

enterprise or joint arrangement is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants.

2. Rule 17d-3 under the Act provides an exemption from section 17(d) and rule 17d-1 to permit open-end investment companies to enter into distribution arrangements pursuant to rule 12b-1 under the Act. Applicants request an order under section 17(d) and rule 17d-1 under the Act to the extent necessary to permit the Fund to impose asset-based distribution and/or service fees. Applicants have agreed to comply with rules 12b-1 and 17d-3 as if those rules applied to closed-end investment companies, which they believe will resolve any concerns that might arise in connection with a Fund financing the distribution of its shares through asset-based distribution and/or service fees.

3. For the reasons stated above, applicants submit that the exemptions requested under section 6(c) are necessary and appropriate in the public interest and are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants further submit that the relief requested pursuant to section 23(c)(3) will be consistent with the protection of investors and will insure that applicants do not unfairly discriminate against any holders of the class of securities to be purchased. Finally, applicants state that the Funds' imposition of asset-based distribution and/or service fees is consistent with the provisions, policies and purposes of the Act and does not involve participation on a basis different from or less advantageous than that of other participants.

#### *Applicants' Condition:*

Applicants agree that any order granting the requested relief will be subject to the following condition:

Each Fund relying on the order will comply with the provisions of rules 6c-10, 12b-1, 17d-3, 18f-3, 22d-1, and, where applicable, 11a-3 under the Act, as amended from time to time, as if those rules applied to closed-end management investment companies, and will comply with the FINRA Sales Charge Rule, as amended from time to time, as if that rule applied to all closed-end management investment companies.

For the Commission, by the Division of Investment Management, under delegated authority.

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-21156 Filed 10-2-17; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-81737; File No. SR-NYSEArca-2017-112]**

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of the GraniteShares Palladium Trust Under NYSE Arca Rule 8.201-E**

September 27, 2017.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on September 12, 2017, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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**

The Exchange proposes to list and trade shares of the GraniteShares Palladium Trust under NYSE Arca Equities Rule 8.201 [sic]. The proposed change is available on the Exchange's Web site at [www.nyse.com](http://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 Exchange proposes to list and trade shares ("Shares") of the GraniteShares Palladium Trust (the "Trust"), under NYSE Arca Equities Rule 8.201.<sup>4</sup> Under NYSE Arca Equities Rule 8.201 [sic], the Exchange may propose to list and/or trade pursuant to unlisted trading privileges ("UTP") Commodity-Based Trust Shares.<sup>5</sup>

The Trust will not be registered as an investment company under the Investment Company Act of 1940, as amended,<sup>6</sup> and is not required to register under such act. The Trust is not a commodity pool for purposes of the Commodity Exchange Act, as amended.<sup>7</sup>

The Sponsor of the Trust is GraniteShares LLC, a Delaware limited liability company. The Bank of New York Mellon is the trustee of the Trust (the "Trustee")<sup>8</sup> and ICBC Standard Bank PLC is the custodian of the Trust (the "Custodian").<sup>9</sup>

<sup>4</sup> On September 8, 2017, the Trust submitted to the Commission its draft registration statement on Form S-1 (the "Registration Statement") under the Securities Act of 1933 (15 U.S.C. 77a) ("Securities Act"). The Jumpstart Our Business Startups Act, enacted on April 5, 2012, added Section 6(e) to the Securities Act. Section 6(e) of the Securities Act provides that an "emerging growth company" may confidentially submit to the Commission a draft registration statement for confidential, non-public review by the Commission staff prior to public filing, provided that the initial confidential submission and all amendments thereto shall be publicly filed not later than 21 days before the date on which the issuer conducts a road show, as such term is defined in Securities Act Rule 433(h)(4). An emerging growth company is defined in Section 2(a)(19) of the Securities Act as an issuer with less than \$1,000,000,000 total annual gross revenues during its most recently completed fiscal year. The Trust meets the definition of an emerging growth company and consequently has submitted its Form S-1 Registration Statement on a confidential basis with the Commission.

<sup>5</sup> Commodity-Based Trust Shares are securities issued by a trust that represents investors' discrete identifiable and undivided beneficial ownership interest in the commodities deposited into the Trust.

<sup>6</sup> 15 U.S.C. 80a-1.

<sup>7</sup> 17 U.S.C. 1.

