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-NYSEMKT–2017–03 and should be submitted on or before February 24, 2017.

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

Eduardo A. Aleman,
Assistant Secretary.

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amendments would reflect the Exchange’s proposed new ownership and, in certain cases, align the Exchange’s governance provisions to those of other NYSE Exchanges.11

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the requirements of Section 6 of the Act12 and the rules and regulations thereunder applicable to a national securities exchange.13 In particular, the Commission finds that the proposed rule change is consistent with Sections 6(b)(1) and (3) of the Act,14 which, among other things, require a national securities exchange to be so organized and have the capacity to be able to carry out the purposes of the Act, and to enforce compliance by its members and persons associated with its members with the provisions of the Act, the rules and regulations thereunder, and the rules of the exchange, and assure the fair representation of its members in the selection of its directors and administration of its affairs, and provide that one or more directors shall be representative of issuers and investors and not be associated with a member of the exchange, broker, or dealer. The Commission also finds that the proposal is consistent with Section 6(b)(5) of the Act,15 which requires that the rules of an exchange be designed 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.16

According to the Exchange, the proposed rule change consists of (i) non-substantive changes that will conform terminology of the Exchange to that of the NYSE Exchanges, and (ii) substantive and/or procedural changes that are designed to conform the Exchange’s rules and procedures to those of other NYSE Exchanges.17 The Exchange has represented to the Commission that the proposed rule change presents no novel issues, as all of the substantive and/or procedural changes are derived from existing rules of other NYSE Exchanges. Furthermore, the Exchange has made the following representations:

- The proposed rule change would continue the requirement in the Exchange’s Bylaws that an independent board committee oversees the adequacy and effectiveness of the performance of the Exchange’s self-regulatory responsibilities;18
- The Regulatory Oversight Committee would be similar in composition and function to committees of other self-regulatory organizations, and would be similarly designed to (i) ensure the adequacy and effectiveness of the Exchange’s regulatory and self-regulatory responsibilities; and (ii) to assist the Board and any other committees of the Board in reviewing the regulatory plan and the overall effectiveness of the Exchange’s regulatory functions.19
- The proposed rule change is not inconsistent with the Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 19(h) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Order, entered by the Commission on May 19, 2005,20
- The changes to the corporate and governance structure will place the Exchange in a better position to improve its technology and engage in value-enhancing transactions that will enable the Exchange to more effectively participate and compete in the marketplace.21
- The Exchange’s proposed changes to its corporate governance structure are designed to align its structure with that of the NYSE Exchanges to promote a consistent approach to corporate governance, and to simplify and create greater consistency with the organizational documents and governance practices of the NYSE Exchange.22

The Exchange has represented to the Commission that it believes that the benefits of aligning its corporate documents to those of other NYSE Exchanges outweigh the costs, if any, to leaving its rules as is and being the sole outlier among the NYSE Exchanges. The Commission also notes that it received no comments on the proposed rule change. Finally, the Commission believes that uniformity of terminology as well as corporate governance structure among the wholly owned subsidiaries of NYSE Group, including the NYSE Exchanges and the Exchange, to the extent possible, should allow for a more streamlined, consistent, and effective approach to both compliance and surveillance in furtherance of the rules of the Exchange and the federal securities laws.

IV. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 1, is consistent with the Act and the rules and regulations thereunder applicable to a national securities exchange.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act23 that the proposed rule change (SR–NSX–2016–16), as modified by Amendment No.1, be, and hereby is, approved.24

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–02263 Filed 2–2–17; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NASDAQ PHXL LLC; Notice of Filing of Proposed Rule Change To Permit the Listing and Trading of P.M.–Settled NASDAQ–100 Index® Options on a Pilot Basis


Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),3 and Rule 19b–4 thereunder,2 notice is hereby given that on January 18, 2017, NASDAQ PHXL LLC (“Phlx” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

11 See note 9. The proposed changes to the governance documents, NSX Rules and fee schedule are set forth in greater detail in the Notice. See Notice, supra note 4, at 96553–63.
13 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. 78s(f).
14 15 U.S.C. 78f(b)(1) and (b)(3).
16 The text of the proposed rule change is consistent with Sections 6(b)(1), (3) and (5) of the Act. However, the Commission notes that the Exchange must continue to comply with the provisions of the Commission’s Cease and Desist Order. See Securities Exchange Act Release No. 51714 (May 19, 2005).
17 See Notice, supra note 4, at 96563–64.
18 See id. at 96563.
19 See id.
20 See id. at 96555. See also note 16.
21 See id. at 96544.
22 See id. at 96552–53.