disapproved. The 45th day after publication of the notice for this proposed rule change is June 2, 2016. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider this proposed rule change. Accordingly, the Commission, pursuant to section 19(b)(2) of the Act,[6] designates July 15, 2016, as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR–BatsBZX–2016–01).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[7]

Brent J. Fields,

Secretary.

[FR Doc. 2016–13315 Filed 6–6–16; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77963; File No. SR–FINRA–2016–017]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend FINRA Rule 2242 (Debt Research Analysts and Debt Research Reports)

June 1, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 24, 2016, Financial Industry Regulatory Authority, Inc. (''FINRA'') 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 FINRA. FINRA has designated the proposed rule change as constituting a ''non-controversial'' rule change under paragraph (f)(6) of Rule 19b–4 under the Act,[3] which renders the proposal effective upon receipt of this filing by the Commission. 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 the Substance of the Proposed Rule Change

FINRA is proposing to amend FINRA Rule 2242 (Debt Research Analysts and Debt Research Reports) to clarify the application of the rule in four respects: (1) The consent requirement for institutional debt research reports distributed to non-U.S. investors by non-U.S. affiliates of members; (2) the consent requirement for institutional debt research reports distributed to specified persons for informational purposes unrelated to investing in debt securities; (3) the scope of the institutional debt research report exemption when distributing third-party debt research reports to eligible institutional investors; and (4) the disclosure requirements for debt research analysts in public appearances.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

* * * * *

2240. CONFLICTS OF INTEREST

* * * * *

2242. Debt Research Analysts and Debt Research Reports

(a) through (i) No Change.

(j) Exemption for Debt Research Reports Provided to Institutional Investors

(1) Except as provided in paragraph*s* (j)(2) *and (j)(3)* of this Rule, the provisions of this Rule shall not apply to the distribution of a debt research report to:

(A) through (B) No Change.

(2) Notwithstanding paragraph (j)(1) of this Rule, a member must establish, maintain and enforce written policies and procedures reasonably designed to identify and effectively manage conflicts of interest described in paragraphs (b)(2)(A)(i), (b)(2)(H) (with respect to pressuring), (b)(2)(I), (b)(2)(K), (b)(2)(L), (b)(2)(M), (b)(2)(N) and Supplementary Material .02(a) of this Rule.

(3) Notwithstanding paragraph (j)(1) of this Rule, a member that distributes third-party debt research reports to institutional investors pursuant to this exemption must establish, maintain and enforce written policies and procedures reasonably designed to comply with paragraphs (g)(1), (g)(2), (g)(4) and (g)(6) of this Rule.

[(3)] *(4)* Debt research reports provided to institutional investors pursuant to this exemption (''institutional debt research'') must disclose prominently on the first page that:

(A) ''This document is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors.''

(B) If applicable, ''The views expressed in this report may differ from the views offered in [Firm's] debt research reports prepared for retail investors.''

(C) If applicable, ''This report may not be independent of [Firm's] proprietary interests. [Firm] trades the securities covered in this report for its own account and on a discretionary basis on behalf of certain clients. Such trading interests may be contrary to the recommendation(s) offered in this report.''

(5) Notwithstanding paragraph (j)(4) of this Rule, a member that distributes third-party debt research reports to institutional investors pursuant to this exemption must disclose prominently the disclosures required by paragraphs (j)(4)(A) and (j)(4)(C) of this Rule.

[(4)] *(6)* A member must establish, maintain and enforce written policies and procedures reasonably designed to ensure that institutional debt research is made available only to eligible institutional investors. A member may not rely on this exemption with respect to a debt research report that the member has reason to believe will be redistributed to a retail investor.

[(5)] *(7)* This paragraph (j) does not relieve a member of its obligations to comply with the antifraud provisions of the federal securities laws and FINRA rules.

(k) No Change.

• • • *Supplementary Material:*

.01 through .11 No Change.

