

transactions effected after the quarterly expiration through the end of that month because the universe of transactions are not fully known until after the quarterly expiration. Additionally, in order for TPHs to realize the benefit of the transactions under the bank capital regulatory requirements, all transactions must be settled by the end of the financial reporting quarter.

The Exchange believes requiring TPHs to submit a request for a rebate within three business days of the transactions clarifies the manner in which the rebate can be accomplished in a timely manner and will eliminate any confusion and provide a clear procedure for applicants to get a rebate for their compression transactions, removing impediments to and perfecting the mechanism of a free and open market. Additionally, the Exchange notes that such requirement will apply to all market participants.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that are not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the Act because it applies to all market participants in the same manner with positions that meet the eligible criteria. The proposed change would encourage the closing of positions that needlessly result in burdensome capital requirements that, once closed, would alleviate the capital requirement constraints on TPHs and improve overall market liquidity by freeing capital currently tied up in certain out-of-the-money and riskless positions. The Exchange does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed rule change applies only to CBOE. To the extent that the proposed changes make CBOE a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become CBOE market participants.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange neither solicited nor received comments on the proposed rule change.

#### **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) of the Act<sup>11</sup> and paragraph (f) of Rule 19b-4<sup>12</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 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 will 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2015-117 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-CBOE-2015-117. 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-CBOE-2015-117 and should be submitted on or before February 2, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-00337 Filed 1-11-16; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-76841; File No. SR-BATS-2015-101]**

### **Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Adopt Rule 8.17 To Provide a Process for an Expedited Client Suspension Proceeding and Rule 12.15 To Prohibit Disruptive Quoting and Trading Activity**

January 6, 2016.

On November 6, 2015, BATS 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 adopt new BATS Rule ("Rule") 12.15, which would prohibit certain disruptive quoting and trading activity on the Exchange, and new Rule 8.17, which would permit BATS to conduct a new Expedited Client Suspension Proceeding when it believes

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

<sup>13</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.

proposed Rule 12.15 has been violated.<sup>3</sup> On November 17, 2015, the Exchange filed Amendment No. 1 to the proposal.<sup>4</sup> The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on November 24, 2015.<sup>5</sup> The Commission received four comments on the proposal.<sup>6</sup>

Section 19(b)(2) of the Act<sup>7</sup> provides that, within 45 days of the publication of the notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding, or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is January 8, 2016. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change and the comments received. Accordingly, the Commission, pursuant to section 19(b)(2) of the Act,<sup>8</sup> designates February 22, 2016 as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-BATS-2015-101).

<sup>3</sup> This proposed rule change is a revised version of a prior filing, BATS-2015-57, which the Exchange withdrew and revised in order to address certain issues raised by comments submitted with respect to BATS-2015-57. See Securities Exchange Act Release No. 76393 (November 9, 2015), 80 FR 70851 (November 16, 2015) (BATS-2015-57) (noticing the withdrawal of BATS-2015-57).

<sup>4</sup> Amendment No. 1 amended and replaced the original proposal in its entirety.

<sup>5</sup> See Securities Exchange Act Release No. 76470 (November 18, 2015), 80 FR 73247 ("Notice").

<sup>6</sup> See letters from: R.T. Leuchtkafer to Brent J. Fields, Secretary, Commission, dated December 14, 2015; Rick A. Fleming, Investor Advocate, Commission, to U.S. Securities and Exchange Commission, dated December 15, 2015; Samuel F. Lek, Chief Executive Officer, Lek Securities Corporation, dated December 28, 2015; G.T. Spaulding to Brent J. Fields, Secretary, Commission, dated December 28, 2015.

