immediately to demonstrate their qualification for initial listing. The proposed 30 day period will relate only to a company’s ability to demonstrate its compliance with the holders requirement, as a company’s compliance with the earnings or global market capitalization and stock price requirements will be apparent at the time of consummation of the Business Combination. This proposed change is consistent with the protection of investors and the public interest, as it does not alter the substantive quantitative requirements a company must meet to remain listed.

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 purpose of the proposed rule is to adopt initial and continued listing standards for Acquisition Companies that better reflect the characteristics and trading market for Acquisition Companies. While the rule may permit more Acquisition Companies to list, or remain listed, on the Exchange, other exchanges could adopt similar rules to compete for such listings. As such, the Exchange does not believe it imposes any burden on competition.

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 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. Please include File Number SR–NYSE–2017–53 on the subject line.

Paper Comments

• Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSE–2017–53. 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–NYSE–2017–53 and should be submitted on or before December 27, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority, 16

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–26220 Filed 12–5–17; 8:45 am]

BILLING CODE 8011–01–P


SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Reflect a Change to the Investment Objective and the Underlying Index for the Horizons S&P 500 Covered Call ETF

November 30, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that, on November 22, 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 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

The Exchange proposes to reflect a change to the investment objective and the underlying index for the Horizons S&P 500® Covered Call ETF, shares of which are currently listed and trading on the Exchange under NYSE Arca Rule 5.2–E(j)(3). The proposed change is available on the Exchange’s Web site at 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to make certain changes relating to the investment objective, the underlying index and the investments of the Horizons S&P 500 Covered Call ETF (the “Fund”), shares (“Shares”) of which are currently listed and trading on the Exchange under NYSE Arca Rule 5.2-E[j](3) (the “Underlying Index”) provided by S&P Dow Jones Indices LLC (the “Index Provider”).9 The Underlying Index is an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities). See NYSE Arca Rule 5.2-E[j](3)(A).

The purpose of this proposed rule change is to reflect a change to the Underlying Index methodology.10

The Exchange proposes to reflect a change to the investment objective and the underlying index for the Fund. Going forward, the Fund will seek investment results that, before fees and expenses, generally correspond to the performance of the S&P 500 Stock Covered Call Index (the “New Underlying Index”) provided by S&P Dow Jones Indices LLC (the “New Underlying Index Provider”). The New Underlying Index does not meet the “generic” listing requirements of Commentary .01(a)(A) to NYSE Arca Rule 5.2-E[j](3) applicable to the listing of Units based upon an index of US Component Stocks. Specifically, NYSE Arca Rule 5.2-E(j)(3) provides that the term “US Component Stock” shall mean 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. Commentary .01(a)(A) to NYSE Arca Rule 5.2-E[j](3) sets forth the requirements to be met by components of an index or portfolio of US Component Stocks.11 The New Underlying Index consists of the constituent securities of the S&P 500 Index. The New Underlying Index meets and will continue to meet all requirements of NYSE Arca Rule 5.2-E[j](3) and Commentary .01(a)(A) thereof except that the New Underlying Index includes a call option, which is not an NMS Stock as defined in Rule 600 of Regulation NMS. As described below, the New Underlying Index consists of long positions in securities in the Reference Index and a single out-

[...]

8 The entities serving as the Trust, custodian and transfer agent for the Fund have changed from those identified in the Prior Release. The investment adviser to the Fund, Horizons ETFs Management (US) LLC, also has changed from the adviser previously served as sub-adviser to the Fund, as identified in the Prior Release. The Index Provider maintains, calculates and publishes information regarding the Underlying Index and New Underlying Index. The Index Provider is not a broker-dealer and is not affiliated with a broker-dealer and has implemented and will maintain a firewall with respect to its broker-dealer affiliates regarding access to information concerning the portfolio holdings of the Fund. In the event (a) the Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer or sub-adviser is or becomes affiliated with a broker-dealer, it will implement and maintain a firewall with respect to its relevant personnel or its broker-dealer affiliate regarding access to information concerning the portfolio holdings of the Fund, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio. An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the “Advisers Act”). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment advice is (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons acting as principal, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

