

Finally, the Exchange further believes that the proposed change is not unfairly discriminatory because it applies equally to all members and ADV calculations.

The proposed rule change is designed adopt a new provision covering the Market Make Plus tier calculation. The proposed language for removing a day from the Market Maker Plus tier calculation mirrors the language currently in place for the ADV calculation, except that the Exchange proposes that it will not remove days where the Exchange closes early for holiday observance. While Market Makers can plan for known events, such as a holiday, they are unable to plan for market events which may close the market for part of a trading day. The Exchange believes that permitting the exception for the unanticipated event therefore provides flexibility to Market Makers in anticipating where to send order flow. The Exchange desires to incentivize Market Makers to send order flow to ISE to meet their tier requirements. The Exchange believes that the proposed modifications to its ADV and Market Maker Plus tier calculations are pro-competitive and will result in lower total costs to end users, a positive outcome of competitive markets.

The Exchange operates in a highly competitive market in which market participants can readily direct their order flow to competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and rebates to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed fee changes reflect this competitive environment.

#### *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**

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>18</sup> and Rule 19b-4(f)(2)<sup>19</sup> thereunder. 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: (i)

Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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:

##### *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-ISE-2017-93 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-ISE-2017-93. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File

Number SR-ISE-2017-93 and should be submitted on or before November 21, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Eduardo A. Aleman,**  
*Assistant Secretary.*

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BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81947; File No. SR-BatsBZX-2017-46]

### **Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing of Amendments No. 2 and No. 3, and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendments No. 2 and No. 3, To List and Trade Shares of the Apts Fortified Value ETF, a Series of ETF Series Solutions, Under Rule 14.11(c)**

October 25, 2017.

#### **I. Introduction**

On July 10, 2017, Bats BZX Exchange, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to 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 list and trade shares ("Shares") of the Apts Fortified Value ETF ("Fund"), a series of ETF Series Solutions ("Trust"), under Rule 14.11(c). The proposed rule change was published for comment in the **Federal Register** on July 28, 2017.<sup>3</sup> On August 31, 2017, the Exchange filed Amendment No. 1 to the proposed rule change. On September 8, 2017, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>5</sup> On October 6, 2017, the Exchange filed Amendment No. 2 to the proposed rule change, which replaced the proposed rule change, as modified by Amendment No. 1, in its entirety.<sup>6</sup> On October 24,

<sup>20</sup> 17 CFR 200.30-3(a)(12).

<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. 81191 (July 24, 2017), 82 FR 35256.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>5</sup> See Securities Exchange Act Release No. 81558, 82 FR 43278 (September 14, 2017).

<sup>6</sup> In Amendment No. 2, the Exchange: (1) Provided additional information regarding the

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>19</sup> 17 CFR 240.19b-4(f)(2).

2017, the Exchange filed Amendment No. 3 to the proposed rule change.<sup>7</sup> The Commission received no comments on the proposal. The Commission is publishing this notice to solicit comments on Amendments No. 2 and No. 3 from interested persons, and is approving the proposed rule change, as modified by Amendments No. 2 and No. 3, on an accelerated basis.

## II. Description of the Proposed Rule Change, as Modified by Amendments No. 2 and No. 3

The Exchange proposes to list and trade the Shares under Rule 14.11(c)(3), which governs the listing and trading of Index Fund Shares on the Exchange. The Shares will be offered by the Trust, which was established as a Delaware statutory trust on February 9, 2012. The Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Fund on Form N-1A (“Registration Statement”) with the Commission.<sup>8</sup> Aptus Capital Advisors, LLC (“Adviser” or “Index Provider”) serves as investment adviser and index provider to the Fund. The Index Provider is not a broker-dealer and is not affiliated with a broker-dealer. The Index Provider will implement and maintain a “fire wall” around the personnel who have access to information concerning changes and adjustments to the Index. The Index is calculated by an unaffiliated third party who is not a broker-dealer or fund advisor. In addition, any advisory committee, supervisory board, or similar entity that advises the Index Provider or that makes decisions on the Index or portfolio composition, methodology and

Adviser (as defined below), the Index Provider (as defined below), and the index calculation agent: (2) amended and provided additional discussions regarding constituents of the Aptus Fortified Value Index (“Index”) and permitted holdings of the Fund; (3) clarified the types of statements and representations made in the proposal that will constitute continued listing requirements; and (4) made other technical, non-substantive, and conforming changes. Amendment No. 2 is available at: <https://www.sec.gov/comments/sr-batsbzx-2017-46/batsbzx201746-2630920-161197.pdf>.