<sup>8</sup> The Trustee is responsible for the day-to-day administration of the Trust. The responsibilities of the Trustee include (1) processing orders for the creation and redemption of Baskets; (2) coordinating with the Custodian the receipt and delivery of palladium transferred to, or by, the Trust in connection with each issuance and redemption of Baskets; (3) calculating the net asset value of the Trust on each business day; and (4) selling the Trust's palladium as needed to cover the Trust's expenses. The Trust does not have a Board of Directors or persons acting in a similar capacity.

<sup>9</sup> The Custodian is responsible for safekeeping the palladium owned by the Trust. The Custodian is

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

The Commission has previously approved listing on the Exchange under NYSE Arca Equities Rule 8.201 [sic] of other precious metals and palladium-based commodity trusts, including the ETFS Platinum Trust,<sup>10</sup> the ETFS Palladium Trust,<sup>11</sup> and the Sprott Physical Platinum and Palladium Trust.<sup>12</sup>

The Exchange represents that the Shares satisfy the requirements of NYSE Arca Equities Rule 8.201 [sic] and thereby qualify for listing on the Exchange.<sup>13</sup>

#### Operation of the Trust<sup>14</sup>

The investment objective of the Trust will be for the Shares to reflect the performance of the price of palladium, less the expenses and liabilities of the Trust. The Trust will issue Shares which represent units of fractional undivided beneficial interest in and ownership of the Trust.

The Trust will not trade in palladium futures or options on any futures exchange or over the counter (“OTC”) transactions in forwards, options and other derivatives. The Trust will not hold or trade in commodity futures contracts, “commodity interests”, or any other instruments regulated by the Commodities Exchange Act. The Trust will take delivery of physical palladium

appointed by the Trustee and is responsible to the Trustee under the Trust’s palladium custody agreements. The Custodian will facilitate the transfer of palladium in and out of the Trust through the unallocated palladium accounts it may maintain for each Authorized Participant or unallocated palladium accounts that may be maintained for an Authorized Participant by another palladium-clearing bank approved by the London Palladium and Palladium Market (“LPPM”), and through the unallocated palladium account it will maintain for the Trust. The Custodian is responsible for allocating specific bars of palladium to the Trust Allocated Account. As used herein, “Trust Allocated Account” means the loco London account established in the name of the Trustee and maintained for the benefit of the Trust by the Custodian on an allocated basis pursuant to a written custody agreement between the Trustee and the Custodian. The Custodian will provide the Trustee with regular reports detailing the palladium transfers in and out of the Trust Unallocated Account with the Custodian and identifying the palladium bars held in the Trust Allocated Account.

<sup>10</sup> Securities Exchange Act Release No. 61219 (December 22, 2009), 74 FR 68886 (December 29, 2009) (SR-NYSEArca-2009-95).

<sup>11</sup> Securities Exchange Act Release No. 61220 (December 22, 2009), 74 FR 68895 (December 29, 2009) (SR-NYSEArca-2009-94).

<sup>12</sup> Securities Exchange Act Release No. 68430 (December 13, 2012), 77 FR 75239 (December 13, 2012) (SR-NYSEArca-2012-111).

<sup>13</sup> With respect to the application of Rule 10A-3 (17 CFR 240.10A-3) under the Act, the Trust relies on the exemption contained in Rule 10A-3(c)(7).

<sup>14</sup> The description of the operation of the Trust, the Shares and the palladium market contained herein are based, in part, on the Registration Statement. See note 4, *supra*.

that complies with the LPPM palladium delivery rules.

The Shares are intended to constitute a simple and cost-effective means of making an investment similar to an investment in palladium. Although the Shares are not the exact equivalent of an investment in palladium, they provide investors with an alternative that allows a level of participation in the palladium market through the securities market.

#### Operation of the Palladium Market

The global trade in palladium consists of OTC transactions in spot, forwards, and options and other derivatives, together with exchange-traded futures and options.

Most trading in physical palladium is conducted on the OTC market, predominantly in Zurich and London. The LPPM coordinates various OTC market activities, including clearing and vaulting, acts as the principal intermediary between physical palladium market participants and the relevant regulators, promotes good trading practices and develops standard market documentation. In addition, the LPPM promotes refining standards for the palladium market by maintaining the “London/Zurich Good Delivery List,” which are the lists of LPPM accredited melters and assayers of palladium.