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> *Id.*

<sup>9</sup> 17 CFR 200.30-3(a)(31).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-00336 Filed 1-11-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76848/January 7, 2016]

### Order Making Fiscal Year 2016 Annual Adjustments to Transaction Fee Rates

#### I. Background

Section 31 of the Securities Exchange Act of 1934 ("Exchange Act") requires each national securities exchange and national securities association to pay transaction fees to the Commission.<sup>1</sup> Specifically, Section 31(b) requires each national securities exchange to pay to the Commission fees based on the aggregate dollar amount of sales of certain securities ("covered sales") transacted on the exchange.<sup>2</sup> Section 31(c) requires each national securities association to pay to the Commission fees based on the aggregate dollar amount of covered sales transacted by or through any member of the association other than on an exchange.<sup>3</sup>

Section 31 of the Exchange Act requires the Commission to annually adjust the fee rates applicable under Sections 31(b) and (c) to a uniform adjusted rate.<sup>4</sup> Specifically, the Commission must adjust the fee rates to a uniform adjusted rate that is reasonably likely to produce aggregate fee collections (including assessments on security futures transactions) equal to the regular appropriation to the Commission for the applicable fiscal year.<sup>5</sup>

The Commission is required to publish notice of the new fee rates under Section 31 not later than 30 days after the date on which an Act making a regular appropriation for the applicable fiscal year is enacted.<sup>6</sup> On

<sup>1</sup> 15 U.S.C. 78ee.

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

<sup>3</sup> 15 U.S.C. 78ee(c).

<sup>4</sup> In some circumstances, the SEC also must make a mid-year adjustment to the fee rates applicable under Sections 31(b) and (c).

<sup>5</sup> 15 U.S.C. 78ee(j)(1) (the Commission must adjust the rates under Sections 31(b) and (c) to a "uniform adjusted rate that, when applied to the baseline estimate of the aggregate dollar amount of sales for such fiscal year, is reasonably likely to produce aggregate fee collections under [Section 31] (including assessments collected under [Section 31(d)]) that are equal to the regular appropriation to the Commission by Congress for such fiscal year.").

<sup>6</sup> 15 U.S.C. 78ee(g).

December 18, 2015, the President signed the "Consolidated Appropriations Act, 2016", providing \$1,605,000,000 in funds to the SEC for fiscal year 2016.

#### II. Fiscal Year 2016 Annual Adjustment to the Fee Rate

The new fee rate is determined by (1) subtracting the sum of fees estimated to be collected prior to the effective date of the new fee rate<sup>7</sup> and estimated assessments on security futures transactions to be collected under Section 31(d) of the Exchange Act for all of fiscal year 2016<sup>8</sup> from an amount equal to the regular appropriation to the Commission for fiscal year 2016, and (2) dividing by the estimated aggregate dollar amount of sales for the remainder of the fiscal year following the effective date of the new fee rate.<sup>9</sup>

The regular appropriation to the Commission for fiscal year 2016 is \$1,605,000,000. The Commission estimates that it will collect \$502,582,684 in fees for the period prior to the effective date of the new fee rate and \$35,649 in assessments on round turn transactions in security futures products during all of fiscal year 2016. Using a new methodology described below, the Commission estimates that the aggregate dollar amount of covered sales for the remainder of fiscal year 2016 to be \$50,672,728,301,509.

The uniform adjusted rate is computed by dividing the residual fees to be collected of \$1,102,381,667 by the estimate of the aggregate dollar amount of covered sales for the remainder of fiscal year 2016 of \$50,672,728,301,509; this results in a uniform adjusted rate for fiscal year 2016 of \$21.80 per million.<sup>10</sup>

<sup>7</sup> The sum of fees to be collected prior to the effective date of the new fee rate is determined by applying the current fee rate to the dollar amount of covered sales prior to the effective date of the new fee rate. The exchanges and FINRA have provided data on the dollar amount of covered sales through November, 2015. To calculate the dollar amount of covered sales from December, 2015 to the effective date of the new fee rate, the Commission is using the new methodology described in Section IV of this order.

<sup>8</sup> The Commission is using the same methodology it has used previously to estimate assessments on security futures transactions to be collected in fiscal year 2016. An explanation of the methodology appears in Appendix A.

<sup>9</sup> To estimate the aggregate dollar amount of covered sales for the remainder of fiscal year 2016 following the effective date of the new fee rate, the Commission is using the new methodology referenced above, and described in Section IV of this order.

<sup>10</sup> Appendix A shows the process of calculating the fiscal year 2016 annual adjustment. The appendix also includes the data used by the Commission in making this adjustment.