

Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change to amend (1) the fees set forth in BZX Rule 14.13 applicable to securities listed on the Exchange, and (2) the fee schedule applicable to Members ³ and non-Members of the Exchange pursuant to Exchange Rules 15.1(a) and (c). BZX designated the proposed rule change as immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act.⁴ On October 14, 2016, the Commission published notice of filing of the proposed rule change and pursuant to Section 19(b)(3)(C) of the Act: (1) Temporarily suspended the proposed rule change; and (2) instituted proceedings to determine whether to approve or disapprove the proposal.⁵ On April 14, 2017, pursuant to Section 19(b)(2) of the Act,⁶ the Commission designated a longer period within which to approve or disapprove the proposed rule change.⁷ The Commission received three comment letters on the proposal.⁸ On May 17, 2017, the Exchange withdrew the proposed rule change (SR-BatsBZX-2016-60).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁹

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

Extension:

Rule 17a-11. SEC File No. 270-94, OMB Control No. 3235-0085.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 17a-11 (17 CFR 240.17a-11) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”). The Commission plans to submit this existing collection of information to the Office of Management and Budget for extension and approval.

In response to an operational crisis in the securities industry between 1967 and 1970, the Commission adopted Rule 17a-11 (17 CFR 240.17a-11) under the Exchange Act on July 11, 1971. The Rule requires broker-dealers that are experiencing financial or operational difficulties to provide notice to the Commission, the broker-dealer’s designated examining authority (“DEA”), and the Commodity Futures Trading Commission (“CFTC”) if the broker-dealer is registered with the CFTC as a futures commission merchant. Rule 17a-11 is an integral part of the Commission’s financial responsibility program which enables the Commission, a broker-dealer’s DEA, and the CFTC to increase surveillance of a broker-dealer experiencing difficulties and to obtain any additional information necessary to gauge the broker-dealer’s financial or operational condition.

Rule 17a-11 also requires over-the-counter (“OTC”) derivatives dealers and broker-dealers that are permitted to compute net capital pursuant to Appendix E to Exchange Act Rule 15c3-1 to notify the Commission when their tentative net capital drops below certain levels.

To ensure the provision of these types of notices to the Commission, Rule 17a-11 requires every national securities exchange or national securities association to notify the Commission when it learns that a member broker-dealer has failed to send a notice or transmit a report required under the Rule.

Compliance with the Rule is mandatory. The Commission will generally not publish or make available to any person notices or reports received pursuant to Rule 17a-11. The Commission believes that information obtained under Rule 17a-11 relates to a condition report prepared for the use of the Commission, other federal governmental authorities, and securities industry self-regulatory organizations responsible for the regulation or supervision of financial institutions.

The Commission expects to receive 253 notices from broker-dealers whose capital declines below certain specified levels or who are otherwise experiencing financial or operational problems and ten notices each year from national securities exchange or national securities association notifying it that a member broker-dealer has failed to send the Commission a notice or transmit a report required under the Rule. The Commission expects that it will take approximately one hour to prepare and transmit each notice.

Rule 17a-11 also requires broker-dealers engaged in securities lending or repurchase activities to either: (1) File a notice with the Commission and their DEA whenever the total money payable against all securities loaned, subject to a reverse repurchase agreement or the contract value of all securities borrowed or subject to a repurchase agreement, exceeds 2,500% of tentative net capital; or, alternatively, (2) report monthly their securities lending and repurchase activities to their DEA in a form acceptable to their DEA.

The Commission estimates that, annually, six broker-dealers will submit the monthly stock loan/borrow report. The Commission estimates each firm will spend, on average, approximately one hour per month (or twelve hours per year) of employee resources to prepare and send the report or to prepare the information for the FOCUS report (as required by the firm’s DEA, if applicable). Therefore, the Commission estimates the total annual reporting burden arising from this section of the amendment will be approximately 72 hours.¹

Therefore, the total annual reporting burden associated with Rule 17a-11 is approximately 335 hours.²

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission’s

¹ 6 broker-dealers × 12 hours per year = 72 hours.

² 253 + 10 + 72.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See BZX Rule 1.5(A).

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ See Securities Exchange Act Release No. 79103, 81 FR 72624 (Oct. 20, 2016).

⁶ 15 U.S.C. 78s(b)(2).

⁷ See Securities Exchange Act Release No. 80461, 82 FR 18681 (Apr. 20, 2017). The Commission designated June 17, 2017, as the date by which it should approve or disapprove the proposed rule change.

⁸ See letter to Brent J. Fields, Secretary, Commission, from Kyle Murray, Assistant General Counsel, Bats Global Markets, Inc., dated November 22, 2016; letter to Brent J. Fields, Secretary, Commission, from Douglas A. Cifu, Chief Executive Officer, Virtu Financial, Inc., dated December 20, 2016; and letter to Brent J. Fields, Secretary, Commission, from Andrew Madar, Senior Associate General Counsel, NASDAQ Stock Market LLC, dated January 27, 2017. Comment letters are available at: <https://www.sec.gov/comments/sr-batsbzx-2016-60/batsbzx201660.shtml>.