The basis for settlement and delivery of a spot trade is payment (generally in US dollars) two business days after the trade date against delivery. Delivery of the palladium can either be by physical delivery or through the clearing systems to an unallocated account. The unit of trade in London and Zurich is the troy ounce, whose conversion between grams is: 1,000 grams is equivalent to 32.1507465 troy ounces, and one troy ounce is equivalent to 31.1034768 grams.

A good delivery palladium plate or ingot is acceptable for delivery in settlement of a transaction on the OTC market (a “Good Delivery Palladium Plate or Ingot”). A Good Delivery Palladium Plate or Ingot must contain between 32 and 192 troy ounces of palladium with a minimum fineness (or purity) of 999.5 parts per 1,000 (99.95%), be of good appearance, and be easy to handle and stack. A Good Delivery Palladium Plate or Ingot must also bear the stamp of one of the melters and assayers who are on the LPPM approved list. Unless otherwise specified, the palladium spot price always refers to the “Good Delivery Standards” set by the LPPM.

#### Creation and Redemption of Shares

The Trust will create and redeem Shares on a continuous basis in one or more blocks of 15,000 Shares (a block of 15,000 Shares is called a “Basket”). As described below, the Trust will issue Shares in Baskets to certain authorized participants (“Authorized Participants”) on an ongoing basis. Baskets of Shares will only be issued or redeemed in exchange for an amount of palladium represented by the aggregate number of Shares redeemed. No Shares will be issued unless the Custodian has allocated to the Trust’s account the corresponding amount of palladium. Initially, a Basket will require delivery of 1,500 fine ounces of palladium. The amount of palladium necessary for the creation of a Basket, or to be received upon redemption of a Basket, will decrease over the life of the Trust, due to the payment or accrual of fees and other expenses or liabilities payable by the Trust.

Baskets may be created or redeemed only by Authorized Participants. Orders must be placed by 3:59 p.m. Eastern Time (“E.T.”). The day on which a Trust receives a valid purchase or redemption order is the order date.

Each Authorized Participant must be a registered broker-dealer, a participant in Depository Trust Corporation (“DTC”), have entered into an agreement with the Trustee (the “Authorized Participant Agreement”) and have established a palladium unallocated account with the Custodian or a physical palladium clearing bank. The Authorized Participant Agreement provides the procedures for the creation and redemption of Baskets and for the delivery of palladium in connection with such creations or redemptions.

According to the Registration Statement, Authorized Participants may surrender Baskets of Shares in exchange for the corresponding Basket Amount announced by the Trustee. Upon surrender of such Shares and payment of the Trustee’s applicable fee and of any expenses, taxes or charges (such as stamp taxes or stock transfer taxes or fees), the Trustee will deliver to the order of the redeeming Authorized Participant the amount of palladium corresponding to the redeemed Baskets. Shares can only be surrendered for redemption in Baskets of 15,000 Shares each.

Before surrendering Baskets of Shares for redemption, an Authorized Participant must deliver to the Trustee a written request indicating the number of Baskets it intends to redeem. The date the Trustee receives that order determines the Basket Amount to be

received in exchange. However, orders received by the Trustee after 3:59 p.m. E.T. on a business day or on a business day when the LBMA Palladium Price PM or other applicable benchmark price is not announced, will not be accepted.

The redemption distribution from the Trust will consist of a credit to the redeeming Authorized Participant's unallocated account representing the amount of the palladium held by the Trust evidenced by the Shares being redeemed as of the date of the redemption order.

#### Net Asset Value

The NAV of the Trust will be calculated by subtracting the Trust's expenses and liabilities on any day from the value of the palladium owned by the Trust on that day; the NAV per Share will be obtained by dividing the NAV of the Trust on a given day by the number of Shares outstanding on that day. On each day on which the Exchange is open for regular trading, the Trustee will determine the NAV as promptly as practicable after 4:00 p.m. E.T. The Trustee will value the Trust's palladium based on the most recently announced LBMA Palladium Price PM or LBMA Palladium Price AM. If neither price is available for that day, the Trustee will value the Trust's palladium based on the most recently announced LBMA Palladium Price PM or LBMA Palladium Price AM. If the Sponsor determines that such price is inappropriate to use, the Sponsor will identify an alternate basis for evaluation to be employed by the Trustee. Further, the Sponsor may instruct the Trustee to use on an on-going basis a different publicly available price which the Sponsor determines to fairly represent the commercial value of the Trust's palladium.