.12 Distribution of Institutional Debt Research to Non-U.S. Investors. The requirements of paragraphs (j)(1)(A) and (B) of this Rule shall not apply to the distribution of an institutional debt research report by a non-U.S. affiliate of a member to a non-U.S. investor, provided that:

(a) The non-U.S. investor is not a customer of the member;

(b) The non-U.S. investor is a customer of the non-U.S. affiliate of the member; and

(c) The non-U.S. affiliate of the member has a reasonable basis to believe that the customer meets the definition of ''institutional account'' in Rule 4512(c).

.13 Distribution of Institutional Debt Research for Informational Purposes

(a) A member may distribute institutional debt research reports to the persons described in paragraph (c) of this Supplementary Material .13 for informational purposes unrelated to

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[6] *Id.*

[7] 17 CFR 200.30–3(a)(31).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 17 CFR 240.19b–4(f)(6).

investing in debt securities, provided that the member does not distribute the reports prior to their publication and the member has disclosed that:

(1) The member may provide the recipient debt research reports that were prepared for institutional investors and are not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors; and

(2) The institutional debt research reports would be provided only for informational purposes and not for the purpose of making an investment decision related to debt securities.

(b) If the person receiving institutional debt research pursuant to this Supplementary Material .13 does not contact the member to request that such institutional debt research not be provided, the member may reasonably conclude that the person has consented to receiving debt institutional research according to the terms of this Supplementary Material .13.

(c) Institutional debt research may be distributed for informational purposes unrelated to investing in debt securities pursuant to this Supplementary Material .13 to:

(1) Regulators for regulatory purposes;

(2) Academics for academic purposes;

(3) Issuers for the purpose of enhancing knowledge of their industry and competitors and market and economic factors; and

(4) Media organizations for news gathering purposes.

.14 Public Appearances by Research Analysts. A member or debt research analyst will not be required to make a disclosure required by paragraph (d) of this Rule where attendance at the public appearance is limited to institutional investors eligible to receive institutional debt research pursuant to paragraph (j) of this Rule. Members must maintain records of public appearances by debt research analysts sufficient to demonstrate that attendance at the public appearance was limited to institutional investors eligible to receive institutional debt research pursuant to paragraph (j) of this Rule. Such records must be maintained for at least three years from the date of the public appearance.

* * * * *

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

In its filing with the Commission, FINRA 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. FINRA 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

On November 14, 2014, FINRA filed SR–FINRA–2014–048 to adopt new Rule 2242 to address conflicts of interest relating to the publication and distribution of debt research reports.[4] On February 19, 2015, FINRA filed Amendment No. 1 responding to the comments received to the proposal as well as to propose amendments in response to these comments.[5] The proposed rule change, as modified by Amendment No. 1 thereto, was approved by the Commission on July 16, 2015.[6]

Consistent with the proposed rule change, FINRA announced an effective date for Rule 2242 of February 22, 2016 in a *Regulatory Notice* published on August 26, 2015.[7] FINRA subsequently delayed implementation of the Rule until July 16, 2016 to give members additional time to implement the requirements of the Rule, including incorporating some guidance published by FINRA in some Frequently Asked Questions.[8]

Distribution to Non-U.S. Investors by Non-U.S. Affiliates of Members

Rule 2242(j) exempts debt research reports distributed solely to eligible institutional investors from most of the provisions regarding supervision, coverage determinations, budget and compensation determinations, and all of the disclosure requirements applicable to debt research reports distributed to retail investors. Rule 2242(j)(2) sets out the provisions of the Rule to which institutional debt research remains subject, and Rule 2242(j)(3) specifies a ''health warning'' that must be prominently disclosed on the first page of institutional debt research, alerting recipients that, among other things, the research report is not subject to all of the protections of retail debt research. Rule 2242(j)(1) requires either negative or affirmative written consent for eligible institutional investors to receive institutional debt research pursuant to the exemption.