9 The Underlying Index and New Underlying Index methodologies are available at http://us.spindices.com/indices/strategy/sp-500-stock-covered-call-index and https://www.cboe.com/products/strategy-benchmark-indexes/buywrite-indexes/cboe-s-p-500-2-otm-buywrite-index-bxk, respectively. The New Underlying Index uses the same methodology as the widely accepted CBOE S&P 500 BuyWrite Index (BXM) but the New Underlying Index is calculated using Rule 18a-4 under the Act. The CBOE S&P 500 Index is calculated using Rule 18a-4 under the Act and will continue to meet all requirements of NYSE Arca Rule 5.2-E[j](3) and Commentary .01(a)(A) thereof except that the New Underlying Index includes a call option, which is not an NMS Stock as defined in Rule 600 of Regulation NMS. As described below, the New Underlying Index consists of long positions in securities in the Reference Index and a single out-

[...]

10 The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) under the Securities Act of 1933 (15 U.S.C. 77a), and under the 1940 Act relating to the Fund (File Nos. 333-131537) and New York Mellon serves as sub-custodian for the Fund. U.S. Bancorp Fund Services, LLC (the “transfer agent and administrator for the Fund”) is the principal underwriter and distributor of the Fund’s Shares. U.S. Bank, N.A. serves as custodian for the Fund. The Bank of New York Mellon serves as sub-custodian for the Fund. U.S. Bancorp Fund Services, LLC serves as the transfer agent and administrator for the Fund.

11 The Underlying Index and New Underlying Index includes a call option, which is not an NMS Stock as defined in Rule 600 of Regulation NMS. As described below, the New Underlying Index consists of long positions in securities in the Reference Index and a single out-

[...]

8 An Investment Company Unit is a security that represents an interest in a registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities). See NYSE Arca Rule 5.2-E[j](3)(A).


of-the-money call option written on the S&P 500 Index. All securities in the Reference Index are listed and traded on a U.S. national securities exchange. The option on the Reference Index is traded on a U.S. national options exchange. Notwithstanding that the New Underlying Index does not meet the requirement of Commentary .01(a)(A)(5) to NYSE Arca Rule 5.2–E(j)(3), the Exchange believes that the New Underlying Index is sufficiently broad-based to deter potential manipulation in that the Reference Index stocks are among the most actively traded, highly capitalized stocks traded in the U.S. The market value of the call option will not represent more than 10% of the total weight of the New Underlying Index.

Horizons S&P 500 Covered Call ETF

According to the Registration Statement, the Fund is an index fund that will employ a “passive management” investment strategy in seeking to achieve its objective of providing investment results that generally correspond to the performance of the New Underlying Index. The New Underlying Index is comprised of two parts: (1) All the equity securities in the Reference Index (i.e., the S&P 500 Index) in substantially similar weight as the Reference Index and (2) a single short (written) call option on the S&P 500 Index. The Fund will invest at least 80% of its total assets in securities that comprise its New Underlying Index.

The New Underlying Index

The New Underlying Index measures the performance of a hypothetical portfolio of a covered call strategy. A covered call strategy is generally considered to be an investment strategy in which an investor buys a security, and sells (or “writes”) a call option on that security in an attempt to generate more income. The “premium” paid by the buyer of the option provides income in addition to the security’s dividends or other distributions. The New Underlying Index consists of long positions in securities in the Reference Index and an out-of-the-money call option written on the S&P 500 Index. This option is written (sold) systematically on the monthly option writing date of the New Underlying Index.

The Operation of the Fund

The Fund, in return for the option premium, will write call options that give the purchaser the right to receive a cash payment equal to any positive difference between the value of the security and the exercise (or “strike”) price on the expiration date of the option. Each month the Fund will write a single out-of-the-money call option on the Reference Index as determined on the monthly option writing date of the New Underlying Index in accordance with the New Underlying Index methodology. Such short option position would be reflected in the Fund’s portfolio as a negative cash balance.

