

- (3) during a SNAP Cycle;
- (4) within one minute after the completion of the previous SNAP Cycle;
- (5) if the CHX Routing Services are not available at the time of the market snapshot taken pursuant to be proposed Rule 1A(b);
- (6) if the NBBO ascertained from the market snapshot taken pursuant to proposed Rule 1A(b) is crossed or a two-sided NBBO does not exist.

**III. Discussion and Commission Findings**

After careful review and consideration, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange.<sup>13</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>14</sup> which requires, among other things, that the rules of a national securities 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, and that the rules of a national securities exchange not be designed to permit unfair discrimination between customers, issuers, brokers or dealers.

When it approved the SNAP, the Commission stated that it believed that the SNAP: (1) Was reasonably designed to facilitate the auction trading of securities on CHX in a fair and orderly manner, and could improve market quality for market participants seeking to execute bulk trading interests and for other market participants submitting orders in response to that interest;<sup>15</sup> and (2) may promote liquidity while minimizing potential information leakage that could disadvantage market participants whose orders are participating in the SNAP Cycle.<sup>16</sup> The Commission believes that the Exchange-

initiated SNAP functionality may result in more bulk executions in SNAP-eligible securities by allowing—under certain circumstances—SNAP AOOs queued in the Matching System to match in the absence of a valid Start SNAP order. Additionally, the Commission believes that the proposed restrictions on when the Exchange may initiate a SNAP Cycle are reasonably designed to provide for a fair and orderly market.

Further, the Commission believes that the proposed rule change would further minimize information leakage from SNAP Cycles in that market participants would not know which initiating mechanism triggered a particular SNAP Cycle.

For the above reasons, the Commission finds that the proposed rule change is consistent with the requirements of the Act.

**IV. Conclusion**

*It is therefore ordered* that, pursuant to Section 19(b)(2) of the Act,<sup>17</sup> the proposed rule change (SR-CHX-2016-01) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-10152 Filed 4-29-16; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-77707; File No. SR-Phlx-2016-53]

**Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Update Public Disclosure of Exchange Usage of Market Data**

April 26, 2016.

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> notice is hereby given that on April 21, 2016, NASDAQ PHLX LLC (“Phlx” or “Exchange”) 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 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 update Exchange Rule 3304 and to amend the public disclosure of the sources of data that the Exchange utilizes when performing (1) order handling and execution; (2) order routing; and (3) related compliance processes.

The text of the proposed rule change is below. Proposed new language is italicized and deleted language is bracketed.

\* \* \* \* \*

**Rule 3304. Data Feeds Utilized**

The PSX System utilizes the below proprietary and network processor feeds for the handling, routing, and execution of orders, as well as for the regulatory compliance processes related to those functions. The Secondary Source of data is, where applicable, utilized only in emergency market conditions and only until those emergency conditions are resolved.

Market center	Primary source	Secondary source
A—NYSE MKT (AMEX) .....	NYSE MKT OpenBook Ultra .....	CQS/UQDF.
B—NASDAQ OMX BX .....	BX ITCH 5.0 .....	CQS/UQDF.
C—NSX .....	CQS/UQDF .....	n/a.
D—FINRA ADF .....	CQS/UQDF .....	n/a.
J—DirectEdge A .....	BATS PITCH .....	CQS/UQDF.
K—DirectEdge X .....	BATS PITCH .....	CQS/UQDF.
M—[CSX]CHX .....	[CQS/UQDF]CHX Book Feed .....	[n/a] CQS/UQDF.
N—NYSE .....	NYSE OpenBook Ultra .....	CQS/UQDF.
P—NYSE Arca .....	NYSE ARCA XDP .....	CQS/UQDF.

<sup>13</sup> In approving this proposed rule change, as amended, 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>14</sup> 15 U.S.C. 78f(b)(5).

<sup>15</sup> See Approval Order, *supra* note 5, 80 FR at 61544.

<sup>16</sup> See *id.*

<sup>17</sup> 15 U.S.C. 78s(b)(2).

<sup>18</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.

Market center	Primary source	Secondary source
T/Q—NASDAQ .....	ITCH 5.0 .....	CQS/UQDF.
X—NASDAQ OMX PSX .....	PSX ITCH 5.0 .....	CQS/UQDF.
Y—BATS Y-Exchange .....	BATS PITCH .....	CQS/UQDF.
Z—BATS Exchange .....	BATS PITCH .....	CQS/UQDF.

\* \* \* \* \*

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.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 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 Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to update and amend the table in Exchange Rule 3304 that sets forth on a market-by-market basis the specific network processor and proprietary data feeds that the Exchange utilizes for the handling, routing, and execution of orders, and for performing the regulatory compliance checks related to each of those functions.