The NAV per Share will be calculated by taking the current price of the Trust's total assets, subtracting any liabilities, and dividing by the total number of Shares outstanding. Authorized Participants will offer Shares at an offering price that will vary, depending on, among other factors, the price of palladium and the trading price of the Shares on the Exchange at the time of offer. Authorized Participants will not receive from the Trust, the Sponsor, the Trustee or any of their affiliates any fee or other compensation in connection with the offering of the Shares.

#### Secondary Market Trading

While the Trust seeks to reflect generally the performance of the price of palladium less the Trust's expenses and liabilities, Shares may trade at, above or below their NAV. The NAV of Shares will fluctuate with changes in the

market value of the Trust's assets. The trading prices of Shares will fluctuate in accordance with changes in their NAV as well as market supply and demand. The amount of the discount or premium in the trading price relative to the NAV may be influenced by non-concurrent trading hours between the major palladium markets and the Exchange. While the Shares trade on the Exchange until 4:00 p.m. E.T., liquidity in the market for palladium may be reduced after the close of the major world palladium markets, including London, Zurich and COMEX. As a result, during this time, trading spreads, and the resulting premium or discount, on Shares may widen.

#### Availability of Information Regarding Palladium

Currently, the Consolidated Tape Plan does not provide for dissemination of the spot price of a commodity such as palladium over the Consolidated Tape. However, there will be disseminated over the Consolidated Tape the last sale price for the Shares, as is the case for all equity securities traded on the Exchange (including exchange-traded funds). In addition, there is a considerable amount of information about palladium and palladium markets available on public Web sites and through professional and subscription services.

Investors may obtain palladium pricing information on a 24-hour basis based on the spot price for an ounce of palladium from various financial information service providers, such as Reuters and Bloomberg.

Reuters and Bloomberg provide at no charge on their Web sites delayed information regarding the spot price of palladium and last sale prices of palladium futures, as well as information about news and developments in the palladium market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on palladium prices directly from market participants. ICAP plc provides an electronic trading platform called EBS for the trading of spot palladium, as well as a feed of real-time streaming prices, delivered as record-based digital data from the EBS platform to its customer's market data platform via Bloomberg or Reuters.

Complete real-time data for palladium futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its Web site. There are

a variety of other public Web sites providing information on palladium, ranging from those specializing in precious metals to sites maintained by major newspapers, such as The Wall Street Journal.

#### Availability of Information

The intraday indicative value ("IIV") per Share for the Shares will be disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. The IIV will be calculated based on the amount of palladium held by the Trust and a price of palladium derived from updated bids and offers indicative of the spot price of palladium.<sup>15</sup>

The Web site for the Trust ([www.graniteshares.com](http://www.graniteshares.com)) will contain the following information, on a per Share basis, for the Trust: (a) The midpoint of the bid-ask price<sup>16</sup> at the close of trading ("Bid/Ask Price"), and a calculation of the premium or discount of such price against such NAV; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. The Web site for the Trust will also provide the Trust's prospectus. Finally, the Trust's Web site will provide the prior day's closing price of the Shares as traded in the U.S. market. In addition, information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

#### Criteria for Initial and Continued Listing

The Trust will be subject to the criteria in NYSE Arca Equities Rule 8.201(e) [sic] for initial and continued listing of the Shares.

A minimum of one Basket or 15,000 Shares will be required to be outstanding at the start of trading, which is equivalent to 1,500 fine ounces of palladium. The Exchange believes that the anticipated minimum number of Shares outstanding at the start of

<sup>15</sup> The IIV on a per Share basis disseminated during the Core Trading Session should not be viewed as a real-time update of the NAV, which is calculated once a day.

<sup>16</sup> The bid-ask price of the Shares will be determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

trading is sufficient to provide adequate market liquidity.