The Fund generally will use a replication methodology, meaning it will invest in all of the securities comprising the New Underlying Index in proportion to the weightings in the New Underlying Index. The Fund will seek correlation between the Fund’s performance, before fees and expenses, and that of the New Underlying Index of 0.95 or better. A figure of 1.00 would represent perfect correlation.

Under normal market conditions, the Fund will invest at least 80% of its total assets in the securities included in the New Underlying Index. The Adviser anticipates that, generally, the Fund will hold all of the securities that comprise the New Underlying Index in proportion to their weightings in such index. However, from time to time, the Fund may utilize a sampling methodology under various circumstances where it may not be possible or practicable to purchase all of the equity securities and write (sell) the call option comprising the New Underlying Index.

The option in the New Underlying Index will be traded on national securities exchanges. Purely for informational purposes, as of September 29, 2017, the Reference Index and New Underlying Index included common stocks of 505 companies, with a market capitalization range of between approximately $2.7 billion and $796.1 billion. As of that date, the New Underlying Index also included a single short (written) call option on the Reference Index.

The Exchange represents that the listing standards under NYSE Arca Rules 5.2–E(j)(3) and 5.5–E(g)(2) applicable to Units shall apply to the Shares. In addition, the Exchange represents that the Fund and the Shares will comply with all other requirements applicable to Units including, but not limited to, requirements relating to the dissemination of key information such as the value of the New Underlying Index, IV, and NAV, rules governing the trading of equity securities, trading hours, trading halts, surveillance, information barriers and Information Bulletin to Equity Trading Permit Holders (“ETP Holders”), as set forth in Exchange rules applicable to Units and prior Commission orders approving the generic listing rules applicable to the listing and trading of Units.

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. 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, equity securities


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.
and options with other markets and other entities that are members of the Intermarket Surveillance Group (“ISG”), and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading such securities and financial instruments from such markets and other entities. In addition, the Exchange may obtain information regarding trading in such securities from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

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

All statements or representations contained in this filing regarding (a) the description of the New Underlying Index, portfolio or reference asset, (b) limitations on the New Underlying Index or portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in such rule filing will constitute continued listing requirements for listing the Shares on the Exchange.

The issuer must notify the Exchange of any failure by the Fund 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 Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

Pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements.

Except for the changes noted above, all other representations made in the Prior Release remain unchanged. Except as otherwise referenced in this proposed rule change, all representations made in the Prior Release pertaining to the Underlying Index shall continue to apply to the New Underlying Index.

2. Statutory Basis

The basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5) 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 continue to be listed and traded on the Exchange pursuant to the listing criteria in NYSE Arca Rule 5.2–E(j)(3). 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 Adviser is not registered as a broker-dealer and is affiliated with two broker-dealers and has implemented and will maintain a fire wall with respect to its broker-dealer affiliates regarding access to information concerning the portfolio holdings of the Fund. In the event (a) the Adviser becomes registered as or newly affiliated with a broker-dealer, or (b) any new adviser becomes registered as or newly affiliated with a broker-dealer, it will implement and maintain a fire wall with respect to such broker-dealer regarding access to information concerning the portfolio holdings of the Fund, and will be subject to procedures designed to prevent the use and dissemination of material non-public information regarding such portfolio. The Index Provider is not a broker-dealer and is not affiliated with a broker-dealer and has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the New Underlying Index. All securities in the Reference Index are listed and traded on a U.S. national securities exchange. The option on the Reference Index is traded on a U.S. national options exchange.

The Reference Index’s stocks are among the most actively traded, highly capitalized stocks traded in the U.S. The market value of the call option will not represent more than 10% of the total weight of the New Underlying Index. The New Underlying Index is similar to the Underlying Index, the difference being that the Underlying Index includes a short (written) call option on each of the options-eligible securities in the Reference Index as described above, whereas the New Underlying Index includes a single short (written) call option on the S&P 500 Index. The Exchange does not view the proposed index change as providing a material change to the Fund’s investment objective or the investment strategies, risks or returns of the Fund. Except for the changes noted above, all other representations made in the Prior Release remain unchanged. Except as otherwise referenced in this proposed rule change, all representations made in the Prior Release pertaining to the Underlying Index shall continue to apply to the New Underlying Index.

