

change does not mandate which identifier Reporting Members must use.<sup>8</sup> FINRA will be able to obtain the identity of Reportable Non-Members from the OATS report which will make its audit trail more comprehensive.<sup>9</sup> FINRA will use the information to identify Non-Member Firm activity in the over-the-counter market, as well as Non-Member Firm sponsored access activity.

### III. Discussion

After careful review, the Commission finds that FINRA's proposal is consistent with the requirements of Section 15A of the Act<sup>10</sup> and the rules and regulations thereunder applicable to a national securities association.<sup>11</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 15A(b)(6) of the Act,<sup>12</sup> which requires, among other things, that FINRA rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

The proposed rule change will provide FINRA, via OATS reports, the identity of Reportable Non-Members that route orders or to which an order has been routed, which will make the OATS reports more complete. Having the information regarding which Reportable Non-Member was involved in a transaction will enable FINRA to better surveil off-exchange market activity as well as enhance the surveillance it performs of exchange activity pursuant to its Regulatory Services Agreements. FINRA will be able to consistently identify Non-Member Firm activity, providing FINRA with a more complete view of such activities across all exchanges and over-the-counter market centers.

is routed. However, the current *OATS Reporting Technical Specifications* do not require that the identity of the specific Non-Member Firm to which an order is routed be provided. To address this gap and to conform the reporting of orders received from and orders routed to Non-Member Firms, FINRA intends to update the *OATS Reporting Technical Specifications* to reflect the revised requirements. See *OATS Reporting Technical Specifications*, at 4-4, and A-4 to A-5 (October 12, 2015 ed.). *Id.* at 9546-7.

<sup>8</sup> See Notice, *supra* note 3, at 9546.

<sup>9</sup> See Notice, *supra* note 3, at 9547. FINRA stated that if the Commission approved the proposed rule change, it would announce the effective date of the proposed rule no later than 60 days following Commission approval, and the effective date would be no later than 120 days following Commission approval. *Id.*

<sup>10</sup> 15 U.S.C. 78(f).

<sup>11</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>12</sup> 15 U.S.C. 78o-3(b)(6).

The Commission believes that requiring Reporting Members to include the identity of Reportable Non-Members in OATS reports on orders they receive from either a U.S.-registered broker-dealer that is not a FINRA member or a broker-dealer that is not registered in the U.S. but has received an SRO-assigned identifier, will provide FINRA with a more complete view of such market participants' activities across exchanges and over-the-counter market centers. This, in turn, should enhance FINRA's cross-market surveillance efforts. Improved surveillance should help FINRA detect and deter fraudulent and manipulative acts and practices, and thus promote just and equitable principles of trade and the protection of investors and the public interest.

### IV. Conclusion

It Is Therefore Ordered pursuant to Section 19(b)(2) of the Act<sup>13</sup> that the proposed rule change (SR-FINRA-2016-006), be and hereby is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-08183 Filed 4-8-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77543; File No. 265-29]

### Equity Market Structure Advisory Committee

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Notice of meeting.

**SUMMARY:** The Securities and Exchange Commission Equity Market Structure Advisory Committee is providing notice that it will hold a public meeting on Tuesday, April 26, 2016, in Multi-Purpose Room LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC. The meeting will begin at 9:30 a.m. (EDT) and will be open to the public. The public portions of the meeting will be webcast on the Commission's Web site at [www.sec.gov](http://www.sec.gov). Persons needing special accommodations to take part because of a disability should notify the contact person listed below. The public is invited to submit written statements to the Committee. The meeting will focus on updates and potential

recommendations from the four subcommittees.

**DATES:** The public meeting will be held on Tuesday, April 26, 2016. Written statements should be received on or before April 20, 2016.

**ADDRESSES:** The meeting will be held at the Commission's headquarters, 100 F Street NE., Washington, DC. Written statements may be submitted by any of the following methods:

#### *Electronic Statements*

- Use the Commission's Internet submission form (<http://www.sec.gov/rules/other.shtml>); or
- Send an email message to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number 265-29 on the subject line; or

#### *Paper Statements*

- Send paper statements in triplicate to Brent J. Fields, Federal Advisory Committee Management Officer, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. 265-29. This file number should be included on the subject line if email is used. To help us process and review your statement more efficiently, please use only one method. The Commission will post all statements on the Commission's Internet Web site at SEC Web site at (<http://www.sec.gov/comments/265-29/265-29.shtml>).

