

otherwise would arise if OCC were subject to withholding obligations with respect to Dividend Equivalents under Section 871(m). As noted above in Section I.A.2, given OCC's daily net settlement process, OCC may be required to apply its own funds if it were obligated to effectuate withholdings to the IRS pursuant to Section 871(m). The assumption of withholding responsibilities by OCC would introduce uncertainty and risks around the settlement of funds at OCC. The proposed rule change would transfer the obligation for any such withholding (and any resulting liability) to FFI Clearing Members by requiring FFI Clearing Members to enter into certain agreements with the IRS under which the FFI Clearing Member assumes primary withholding responsibilities with respect to transactions that it enters into on behalf of customers (*i.e.*, as an intermediary) or for its own account (*i.e.*, as a principal) and to be FATCA Compliant. The proposed rule change therefore would eliminate the potential uncertainty and risks in the daily settlement of funds at OCC that otherwise would be imposed by Section 871(m)'s new mandate. Thus, the Commission finds that the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities and derivatives transactions, and the safeguarding of securities and funds at OCC. While the proposed rule change would impose additional requirements and/or restrictions on FFI Clearing Members, the proposed rules are designed to address in a targeted and proportionate manner specific issues and potential risks to OCC arising from those FFI Clearing Members whose membership creates potential withholding obligations for OCC under the revised tax provisions. The Commission therefore finds that the proposed rule change does not unfairly discriminate among participants in the use of the clearing agency. Based on the above, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act.<sup>29</sup>

### III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as modified by Amendment No. 1, 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-OCC-2016-014 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-OCC-2016-014. 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 such filings also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at [http://www.theocc.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_16\\_014.pdf](http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_16_014.pdf).

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-OCC-2016-014 and should be submitted on or before December 27, 2016.

### IV. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1

As discussed above, OCC submitted Amendment No. 1 in order to adjust and clarify the date by which affected Clearing Members would need to demonstrate compliance with the proposed rule change. Amendment No. 1 does not raise any novel issues, and the filing has been designed to facilitate

OCC's compliance with the requirements of another applicable regulatory regime. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>30</sup> to approve the filing, as modified by Amendment No. 1, on an accelerated basis prior to the 30th day after the date of the publication in the **Federal Register** of the Notice and the notice of Amendment No. 1 to the filing.

### V. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act, and in particular, with the requirements of Section 17A of the Act<sup>31</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>32</sup> that the proposed rule change (SR-OCC-2016-014), as modified by Amendment No. 1, 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>33</sup>

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

[FR Doc. 2016-29163 Filed 12-5-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission Investor Advisory Committee will hold a meeting on Thursday, December 8, 2016, in Multi-Purpose Room LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC 20549. The meeting will begin at 9:30 a.m. (ET) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission's Web site at [www.sec.gov](http://www.sec.gov).

On November 17, 2016, the Commission issued notice of the Committee meeting (Release No. 33-10257), indicating that the meeting is open to the public (except during that

<sup>30</sup> 15 U.S.C. 78s(b)(2).

<sup>31</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).

<sup>32</sup> 15 U.S.C. 78s(b)(2).

<sup>33</sup> 17 CFR 200.30-3(a)(12).

<sup>29</sup> 15 U.S.C. 78q-1(b)(3)(F).

portion of the meeting reserved for an administrative work session during lunch), and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a quorum of the Commission may attend the meeting.

The agenda for the meeting includes: Remarks from Commissioners; a discussion regarding investor protection priorities for the New Year; the announcement of election results for open officer positions; an update on the Commission's response to the rulemaking mandate of the Fixing America's Surface Transportation Act concerning public company disclosure requirements; and a nonpublic administrative work session during lunch.

For further information, please contact Brent J. Fields from the Office of the Secretary at (202) 551-5400.

Dated: December 1, 2016.

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2016-29295 Filed 12-2-16; 11:15 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79432; File No. SR-MIAX-2016-45]

### Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 510 To Extend the Penny Pilot Program

November 30, 2016.

Pursuant 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> notice is hereby given that, on November 21, 2016, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 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 is filing a proposal to amend Rule 510, Interpretations and Policies .01 to extend the pilot program

for the quoting and trading of certain options in pennies (the "Penny Pilot Program").

The text of the proposed rule change is available on the Exchange's Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX's principal office, and at the Commission's Public Reference Room.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange is a participant in an industry-wide pilot program that provides for the quoting and trading of certain option classes in penny increments (the "Penny Pilot Program" or "Program"). The Penny Pilot Program allows the quoting and trading of certain option classes in minimum increments of \$0.01 for all series in such option classes with a price of less than \$3.00; and in minimum increments of \$0.05 for all series in such option classes with a price of \$3.00 or higher. Options overlying the PowerShares QQQ<sup>TM</sup> ("QQQ"), SPDR® S&P 500® ETF ("SPY"), and iShares® Russell 2000 ETF ("IWM"), however, are quoted and traded in minimum increments of \$0.01 for all series regardless of the price. The Penny Pilot Program was initiated at the then existing option exchanges in January 2007<sup>3</sup> and currently includes more than 300 of the most active option classes. The Penny Pilot Program is currently scheduled to expire on December 31, 2016.<sup>4</sup> The purpose of the

<sup>3</sup> See Securities Exchange Act Release Nos. 55154 (January 23, 2007), 72 FR 4743 (February 1, 2007) (SR-CBOE-2006-92); 55161 (January 24, 2007), 72 FR 4754 (February 1, 2007) (SR-ISE-2006-62); 54688 (December 6, 2006), 71 FR 74979 (December 13, 2006) (SR-Phlx-2006-74); 54590 (October 12, 2006), 71 FR 61525 (October 18, 2006) (SR-NYSEArca-2006-73); and 54741 (November 9, 2006), 71 FR 67176 (November 20, 2006) (SR-Amex-2006-106).

<sup>4</sup> See Securities Exchange Act Release No. 78080 (June 15, 2016), 81 FR 40377 (June 21, 2016) (SR-

proposed rule change is to extend the Penny Pilot Program in its current format through June 30, 2017.

In addition to the extension of the Penny Pilot Program through June 30, 2017, the Exchange proposes to extend one other date in the Rule. Currently, Interpretations and Policies .01 states that the Exchange will replace any Penny Pilot issues that have been delisted with the next most actively traded multiply listed option classes that are not yet included in the Penny Pilot Program, and that the replacement issues will be selected based on trading activity in the previous six months. Such option classes will be added to the Penny Pilot Program on the second trading day following July 1, 2016.<sup>5</sup> Because this date has expired and the Exchange intends to continue this practice for the duration of the Penny Pilot Program, the Exchange is proposing to amend the Rule to reflect that such option classes will be added to the Penny Pilot Program on the second trading day following January 1, 2017.

The purpose of this provision is to reflect the new date on which replacement issues may be added to the Penny Pilot Program.

###### 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>7</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the proposed rule change, which extends the Penny Pilot Program for six months, allows the Exchange to continue to participate in a program that has been viewed as beneficial to traders, investors and public customers and viewed as successful by the other options exchanges participating in it.

MIAX-2016-16) (extending the Penny Pilot Program from June 30, 2016, to December 31, 2016).

<sup>5</sup> The month immediately preceding a replacement class's addition to the Pilot Program (*i.e.*, June) is not used for purposes of the six-month analysis. For example, a replacement added on the second trading day following July 1, 2016, will be identified based on trading activity from December 1, 2015, through May 31, 2016.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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

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