Specifically, the table will be amended to update the symbol for the Chicago Stock Exchange, Inc. from "CSX" to "CHX", as well as to update the primary and secondary sources in the table for CHX. The primary source will be CHX Book Feed and the former primary source, CQS/UQDF, will become the secondary source. The change to the primary source reflects the Exchange's effort to increase the amount of data it gathers.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>3</sup> in general and with Sections 6(b)(5) of the Act,<sup>4</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 regulating, clearing, settling, processing information with respect to, and 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 its proposal to amend the table in Exchange Rule 3304 to update the symbol for the Chicago Stock Exchange, Inc. and to amend the primary and secondary sources of data for CHX that the Exchange utilizes when performing (1) order handling and execution; (2) order routing; and (3) related compliance processes will ensure that Exchange Rule 3304 correctly identifies and publicly states on a market-by-market basis all of the specific network processor and proprietary data feeds that the Exchange utilizes for the handling, routing, and execution of orders, and for performing the regulatory compliance checks related to each of those functions. The Exchange also believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market and protects investors and the public interest because it provides additional specificity, clarity and transparency.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. To the contrary, the Exchange believes the proposal will enhance competition because including all of the correct information for the exchanges enhances transparency and enables investors to better assess the quality of the Exchange's execution and routing services.

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

No written comments were either solicited or received.

## 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, it has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>5</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>6</sup>

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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 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

<sup>3</sup> 15 U.S.C. 78f(b)(3)(a)(iii).

<sup>6</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

<sup>3</sup> 15 U.S.C. 78f.

<sup>4</sup> 15 U.S.C. 78f(b)(5).

Number SR–Phlx–2016–53 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–Phlx–2016–53. 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; 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–Phlx–2016–53 and should be submitted on or before May 23, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016–10148 Filed 4–29–16; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

### Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549–0213

*Extension:* Rule 17Ad-10

SEC File No. 270–265, OMB Control No. 3235–0273

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (“PRA”) (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the existing collection of information provided for in Rule 17Ad–10, (17 CFR 240.17Ad–10), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 17Ad–10 generally requires registered transfer agents to: (1) Create and maintain current and accurate securityholder records; (2) promptly and accurately record all transfers, purchases, redemptions, and issuances, and notify their appropriate regulatory agency if they are unable to do so; (3) exercise diligent and continuous attention in resolving record inaccuracies; (4) disclose to the issuers for whom they perform transfer agent functions and to their appropriate regulatory agency information regarding record inaccuracies; (5) buy-in certain record inaccuracies that result in a physical over issuance of securities; and (6) communicate with other transfer agents related to the same issuer. These requirements assist in the creation and maintenance of accurate securityholder records, enhance the ability to research errors, and ensure the transfer agent is aware of the number of securities that are properly authorized by the issuer, thereby avoiding over issuance.

The rule also has specific recordkeeping requirements. It requires registered transfer agents to retain certificate detail that has been deleted for six years and keep current an accurate record of the number of shares or principal dollar amount of debt securities that the issuer has authorized to be outstanding. These mandatory requirements ensure accurate securityholder records and assist the Commission and other regulatory agencies with monitoring transfer agents and ensuring compliance with the rule. This rule does not involve the collection of confidential information.

There are approximately 413 registered transfer agents. We estimate that the average number of hours necessary for each transfer agent to comply with Rule 17Ad–10 is approximately 80 hours per year, which generates an industry-wide annual burden of 33,040 hours (413 times 80 hours). This burden is of a recordkeeping nature but also includes a small amount of third party disclosure

and SEC reporting burdens. At an average staff cost of \$50 per hour, the industry-wide internal labor cost of compliance (a monetization of the burden hours) is approximately \$1,652,000 per year (33,040 × \$50). In addition, we estimate that each transfer agent will incur an annual external cost burden of \$18,000 resulting from the collection of information. Therefore, the total annual external cost on the entire transfer agent industry is approximately \$7,434,000 (\$18,000 times 413). This cost primarily reflects ongoing computer operations and maintenance associated with generating, maintaining, and disclosing or providing certain information required by the rule.

The amount of time any particular transfer agent will devote to Rule 17Ad–10 compliance will vary according to the size and scope of the transfer agent's business activity. We note, however, that at least some of the records, processes, and communications required by Rule 17Ad–10 would likely be maintained, generated, and used for transfer agent business purposes even without the rule.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: April 26, 2016.

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

[FR Doc. 2016–10108 Filed 4–29–16; 8:45 am]

**BILLING CODE 8011–01–P**

<sup>7</sup> 17 CFR 200.30–3(a)(12).