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Trust subject to the Exchange's existing rules governing the trading of equity securities. Trading in the Shares on the Exchange will occur in accordance with NYSE Arca Equities Rule 7.34(a). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, Commentary .03, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

Further, NYSE Arca Equities Rule 8.201 [sic] sets forth certain restrictions on ETP Holders acting as registered Market Makers in the Shares to facilitate surveillance. Under NYSE Arca Equities Rule 8.201(g) [sic], an ETP Holder acting as a registered Market Maker in the Shares is required to provide the Exchange with information relating to its trading in the underlying palladium, related futures or options on futures, or any other related derivatives. Commentary .04 of NYSE Arca Equities Rule 6.3 requires an ETP Holder acting as a registered Market Maker, and its affiliates, in the Shares to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of any material nonpublic information with respect to such products, any components of the related products, any physical asset or commodity underlying the product, applicable currencies, underlying indexes, related futures or options on futures, and any related derivative instruments (including the Shares).

As a general matter, the Exchange has regulatory jurisdiction over its ETP Holders and their associated persons, which include any person or entity controlling an ETP Holder. A subsidiary or affiliate of an ETP Holder that does business only in commodities or futures contracts would not be subject to Exchange jurisdiction, but the Exchange could obtain information regarding the activities of such subsidiary or affiliate through surveillance sharing agreements with regulatory organizations of which such subsidiary or affiliate is a member.

With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares. Trading on the Exchange in the Shares

may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. These may include: (1) The extent to which conditions in the underlying palladium market have caused disruptions and/or lack of trading, or (2) whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present. In addition, trading in Shares will be subject to trading halts caused by extraordinary market volatility pursuant to the Exchange's "circuit breaker" rule.<sup>17</sup> The Exchange will halt trading in the Shares if the NAV of the Trust is not calculated or disseminated daily. The Exchange may halt trading during the day in which an interruption occurs to the dissemination of the IIV, as described above. If the interruption to the dissemination of the IIV persists past the trading day in which it occurs, the Exchange will halt trading no later than the beginning of the trading day following the interruption.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange, as well as cross-market surveillances administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>18</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares with other markets and other entities that are members of

the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>19</sup>

Also, pursuant to NYSE Arca Equities Rule 8.201(g) [sic], the Exchange is able to obtain information regarding trading in the Shares and the underlying palladium, palladium futures contracts, options on palladium futures, or any other palladium derivative, through ETP Holders acting as registered Market Makers, in connection with such ETP Holders' proprietary or customer trades through ETP Holders which they effect on any relevant market.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares of the Trust on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Trust to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Trust is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Equities Rule 5.5(m).

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. Specifically, the Information Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Baskets (including noting that Shares are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts

<sup>17</sup> See NYSE Arca Equities Rule 7.12.

<sup>18</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

<sup>19</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org).

relating to every customer prior to trading the Shares; (3) how information regarding the IIV is disseminated; (4) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; (5) the possibility that trading spreads and the resulting premium or discount on the Shares may widen as a result of reduced liquidity of palladium trading during the Core and Late Trading Sessions after the close of the major world palladium markets; and (6) trading information. For example, the Information Bulletin will advise ETP Holders, prior to the commencement of trading, of the prospectus delivery requirements applicable to the Trust. The Exchange notes that investors purchasing Shares directly from the Trust (by delivery of the Creation Basket Deposit) will receive a prospectus. ETP Holders purchasing Shares from the Trust for resale to investors will deliver a prospectus to such investors.

In addition, the Information Bulletin will reference that the Trust is subject to various fees and expenses as will be described in the Registration Statement. The Information Bulletin will also reference the fact that there is no regulated source of last sale information regarding physical palladium, that the Commission has no jurisdiction over the trading of palladium as a physical commodity, and that the CFTC has regulatory jurisdiction over the trading of palladium futures contracts and options on palladium futures contracts.

The Information Bulletin will also discuss any relief, if granted, by the Commission or the staff from any rules under the Act.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>20</sup> that an exchange have rules that are 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, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 8.201 [sic]. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in

the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that there is a considerable amount of palladium price and palladium market information available on public Web sites and through professional and subscription services. Investors may obtain palladium pricing information on a 24-hour basis based on the spot price for an ounce of palladium from various financial information service providers. Delayed information regarding the spot price of palladium and last sale prices of palladium futures, as well as information about news and developments in the palladium market, are also available from financial information service providers. Information on palladium prices directly from market participants is also available from financial information service providers. An electronic trading platform called EBS for the trading of spot palladium, as well as a feed of real-time streaming prices, is also available from information service providers.