⁹ 17 CFR 200.30-3(a)(12).

estimate of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

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

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

Dated: May 19, 2017.

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80715; File No. SR-ISE-2017-45]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt Section X of the ISE Fee Schedule

May 18, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on May 12, 2017, Nasdaq ISE, LLC (“ISE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange.³ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange originally filed the proposed rule change on May 3, 2017 under File No. SR-ISE-2017-40. The Exchange subsequently withdrew that filing on May 12, 2017 and filed this proposed rule change.

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

The Exchange proposes to adopt a fee schedule to establish the fees for Industry Members related to the National Market System Plan Governing the Consolidated Audit Trail (the “CAT NMS Plan” or “Plan”) at Section X of the ISE Fee Schedule.

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

1. Purpose

The purpose of the proposed rule change is to adopt a fee schedule to establish the fees for Industry Members related to the CAT NMS Plan.

Bats BYX Exchange, Inc., Bats BZX Exchange, Inc., Bats EDGA Exchange, Inc., Bats EDGX Exchange, Inc., BOX Options Exchange LLC, C2 Options Exchange, Incorporated, Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., Financial Industry Regulatory Authority, Inc. (“FINRA”), Investors’ Exchange LLC, Miami International Securities Exchange, LLC, MIAx PEARL, LLC, NASDAQ BX, Inc., Nasdaq GEMX, LLC, Nasdaq ISE, LLC, Nasdaq MRX, LLC,⁴ NASDAQ PHLX LLC, The NASDAQ Stock Market LLC, New York Stock Exchange LLC, NYSE MKT LLC, NYSE

⁴ ISE Gemini, LLC, ISE Mercury, LLC and International Securities Exchange, LLC have been renamed Nasdaq GEMX, LLC, Nasdaq MRX, LLC, and Nasdaq ISE, LLC, respectively. See Securities Exchange Act Release No. 80248 (March 15, 2017), 82 FR 14547 (March 21, 2017); Securities Exchange Act Release No. 80326 (March 29, 2017), 82 FR 16460 (April 4, 2017); and Securities Exchange Act Release No. 80325 (March 29, 2017), 82 FR 16445 (April 4, 2017).

Arca, Inc. and NYSE National, Inc.⁵ (collectively, the “Participants”) filed with the Commission, pursuant to Section 11A of the Exchange Act⁶ and Rule 608 of Regulation NMS thereunder,⁷ the CAT NMS Plan.⁸ The Participants filed the Plan to comply with Rule 613 of Regulation NMS under the Exchange Act. The Plan was published for comment in the **Federal Register** on May 17, 2016,⁹ and approved by the Commission, as modified, on November 15, 2016.¹⁰ The Plan is designed to create, implement and maintain a consolidated audit trail (“CAT”) that would capture customer and order event information for orders in NMS Securities and OTC Equity Securities, across all markets, from the time of order inception through routing, cancellation, modification, or execution in a single consolidated data source. The Plan accomplishes this by creating CAT NMS, LLC (the “Company”), of which each Participant is a member, to operate the CAT.¹¹ Under the CAT NMS Plan, the Operating Committee of the Company (“Operating Committee”) has discretion to establish funding for the Company to operate the CAT, including establishing fees that the Participants will pay, and establishing fees for Industry Members that will be implemented by the Participants (“CAT Fees”).¹² The Participants are required to file with the SEC under Section 19(b) of the Exchange Act any such CAT Fees applicable to Industry Members that the Operating Committee approves.¹³ Accordingly, the Exchange submits this fee filing to propose the Consolidated Audit Trail Funding Fees, which will require Industry Members that are SRO members to pay the CAT Fees determined by the Operating Committee.

⁵ National Stock Exchange, Inc. has been renamed NYSE National, Inc. See Securities Exchange Act Release No. 79902 (Jan. 30, 2017), 82 FR 9258 (February 3, 2017).

⁶ 15 U.S.C. 78k-1.

⁷ 17 CFR 242.608.

⁸ See Letter from the Participants to Brent J. Fields, Secretary, Commission, dated September 30, 2014; and Letter from Participants to Brent J. Fields, Secretary, Commission, dated February 27, 2015. On December 24, 2015, the Participants submitted an amendment to the CAT NMS Plan. See Letter from Participants to Brent J. Fields, Secretary, Commission, dated December 23, 2015.

⁹ Securities Exchange Act Release No. 77724 (April 27, 2016), 81 FR 30614 (May 17, 2016).

¹⁰ Securities Exchange Act Release No. 79318 (November 15, 2016), 81 FR 84696 (November 23, 2016) (“Approval Order”).

¹¹ The Plan also serves as the limited liability company agreement for the Company.

¹² Section 11.1(b) of the CAT NMS Plan.

¹³ *Id.*