FINRA is proposing to clarify the application of Rule 2242(j) to non-U.S. investors that are customers of a member's U.S. affiliate but not customers of the member. Specifically, FINRA is proposing to amend Rule 2242 to include Supplementary Material providing that the requirements of paragraphs (j)(1)(A) and (B) of the Rule[9] shall not apply to the distribution of an institutional debt research report by a non-U.S. affiliate of a member to a non-U.S. investor, provided that: (a) The non-U.S. investor is not a customer of the member; (b) the non-U.S. investor is a customer of the non-U.S. affiliate of the member; and (c) the non-U.S. affiliate of the member has a reasonable basis to believe that the customer meets the definition of ''institutional account'' in Rule 4512(c). A member's research reports, including globally branded research reports, may be distributed by a non-U.S. affiliate of the member to its non-U.S. customers pursuant to proposed Supplementary Material .12.

FINRA drafted the institutional debt research exemption with U.S. customers in mind. FINRA is concerned that, absent the proposed amendment, the exemption may be impractical for some U.S. member firms with global operations. These firms typically have non-U.S. affiliates that distribute the member research to those affiliates' non-U.S. customers. In many cases, the U.S. member and its non-U.S. affiliates will produce a single globally branded research product, which the non-U.S.

[4] *See* Securities Exchange Act Release No. 73623 (November 18, 2014), 79 FR 69905 (November 24, 2014) (Notice of Filing of File No. SR–FINRA–2014–048).

[5] *See* Securities Exchange Act Release No. 74490 (March 12, 2015), 80 FR 14198 (March 18, 2015) (Notice of Filing of Amendment No. 1 to File No. SR–FINRA–2014–048).

[6] *See* Securities Exchange Act Release No. 75472 (July 16, 2015), 80 FR 43528 (July 22, 2015) (Order Approving File No. SR–FINRA–2014–048).

[7] *See Regulatory Notice* 15–31 (August 2015).

[8] *See* Securities Exchange Act Release No. 77158 (February 17, 2016), 81 FR 9065 (February 23, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR–FINRA–2016–008). *See also* Securities Exchange Act Release No. 77726 (April 27, 2016), 81 FR 26593 (May 3, 2016) (Notice of Filing and Immediate Effectiveness of File No. SR–FINRA–2016–013).

[9] Rule 2242(j)(1)(A) allows distribution of institutional debt research via negative written consent to a person who meets the definition of a qualified institutional buyer (QIB) and where, pursuant to FINRA Rule 2111(b): (1) The member or associated person has a reasonable basis to believe that the QIB is capable of evaluating investment risks independently, both in general and with regard to particular transactions and investment strategies involving a debt security or debt securities; and (2) the QIB has affirmatively indicated that it is exercising independent judgment in evaluating the member's recommendations pursuant to FINRA Rule 2111 and such affirmation is broad enough to encompass transactions in debt securities. Rule 2242(j)(1)(B) allows distribution of institutional debt research via affirmative written consent to a person who meets the definition of ''institutional account'' in FINRA Rule 4512(c).

affiliates will distribute to their own customers. Rule 2242(j)(4) states that a member may not rely on the institutional debt research exemption with respect to a debt research report that the member has reason to believe will be redistributed to a retail investor. Thus, to the extent these member firms with global research operations cannot obtain the required consents from all non-U.S. customers of their non-U.S. affiliates, they would lose the ability to use the exemption with respect to institutional debt research distributed to their U.S. customers—the intended purpose of the Rule. Alternatively, the non-U.S. affiliates would be required to cut off distribution of such research to non-U.S. customers that could not or would not give the required consent,[10] notwithstanding that receipt of the research is permitted and subject to applicable regulations in the home jurisdiction. Under these circumstances, FINRA believes where these customers are not also customers of the U.S. broker-dealers, the regulatory concerns addressed by the consent requirements of the exemption are far more attenuated.

Importantly, the proposed rule change would have no investor protection impact on either U.S. institutional investors or non-U.S. customers of the U.S. broker-dealer, as the consent requirements would continue to apply under those circumstances. Moreover, FINRA believes the proposed rule change would have minimal investor protection impact on the non-U.S. institutional investors, as the institutional debt research they would receive would still be subject to all other aspects of Rule 2242(j), including notably the ''health warning'' that identifies the intended institutional audience and highlights the key conflicts associated with the research report.