<sup>7</sup> In Amendment No. 3, the Exchange: (1) Clarified that all securities included in the Index—rather than held by the Fund—are listed on U.S. securities exchanges that are members of the Intermarket Surveillance Group (“ISG”); and (2) clarified the Fund’s compliance with various applicable requirements. Amendment No. 3 is available at: <https://www.sec.gov/comments/sr-batsbzx-2017-46/batsbzx201746-2651203-161342.pdf>.

<sup>8</sup> See Registration Statement on Form N-1A for the Trust, dated June 8, 2017 (File Nos. 333-179562 and 811-22668). According to the Exchange, the Commission has issued an order, upon which the Trust may rely, granting certain exemptive relief under the Investment Company Act of 1940. See Investment Company Act Release No. 32110 (May 10, 2016) (File No. 812-14604).

related matters, will implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the Index.

The Fund will seek to track the performance, before fees and expenses, of the Aptus Fortified Value Index. According to the Exchange, the Index does not meet all of the generic listing requirements of Rule 14.11(c)(3)(A)(i). Specifically, Rule 14.11(c)(3)(A)(i) sets forth the requirements for components of an index or portfolio of U.S. Component Stocks, but the Index may include put options, which are not included in the definition of U.S. Component Stocks.<sup>9</sup> The Index will otherwise conform to the initial and continued listing criteria under Rule 14.11(c).

According to the Exchange, the Index is a rules-based, equal-weighted index that is designed to gain exposure to 50 of the most undervalued U.S.-listed common stocks and real estate investment trusts (“REITs”), while hedging against significant U.S. equity market declines when the market is overvalued. More specifically, the Index is composed of an equity component of 50 common stocks and REITs<sup>10</sup> and, when the Index determines that the U.S. equity market is overvalued, a “tail hedge” component of long put options on a large, highly liquid ETF<sup>11</sup> listed on a national securities exchange that tracks the performance of the large-cap U.S. equity market (“Underlying ETF”).<sup>12</sup> All of the securities included in the Index are and will be listed on U.S. exchanges, and all such exchanges are members of the ISG.

When the tail hedge is not in effect, the Index will be composed 100% of the equity component. At the time the tail hedge is implemented, the Index will be composed 99.5% of the equity component and 0.50% the tail hedge (based on the theoretical dollar value of the Index at the time that the options are added to the Index). Any tail hedge implementation will occur on the last

<sup>9</sup> A “U.S. Component Stock” is an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act. See Rule 14.11(c)(1)(D).

<sup>10</sup> The equity component of the Index will meet the requirements of Rule 14.11(c)(3)(A)(i).

<sup>11</sup> ETF includes Portfolio Depository Receipts and Index Fund Shares, as defined in Rules 14.11(b) and 14.11(c), respectively, or their equivalents on other national securities exchanges.

<sup>12</sup> The large-cap U.S. equity market tracking ETF with the highest average daily options volume (as determined annually by the Index rules) will be the Underlying ETF.

business day of the applicable month.<sup>13</sup> At the time the tail hedge is implemented, the put options on the Underlying ETF will have an expiration date of approximately three months from the date the tail hedge is implemented, and the strike price will be approximately 30% less than the most recent closing price of the Underlying ETF.

According to the Exchange, the Fund may hold: (1) Securities that are possible constituents of the Index; (2) cash and cash equivalents;<sup>14</sup> (3) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; and (4) other ETFs.<sup>15</sup>

## III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendments No. 2 and No. 3, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>16</sup> In particular, the Commission finds that the proposal is consistent with Section 6(b)(5) of the

<sup>13</sup> On the last business day of each month, any options held by the Index are removed. If the tail hedge will not be in effect for the following month, the weight of such options, if any, will be reallocated pro rata to the securities in the Index’s equity component. If the tail hedge will continue in effect for the following month, the Index is rebalanced such that the tail hedge (with new options purchased) has a weight of 0.50% and the equity component securities are adjusted up or down pro rata to have a weight of 99.5%.

<sup>14</sup> Cash equivalents include short-term instruments (instruments with maturities of less than 3 months) of the following types: (1) U.S. Government securities, including bills, notes, and bonds differing as to maturity and rates of interest, which are either issued or guaranteed by the U.S. Treasury or by U.S. Government agencies or instrumentalities; (2) certificates of deposit issued against funds deposited in a bank or savings and loan association; (3) bankers’ acceptances, which are short-term credit instruments used to finance commercial transactions; (4) repurchase agreements and reverse repurchase agreements; (5) bank time deposits, which are monies kept on deposit with banks or savings and loan associations for a stated period of time at a fixed rate of interest; (6) commercial paper, which are short-term unsecured promissory notes; and (7) money market funds.