Statements also will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Room 1580, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. All statements received will be posted without change; we do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly.

**FOR FURTHER INFORMATION CONTACT:** Arisa Tinaves Kettig, Special Counsel, at (202) 551-5676, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-7010.

**SUPPLEMENTARY INFORMATION:** In accordance with Section 10(a) of the Federal Advisory Committee Act, 5 U.S.C.-App. 1, and the regulations thereunder, Stephen Luparello, Designated Federal Officer of the Committee, has ordered publication of this notice.

<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> 17 CFR 200.30-3(a)(12).

Dated: April 6, 2016.

**Brent J. Fields,**

*Committee Management Officer.*

[FR Doc. 2016-08228 Filed 4-8-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77520; File No. SR-NYSEArca-2016-51]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending NYSE Arca Equities Rule 7.16 To Specify That Sell Short Post No Preference Orders and Sell Short PNP Blind Orders Priced At or Below the National Best Bid Will Be Rejected on Arrival During the Short Sale Period

April 5, 2016.

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 March 24, 2016, 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 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 Arca Equities Rule 7.16 (“Short Sales”) to specify that Post No Preference (“PNP”) orders and PNP Blind orders priced at or below the national best bid will be rejected on arrival during the Short Sale Period. 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

NYSE Arca Equities Rule 7.16 (“Rule 7.16”) governs the treatment of sell short orders on the Exchange to comply with the requirements of Rule 201 of Regulation SHO.<sup>4</sup> Currently, 7.16(f)(v)(D)(ii) provides, in part, that PNP Blind Orders will be re-priced and displayed at a Permitted Price<sup>5</sup> during the Short Sale Period.<sup>6</sup> The Exchange recently determined that, during a Short Sale Period, if the Exchange’s best bid is the national best bid, PNP Blind short sale orders do not re-price to a Permitted Price but rather, the orders execute at the national best bid.

To address this issue, the Exchange is proposing to amend Rule 7.16(f)(v) by adding new subsection (H) to provide that, during a Short Sale Period, the Exchange would reject on arrival sell short PNP Orders and sell short PNP Blind Orders priced at or below the national best bid.<sup>7</sup>

The Exchange believes that the proposed change would eliminate the potential for sell short PNP Orders and PNP Blind Orders to execute at the national best bid during a Short Sale Period.

<sup>4</sup> 17 CFR 242.201.

<sup>5</sup> Rule 7.16(f)(v)(C) defines the term “Permitted Price” as one minimum price increment above the current national best bid. The Permitted Price for securities for which the national best bid is \$1 or more is \$.01 above the national best bid; the Permitted Price for securities for which the national best bid is below \$1 is \$.0001 above the national best bid.

<sup>6</sup> A “Short Sale Period” is defined in Rule 7.16(f)(iv) as the period during which the Short Sale Price Test is in effect. A Short Sale Price Test is defined in Rule 7.16(f)(ii) as the period when the Exchange will not execute or display a short sale order with respect to a covered security at a price that is less than or equal to the current national best bid if the price of that security decreases 10% or more, as determined by the listing market for the security, from the security’s closing price on the listing market as of the end of regular trading hours on the prior day. Rule 7.16P, rather than Rule 7.16, governs the treatment of sell short orders for symbols trading on the Exchange’s Pillar trading platform.

<sup>7</sup> Due to technology limitations, the Exchange is not able to address this issue without rejecting both sell short PNP Orders and sell short PNP Blind Orders priced at or below the national best bid during the Short Sale Period. As such, the proposed rule text specifies that the Exchange would reject both sell short PNP Orders and sell short PNP Blind Orders, received during the Short Sale period, priced at or below the national best bid.

##### 2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(5),<sup>8</sup> in particular, because 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 mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would eliminate the potential for sell short PNP Orders and PNP Blind Orders to trade at the national best bid during a Short Sale Period. The Exchange further believes that the proposed rule change is reasonable and appropriate and designed to prevent fraudulent and manipulative acts because it provides more certainty to members and the investing public of how the Exchange will treat incoming short sale PNP Orders and short sale PNP Blind Orders during a Short Sale Period.

#### 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 proposed change is not designed to address any competitive issue but rather to eliminate the potential for sell short PNP Orders and PNP Blind Orders to trade at the national best bid during a Short Sale Period.

#### 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 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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<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.