Distribution to Persons for Informational Purposes

The requirements of Rule 2242 are premised on the idea that debt research reports are distributed to investors that may base their investment decisions on the debt research reports or may incorporate elements of the debt research reports into their investment decisions. FINRA is aware that some members make their research reports available to some persons for specific informational purposes unrelated to investing in debt securities. The institutional exemption in Rule 2242(j) does not currently expressly contemplate distributing institutional debt research reports to these ''non-investors.'' FINRA believes that it is appropriate to permit members to distribute institutional debt research reports to these persons, provided that the persons negatively consent to receiving institutional debt research with the understanding that the research is not being provided for investment purposes.

The proposed rule change would amend Rule 2242 to include Supplementary Material .13 permitting a member to distribute institutional debt research reports to specified persons for informational purposes unrelated to investing in debt securities, provided that the member does not distribute the reports prior to their publication and the member has disclosed that: (1) The member may provide to institutional investors debt research reports that are not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors; and (2) the debt research reports would be provided only for informational purposes and not for the purpose of making an investment decision related to debt securities. The proposed Supplementary Material would also provide that, if the person receiving institutional debt research does not contact the member to request that such institutional debt research reports not be provided, the member may reasonably conclude that the person has consented to receiving debt institutional research reports according to the terms of the Supplementary Material.

The proposed Supplementary Material sets out the circumstances where institutional debt research may be distributed for informational purposes unrelated to investing in debt securities: (1) Regulators for regulatory purposes; (2) academics for academic purposes; (3) issuers for the purpose of enhancing knowledge of their industry and competitors and market and economic factors; and (4) media organizations for news gathering purposes.

FINRA believes that permitting the provision of institutional debt research to these persons for the specified informational purposes serves the public interest without investor protection implications.

Distribution of Third-Party Debt Research Reports to Institutional Investors

FINRA previously stated that the institutional exemption in Rule 2242(j) applies to the content and disclosure requirements for third-party debt research reports.[11] FINRA is proposing to amend Rule 2242 to clarify the requirements applicable to the distribution of third-party debt research reports pursuant to the institutional debt research exemption.

The proposed rule change would amend Rule 2242 to clarify that a member that distributes third-party debt research reports to institutional investors pursuant to the exemption must establish, maintain and enforce written policies and procedures reasonably designed to comply with paragraphs (g)(1), (g)(2), (g)(4) and (g)(6) of the Rule.[12] The review requirements in paragraphs (g)(2) and (g)(4) for third-party debt research reports and independent third-party debt research reports, respectively, would apply to reports distributed to retail investors or to institutional investors. Accordingly, third-party debt research reports distributed pursuant to the exemption would be subject to the same review requirements as third-party debt research reports distributed to retail investors.[13]

With respect to disclosures, the proposed rule change would clarify that third-party debt research reports distributed pursuant to the institutional exemption are not required to carry the specific disclosures applicable to retail debt research set forth in paragraph (g)(3) of the Rule. FINRA believes that it is consistent with the exemption not to require specific disclosures when distributing third-party research reports, but instead to require a ''health warning.'' Accordingly, the proposed rule change would amend Rule 2242 to clarify that third-party debt research reports distributed to institutional investors must disclose prominently: (A) ''This document is intended for institutional investors and is not subject

[10] FINRA understands that firms have had difficulty obtaining consents from non-U.S. entities for several reasons, including the absence of the QIB standard in other jurisdictions and confusion from the customer as to why it must provide affirmative written consent under a U.S.-based rule regime to continue to receive a valued product from the non-U.S. affiliate of which it is a customer.

[11] *See* Securities Exchange Act Release No. 75472 (July 16, 2015), 80 FR 43528 (July 22, 2015) (Order Approving File No. SR–FINRA–2014–048).

[12] *See* proposed Rule 2242(j)(3).