The NAV of the Trust will be published by the Sponsor on each day that the NYSE Arca is open for regular trading and will be posted on the Trust's Web site. The IIV relating to the Shares will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Core Trading Session. The Trust's Web site will also provide the Trust's prospectus, as well as the two most recent reports to stockholders. In addition, information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in

place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to information regarding palladium pricing.

## B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange 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. The Exchange believes the proposed rule change will enhance competition by accommodating Exchange trading of an additional exchange-traded product relating to physical palladium.

## 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

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 the 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2017-112 on the subject line.

<sup>20</sup> 15 U.S.C. 78f(b)(5).

*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-NYSEArca-2017-112. 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-NYSEArca-2017-112, and should be submitted on or before October 24, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>21</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81738; File No. SR-NYSEArca-2017-84]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Withdrawal of a Proposed Rule Change To Extend the Implementation Date for Certain Changes to the NYSE Arca Rule 5 and Rule 8 Series**

September 27, 2017.

On August 3, 2017, NYSE Arca, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to extend the implementation date for certain changes to the NYSE Arca Rule 5 and Rule 8 Series relating to continued listing standards for exchange-traded products. The proposed rule change was published for comment in the **Federal Register** on August 22, 2017.<sup>3</sup> The Commission received one comment letter on the proposed rule change.<sup>4</sup> On September 22, 2017, the Exchange withdrew the proposed rule change (SR-NYSEArca-2017-84).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

[FR Doc. 2017-21162 Filed 10-2-17; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81739; File No. SR-MIAX-2017-39]

**Self-Regulatory Organizations; Miami International Securities Exchange LLC; Order Granting Approval of a Proposed Rule Change To Adopt Rules Relating to Trading in Index Options**

September 27, 2017.

**I. Introduction**

On August 9, 2017, Miami International Securities Exchange, LLC ("MIAX Options" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 81411 (August 16, 2017), 82 FR 39929.

<sup>4</sup> See letter from Jane Heinrichs, Associate General Counsel, Investment Company Institute, to Brent J. Fields, Secretary, Commission, dated September 1, 2017.

<sup>5</sup> 17 CFR 200.30-3(a)(12).

to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to adopt rules relating to trading in index options. The proposed rule change was published for comment in the **Federal Register** on August 16, 2017.<sup>3</sup> The Commission received no comments regarding the proposal. This order approves the proposed rule change.

**II. Description of the Proposal****A. Overview**

The Exchange proposes to adopt new Chapter 18 and amend certain rules in the MIAX Options rulebook. The purpose of the Exchange's proposal is to establish: (1) Trading rules enabling MIAX Options Members to trade index options on the Exchange and (2) generic listing standards and maintenance standards to permit the Exchange to list "broad-based" and "narrow-based" index options on the Exchange pursuant to Rule 19b-4(e) under the Act.<sup>4</sup> The proposed generic listing and maintenance standards for broad-based indices listed and traded on the Exchange require, among other things, that options on the index be a.m.-settled; that the index be capitalization-weighted, modified capitalization-weighted, price-weighted, or equal dollar-weighted; and that the index be comprised of at least fifty securities, all of which must be "NMS stocks," as defined in Rule 600 of Regulation NMS.<sup>5</sup> The proposed generic listing and maintenance standards for narrow-based indices require, among other characteristics, that the proposed indices must consist of ten or more component securities.<sup>6</sup>

In accordance with the proposal, the Exchange will need to file additional proposed rule changes with the Commission when the Exchange identifies specific products, because the rules related to trading options in indices are product specific in many areas.<sup>7</sup> For purposes of this proposed

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 81371 (August 10, 2017), 82 FR 38942 ("Notice").

<sup>4</sup> 17 CFR 240.19b-4(e). The term "broad-based index" is defined as an index designed to be representative of a stock market as a whole or of a range of companies in unrelated industries. See Proposed Rule 1801(k). The term "narrow-based index" is defined as an index designed to be representative of a particular industry or a group of related industries or an index whose constituents are all headquartered within a single country. See Proposed Rule 1801(j).

<sup>5</sup> See Proposed Rule 1802(d)(4).

<sup>6</sup> See Proposed Rule 1802(b)(2).

<sup>7</sup> See Notice, *supra* note 3, at 38942-43.

<sup>21</sup> 17 CFR 200.30-3(a)(12).