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

The Exchange does not believe that the proposed rule change will impose any significant burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The proposed rule change will enhance competition among exchange-traded fund issuers by permitting trading of shares of Units based on another underlying index that is not currently the underlying index for a series of Units.

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

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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(ii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that

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18 For a list of the current members of ISG, see www.isgportal.org. The Exchange notes that not all holdings of the Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.


21 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(ii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.


waiving the 30-day operative delay is consistent with the protection of
investors and the public interest. According to the Exchange, waiver of
the 30-day operative delay would permit the timely implementation of
Fund efficiencies resulting from tracking an index that requires the
writing of a single option on the Reference Index, instead of writing
options on multiple options-eligible securities in the Reference Index.
In addition, the Commission believes that the proposal does not raise unique or
novel regulatory issues. Therefore, the
Commission hereby waives the 30-day
operative delay and designates the
proposal operative upon filing.24
At any time within 60 days of the
filing of the proposed rule change, the
Commission summarily may
temporarily suspend the 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
change should be approved or
disapproved.

IV. Solicitation of Comments
Interested persons are invited to
submit written data, views, and
arguments concerning the foregoing,
including whether the proposed rule
change is consistent with the Act.
Comments may be submitted by any of
the following methods:
Electronic Comments
• Use the Commission’s Internet
comment form
(http://www.sec.gov/
rules/sro.shtml); or
• Send an email to
rule-comments@
sec.gov. Please include File Number SR–
NYSEArca–2017–123 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–NYSEArca–2017–123. 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–NYSEArca–2017–123 and
should be submitted on or before
December 27, 2017.

For the Commission, by the Division of
Trading and Markets, pursuant to delegated
authority.25
Eduardo A. Aleman
Assistant Secretary.
[FR Doc. 2017–26223 Filed 12–5–17; 8:45 am]
BILLING CODE 8011–01–P
SECURITIES AND EXCHANGE
COMMISSION
[Release No. 34–82189; File No. SR–FINRA–
2017–034]
Self-Regulatory Organizations;
Financial Industry Regulatory
Authority, Inc.; Notice of Filing and
Immediate Effectiveness of a Proposed
Rule Change Relating to the Trade
Reporting Facility Limited Liability
Company Agreements

November 30, 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 November
21, 2017, Financial Industry Regulatory
Authority, Inc. (“FINRA”) filed with the
Securities and Exchange Commission
(“Commission”) the proposed rule
change as described in Items I, II, and
III below, which Items have been
prepared by FINRA. FINRA has
designated the proposed rule change as
concerned solely with the
administration of the self-regulatory
organization under Section
19(b)(3)(A)(iii) of the Act3 and Rule
19b–4(f)(3) thereunder,4 which renders
the proposal effective upon receipt of
this filing by the Commission. 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 the Substance
of the Proposed Rule Change

FINRA is proposing to make technical
changes to FINRA’s Trade Reporting
Facility limited liability company
agreements, as they appear in the
FINRA Manual, to reflect the second
amendment and restatement of such
agreements.

The text of the proposed rule change
is available on FINRA’s Web site at
http://www.finra.org, at the principal
office of FINRA 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,
FINRA 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. FINRA 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
Statutory Basis for, the Proposed Rule
Change

1. Purpose

The FINRA Trade Reporting Facilities
(“TRFs”) are facilities that FINRA
members use to report over-the-counter
(“OTC”) transactions in NMS stocks in
accordance with FINRA rules. There
currently are two TRFs: The FINRA/
Nasdaq TRF and the FINRA/NYSE
TRF.5 The operation of each TRF is

24 For purposes only of waiving the 30-day
operative delay, the Commission has also
considered the proposed rule’s impact on
efficiency, competition, and capital formation. See