[13] FINRA notes that, consistent with FINRA Rule 2210(b)(3) (Communications with the Public), third-party debt research reports that are subject to review under Rule 2242(g)(2) (*i.e.,* non-independent third-party debt research reports) do not require a registered principal to approve the communication prior to distribution, provided that the firm establishes and implements written procedures for the supervision and review of such communications. *See* FINRA Rule 2210 Questions and Answers at *http://www.finra.org/industry/finra-rule-2210-questions-and-answers.*

to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors''; and (B) if applicable, ''This report may not be independent of [Firm's] proprietary interests. [Firm] trades the securities covered in this report for its own account and on a discretionary basis on behalf of certain clients. Such trading interests may be contrary to the recommendation(s) offered in this report.'' [14]

FINRA has not proposed requiring that third-party debt research reports distributed to institutional investors disclose prominently the disclosure required by paragraph (j)(4)(B) of the Rule.[15] FINRA intended the disclosure in paragraph (j)(4)(B) of the Rule to apply only when the research report was produced by the member.[16] FINRA notes that the Rule does not require similar disclosure for third-party research reports distributed to retail investors, nor is there such a requirement in Rule 2241 with respect to third-party equity research reports. FINRA believes that it is commonly understood that the views in third-party research reports may differ from the views of the member or from other third-party research reports. For these reasons, FINRA believes that it is appropriate not to require third-party debt research reports distributed to institutional investors to disclose prominently the disclosure required by paragraph (j)(4)(B) of the Rule.

In addition, FINRA has not proposed to include paragraph (g)(5) of the Rule in the list of applicable paragraphs of the Rule set forth in proposed paragraph (j)(3). Paragraph (g)(5) of the Rule dictates the circumstances in which paragraph (g)(3) of the Rule does not apply to third-party research reports.[17] Because FINRA is proposing not to require the specific disclosures set forth in paragraph (g)(3) of the Rule when distributing third-party research reports, but instead to require a ''health warning,'' FINRA believes that paragraph (g)(5) of the Rule should not apply to third-party debt research reports distributed via the exemption to institutional investors.

Public Appearances by Debt Research Analysts

Rule 2242(d) requires disclosures from debt research analysts in public appearances, including debt research analysts that only prepare debt research reports pursuant to the institutional debt research exemption. FINRA has previously stated that it would be inconsistent with the rationale of the institutional exemption—*i.e.,* that all recipients of debt research have sufficient sophistication to understand the conflicts of interest without the specific disclosures and other protections afforded retail debt research—to allow debt research analysts to make public appearances before an audience that could include retail investors.[18]

However, based on the same rationale, FINRA believes that it is consistent with the institutional exemption in paragraph (j) of the Rule to exempt public appearances by debt research analysts from the disclosure requirements in paragraph (d) of the Rule where attendance is limited to institutional investors eligible to receive institutional debt research reports. Accordingly, FINRA is proposing new Supplementary Material .14 to clarify that the public appearance disclosure requirements do not apply in those circumstances. The proposed rule change would require that the member maintain records sufficient to demonstrate that attendance at the public appearance was limited to institutional investors eligible to receive institutional debt research. The proposed rule change would require that the records be maintained for at least three years from the date of the public appearance.

The disclosure requirements of paragraph (d) of the Rule would apply where attendance at the public appearance was not limited to institutional investors eligible to receive institutional debt research reports.

FINRA has filed the proposed rule change for immediate effectiveness. The implementation date of the proposed rule change will be July 16, 2016.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[19] which requires, among other things, that FINRA rules must 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. FINRA believes that the proposed rule change is consistent with the Act in that it clarifies the requirements of Rule 2242, which addresses conflicts of interest relating to the publication and distribution of debt research reports. Specifically, FINRA believes the proposed rule change is consistent with the Act in that it clarifies: (1) The consent requirement for institutional debt research reports distributed to non-U.S. investors by non-U.S. affiliates of members; (2) the consent requirement for institutional debt research reports distributed to specified persons for informational purposes unrelated to investing in debt securities; (3) the scope of the exemption for third-party debt research reports distributed via the exemption to institutional investors and the applicable requirements; and (4) the disclosure requirements for debt research analysts in public appearances. FINRA further believes that the proposed rule change would facilitate the flow of valued information to sophisticated U.S. investors, while maintaining the investor protections intended by the Rule for those investors.