<sup>15</sup> These ETFs include Portfolio Depository Receipts (as described in Rule 14.11(b)), Index Fund Shares (as described in Rule 14.11(c)), and Managed Fund Shares (as described in Rule 14.11(i)). The ETFs in which the Fund may invest all will be listed and traded in the U.S. on national securities exchanges. The Fund may invest in inverse ETFs, but will not invest in leveraged (e.g., 2X, -2X, 3X, or -3X) ETFs.

<sup>16</sup> In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

Act,<sup>17</sup> which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission notes that, except for the options position that may be included in the Index (the aggregate market value of which is capped at 0.50% of the theoretical dollar value of the Index at the time that the options are added to the Index),<sup>18</sup> the Index will satisfy, on an initial and continued listing basis, all of the generic listing standards under Rule 14.11(c)(3)(A)(i). All of the securities included in the Index are and will be listed on U.S. securities exchanges, and all such exchanges are members of the ISG. Moreover, the Fund may hold only the following: Securities that are possible constituents of the Index (all of which will be listed on U.S. securities exchanges); cash; cash equivalents; U.S. Government securities; and other ETFs (all of which will be listed on U.S. securities exchanges).

The Exchange states that its surveillance procedures are adequate to properly monitor the trading of the Shares on the Exchange during all trading sessions and to deter and detect violations of Exchange rules and the applicable Federal securities laws. The Exchange also states that it may obtain information regarding trading in the Shares and the underlying equities and options contracts held by the Fund and included in the Index via the ISG from other exchanges who are members or affiliates of the ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement.

The Fund will meet and be subject to the requirements of Rule 14.11(c), and other applicable requirements for Index Fund Shares based on a U.S. equity index or portfolio, including, but not limited to, requirements relating to the dissemination of key information such as the Net Asset Value, the Intraday Indicative Value, rules governing the trading of equity securities, trading hours, trading halts, surveillance, and the information circular, as set forth in Exchange rules applicable to Index Fund Shares and the orders approving

such rules. In addition, for initial and/or continued listing, the Fund must be in compliance with Rule 10A-3 under the Act.<sup>19</sup>

The Exchange represents that all statements and representations regarding the index composition, the description of the portfolio or reference assets, limitations on portfolio holdings or reference assets, dissemination and availability of index, reference assets, and intraday indicative values, and the applicability of Exchange listing rules specified in the filing constitute continued listing requirements for the Fund. The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund or the Shares to comply with the continued listing requirements. Pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will surveil for compliance with the continued listing requirements. If the Fund or the Shares are not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under Rule 14.12. This approval order is based on all of the Exchange's statements and representations, including those set forth above and in Amendments No. 2 and No. 3.

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendments No. 2 and No. 3, is consistent with Section 6(b)(5) of the Act<sup>20</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### **IV. Solicitation of Comments on Amendments No. 2 and No. 3 to the Proposed Rule Change**

Interested persons are invited to submit written data, views, and arguments concerning whether Amendments No. 2 and No. 3 are 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-BatsBZX-2017-46 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-BatsBZX-2017-46. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BatsBZX-2017-46, and should be submitted on or before November 21, 2017.

#### **V. Accelerated Approval of Proposed Rule Change, as Modified by Amendments No. 2 and No. 3**

The Commission finds good cause to approve the proposed rule change, as modified by Amendments No. 2 and No. 3, prior to the thirtieth day after the date of publication of notice of the filing of Amendments No. 2 and No. 3 in the **Federal Register**. The Commission believes that Amendments No. 2 and No. 3 supplement the proposed rule change by providing clarification and additional information regarding the Index and the Fund.<sup>21</sup> The changes and additional information helped the Commission to evaluate the Shares' susceptibility to manipulation, and whether the listing and trading of the Shares would be consistent with the protection of investors and the public interest. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>22</sup> to approve the

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> As noted above, the options will overlie a large, highly liquid ETF listed on a national securities exchange that tracks the performance of the large-cap U.S. equity market.

<sup>19</sup> 17 CFR 240.10A-3.

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

<sup>21</sup> See *supra* notes 6 and 7.

<sup>22</sup> 15 U.S.C. 78s(b)(2).

proposed rule change, as modified by Amendments No. 2 and No. 3, on an accelerated basis.

## VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>23</sup> that the proposed rule change (SR-BatsBZX-2017-46), as modified by Amendments No. 2 and No. 3 be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81943; File No. SR-NYSEAMER-2017-25]

### Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NYSE American Equities Rules 7.31E To Establish a Minimum Dollar Threshold Into the Price Protection Mechanisms

October 25, 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 October 13, 2017, NYSE American LLC (the "Exchange" or "NYSE American") 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 amend NYSE American Equities Rules 7.31E (Orders and Modifiers) to establish a minimum dollar threshold into the price protection mechanisms provided for in the rule. The proposed rule 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 amend NYSE American Equities Rules 7.31E (Orders and Modifiers) ("Rule 7.31E") to establish a minimum dollar threshold into the price protection mechanisms provided for in the rule.

###### Background

Rule 7.31E(a)(1)(B) describes the price protection mechanism for Market Orders, *i.e.*, Trading Collars. Currently, Rule 7.31E(a)(1)(B)(i) provides that the Trading Collar will be based on a price that is a specified percentage away from the consolidated last sale price. Rule 7.31E(a)(1)(B)(i) further provides that the upper (lower) boundary of the Trading Collar is the consolidated last sale price increased (decreased) by the specified percentage truncated to the minimum price variation ("MPV") for the security.

Additionally, Rule 7.31E(a)(2)(B) ("Limit Order Price Protection") provides the price protection mechanism for Limit Orders and that a Limit Order to buy (sell) will be rejected if it is priced at or above (below) a specified percentage away from the National Best Offer (National Best Bid) ("NBO" and "NBB", respectively).

###### Proposed Changes

- **Trading Collar:** The Exchange proposes to amend Rule 7.31E(a)(1)(B)(i) to introduce a minimum dollar threshold, of \$0.15, into the calculation of the Trading Collar. As such, the proposed rule would provide that the Trading Collar would be based on a price that is the greater of \$0.15 or a specified percentage away from the consolidated last sale price. Accordingly, the upper (lower) boundary of the Trading Collar would be the consolidated last sale price

increased (decreased), by the greater of \$0.15 or the specified percentage.

- **Limit Order Price Protection:** The Exchange proposes to amend Rule 7.31E(a)(2)(B) to introduce the same proposed minimum dollar threshold that is specified above for the Trading Collar, of \$0.15, into the Limit Order Price Protection calculation. Accordingly, the proposed rule would provide that a Limit Order to buy (sell) would be rejected if it was priced at or above (below) the greater of \$0.15 or a specified percentage away from the NBO (NBB). The Exchange believes that the introduction of a minimum dollar threshold enhances the Limit Order Price Protection and encourages price continuity specifically in lower priced illiquid securities.

The Exchange believes that adding a minimum dollar threshold to the Trading Collar and Limit Order Price Protection calculations would enhance the respective price protection mechanisms for securities with a consolidated last sale price below \$1.50 because using the current 10 percent multiplier for such securities would result in too narrow of a price protection mechanism. This proposed rule change is consistent with how other exchanges specify static price collar thresholds for lower-price securities. For example, NYSE Arca, Inc. ("NYSE Arca") Rule 7.35-E(e)(7)<sup>4</sup> provides that for securities with a consolidated last sale price under \$3.00, the price collar threshold for auction collars would be a static \$0.15 instead of 5 percent.<sup>5</sup>

In addition, the Exchange proposes to replace the word "truncated" with the words "rounded down"<sup>6</sup> in Rule 7.31E(a)(1)(B)(i). The Exchange that believes that conforming the terminology used within Rule 7.31E<sup>7</sup> and elsewhere in Exchange's rules promotes clarity and transparency.

<sup>4</sup> See Securities Exchange Act Release No. 79846 (January 19, 2017), 82 FR 8548 (January 26, 2017) (SR-NYSEArca-2016-130).

<sup>5</sup> See also Nasdaq Stock Market LLC ("Nasdaq") Rule 4703(d) (providing that "any portion of a Primary Pegging Order or Market Pegging Order that would execute . . . at a price more than \$0.25 or 5 percent worse than the NBBO . . . will be cancelled") and Bats BZX Exchange, Inc. ("Bats") Rule 27.2, Interpretations and Policies .01 and Bats Rule 11.13 (stating that Bats "will not execute any portion of a bid at a price more than the greater of 5 cents or 0.5 percent higher than the lowest Protected Offer").

<sup>6</sup> See Rule 7.46E(f)(2)(A), which provides that references to truncating to the MPV in Exchange rules instead mean rounding down to the applicable quoting MPV.

<sup>7</sup> See Rule 7.31E(a)(2)(B) which provides that "Limit Order Price Protection will be rounded down to the nearest price at the applicable MPV."

<sup>23</sup> *Id.*

<sup>24</sup> 17 CFR 200.30-3(a)(12).

<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.