See Letter from David S. Shillman, Associate Director, Division of Trading and Markets, Commission, to Marcia E. Asquith, Senior Vice President and Corporate Secretary, FINRA, dated November 30, 2016; see also SR–CHX–2016–21, supra note 3.
6 In addition, the Exchange is proposing an amendment to CHX Article 20, Rule 13(a)(8) to clarify that no CHX Participant, irrespective of whether that member operates a trading center, may execute orders in any Pilot Security in Test Group Three in price increments other than $0.05, unless an exception applies. This proposed amendment makes the rule consistent with the Plan and conforms subparagraph (a)(6)(B) with subparagraph (a)(5)(B).
in that it is designed to provide the Exchange with additional time to assess a means of addressing the confidentiality concerns raised in connection with the publication of Appendix B data to comply with the Plan’s requirements that the data made publicly available will not identify the trading center that generated the data.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change implements the provisions of the Plan.

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

Because the foregoing 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) of the Act and Rule 19b–4(f)(6) thereunder.14

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(i)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing so that it may become operative on February 28, 2017.15

The Exchange notes that the proposed rule change is intended to address confidentiality concerns raised in connection with the publication of OTC Appendix B data by permitting the Exchange to delay Web site publication of its Appendix B data from February 28, 2017 to April 28, 2017.15 The Exchange notes that the delay would provide additional time to address the confidentiality concerns. The Exchange notes that it expects Participants to file proposed rule changes related to publishing Appendix B data.

The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to delay publication of its Appendix B data until April 28, 2017. As noted above, commenters continue to raise concerns about the publication of OTC Appendix B data.16 Delaying publication of Exchange’s Appendix B data17 will prevent the publication of partial (i.e., Exchange-only) Appendix B data required under the Plan. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative on February 28, 2017.16

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 to determine whether the proposed rule 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:

15 See supra note 9. The Commission notes that FINRA has submitted a proposed rule change to delay the publication of OTC Appendix B data. See SR–FINRA–2017–005.

16 The Commission notes that FINRA has filed a proposed rule change that is intended to mitigate confidentiality concerns raised by commenters regarding the publication of OTC Appendix B data. See SR–FINRA–2017–006.


18 For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
SECURITIES AND EXCHANGE COMMISSION  


Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Expand the Types of Entities That Are Eligible to Participate in Fixed Income Clearing Corporation as Sponsored Members and Make Other Changes  

March 14, 2017.  

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 March 1, 2017, Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change. On March 13, 2017, FICC filed Amendment No. 1 to the proposed rule change, which amended and replaced the original filing in its entirety. The proposed rule change, as modified by Amendment No. 1, is described in Items I, II and III below, which Items have been prepared by the clearing agency.\(^3\) The Commission is publishing this notice to solicit comments on the proposed rule change, as modified by Amendment No. 1 thereto, from interested persons.  

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

The proposed rule change consists of amendments to the Government Securities Division (“GSD”) Rulebook (“Rules”)\(^4\) that would (i) expand the types of entities that are eligible to participate in FICC as Sponsored Members under Rule 3A (Sponsoring Members and Sponsored Members) and (ii) make the following other amendments and clarifications to the Rules:  

• Clarify that the “Sponsoring Member Omnibus Account” definition in Rule 1 (Definitions) refers to an “Account” as defined in Rule 1:  
• Amend Section 7 of Rule 3A to reference the application of fails charges to a Sponsoring Member Omnibus  

1. Purpose  

This filing constitutes Amendment No. 1 (“Amendment”) to Rule Filing SR–FICC–2017–003 (“Rule Filing”) previously filed by FICC on March 1, 2017. This Amendment amends and replaces the Rule Filing in its entirety. FICC submits this Amendment in order to clarify the Sponsoring Member eligibility requirement as proposed herein.  

The proposed rule change would expand the types of entities that are

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\(^3\) FICC previously filed SR–FICC–2017–003 on March 1, 2017, which is being amended and replaced in its entirety by this proposed rule change.  