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

FINRA 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. The clarifications in the proposed rule change will result in reduced burdens for members to comply with the requirements of Rule 2242. The proposed rule change does not impose any material new obligations on members.

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

Written comments were neither solicited nor received.

[14] *See* proposed Rule 2242(j)(5).

[15] Rule 2242(j)(4)(B) requires that debt research reports provided to institutional investors pursuant to the exemption disclose prominently on the first page, if applicable, that ''[t]he views expressed in this report may differ from the views offered in [Firm's] debt research reports prepared for retail investors.''

[16] FINRA has previously stated that the disclosure is required only if the member produces both retail and institutional debt research reports that sometimes differ in their views. *See* Securities Exchange Act Release No. 75472 (July 16, 2015), 80 FR 43528 (July 22, 2015) (Order Approving File No. SR–FINRA–2014–048).

[17] Rule 2242(g)(5) states that ''[a] member shall not be considered to have distributed a third-party debt research report for the purposes of paragraph (g)(3) where the research is an independent third-party debt research report and made available by a member (a) upon request; (b) through a member-maintained Web site; or (c) to a customer in connection with a solicited order in which the registered representative has informed the customer, during the solicitation, of the availability of independent debt research on the solicited debt security and the customer requests such independent debt research.''

[18] *See* FINRA Research Rules Frequently Asked Questions at *https://www.finra.org/industry/faq-research-rules-frequently-asked-questions-faq.*

[19] 15 U.S.C. 78*o*–3(b)(6).

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) of the Act [20] and Rule 19b–4(f)(6) thereunder.[21]

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 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.* Please include File Number SR–FINRA–2016–017 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–FINRA–2016–017. 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 filing also will be available for inspection and copying at the principal office of FINRA. 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–FINRA–2016–017, and should be submitted on or before June 28, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Brent J. Fields,

Secretary.

[FR Doc. 2016–13318 Filed 6–6–16; 8:45 am]

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[20] 15 U.S.C. 78s(b)(3)(A).

[21] 17 CFR 240.19b–4(f)(6).

[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–77960; File No. SR–BatsBZX–2016–20]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 14.13, Company Listing Fees

June 1, 2016.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on May 20, 2016, Bats BZX Exchange, Inc. (the ''Exchange'' or ''BZX'') 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 Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under section 19(b)(3)(A)(ii) of the Act [3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the fees applicable to securities listed on the Exchange, which are set forth in BZX Rule 14.13.

The text of the proposed rule change is available at the Exchange's Web site at *www.batstrading.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 parts of such statements.

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

1. Purpose

On August 30, 2011, the Exchange received approval of rules applicable to the qualification, listing, and delisting of companies on the Exchange,[5] which it modified on February 8, 2012 in order to adopt pricing for the listing of exchange traded products (''ETPs'') [6] on the Exchange,[7] which it subsequently modified again on June 4, 2014.[8] On October 16, 2014, the Exchange modified Rule 14.13, entitled ''Company Listing Fees'' to eliminate the annual fees for ETPs not participating in the Exchange's Competitive Liquidity Provider Program pursuant to Rule 11.8, Interpretation and Policy .02 (the ''CLP

[5] *See* Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR–BATS–2011–018).

[6] As defined in Rule 11.8(e)(1)(A), the term ''ETP'' means any security listed pursuant to Exchange Rule 14.11.

[7] *See* Securities Exchange Act Release No. 66422 (February 17, 2012), 77 FR 11179 (February 24, 2012) (SR–BATS–2012–010).

[8] *See* Securities Exchange Act Release No. 72377 (June 12, 2014), 79 FR 34822 (June 18, 2014) (SR–BATS–2014–024).