

become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>12</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>13</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The proposed rule change modifies the name of the PFOF program operated by the Exchange in a manner that is consistent with terminology used on other options markets.<sup>14</sup> Because the proposal does not raise any new or novel issues and only involves a non-material change in terminology, the Commission believes the waiver of the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the operative delay and designates the proposal operative upon filing.<sup>15</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 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 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-ISE-2016-04 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-ISE-2016-04. 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-ISE-2016-04, and should be submitted on or before February 24, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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<sup>16</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76983; File No. SR-NYSE-2015-48]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Order Approving a Proposed Rule Change Deleting Rule 410B Governing Reporting Requirements for Off-Exchange Transactions

January 28, 2016.

#### I. Introduction

On October 16, 2015, New York Stock Exchange LLC ("NYSE" or the "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 delete Rule 410B governing reporting requirements for off-Exchange transactions. The proposed rule change was published for comment in the **Federal Register** on November 2, 2015.<sup>3</sup> The Commission received no comment letters on the proposed rule change. On December 16, 2015, the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change.<sup>4</sup> The Commission is approving the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange proposes to delete Rule 410B, which sets forth certain regulatory reporting requirements for member or member organizations effecting off-Exchange transactions in Exchange listed securities that are not reported to the Consolidated Tape, and to make conforming amendments to Rule 476A to delete a reference to Rule 410B. The Exchange represents that Rule 410B is no longer necessary in light of changes in trade reporting and regulatory requirements that have been put in place since the Exchange adopted Rule 410B.

##### Changes to Regulatory Landscape

On July 30, 2007, the National Association of Securities Dealers, Inc. ("NASD"), NYSE, and NYSE Regulation, Inc. ("NYSE Regulation") consolidated their member firm

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

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

<sup>3</sup> See Securities Exchange Act Release No. 76277 (October 27, 2015), 80 FR 67443.

<sup>4</sup> See Securities Exchange Act Release No. 76666, 80 FR 79644 (December 22, 2015).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of 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.

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> See e.g., Chicago Board Options Exchange Fee Schedule, available at <http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf>.

<sup>15</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

regulation operations to create the Financial Industry Regulatory Authority, Inc. (“FINRA”), and entered into a plan to allocate to FINRA regulatory responsibility for common rules and common members (“17d-2 Agreement”).<sup>5</sup>

In 2008, the Exchange, NASD, NYSE MKT LLC (“NYSE MKT”), and NYSE Regulation also entered into a plan to allocate to FINRA regulatory responsibility, over exchange members that are also FINRA members, for surveillance, investigation, and enforcement of insider trading with respect to NYSE- and MKT-listed stocks, among others, irrespective of where the relevant trading occurred (the “Insider Trading Plan”).<sup>6</sup> On June 14, 2010, FINRA was retained to perform the residual market surveillance and enforcement functions that had, up to that point, been performed by NYSE Regulation.<sup>7</sup> In January 2011, the SEC approved an amendment to the Insider Trading Plan whereby FINRA also assumed responsibility for performing the insider-trading-related market surveillance and enforcement functions previously conducted by NYSE Regulation for its U.S. equities and options markets.<sup>8</sup>

#### Changes in Trade Reporting and Regulatory Reporting

In 1998, FINRA (then the NASD) established the Order Audit Trail System (OATS), as an integrated audit trail of order, quote, and trade information for OTC equity securities and equity securities listed and traded on The Nasdaq Stock Market, Inc. (“Nasdaq”).<sup>9</sup> In 2010, FINRA Rules 7410 through 7470 (the “OATS Rules”) were amended to extend the recording and reporting requirements to all NMS

stocks, as that term is defined in Rule 600(b)(47) of Regulation NMS,<sup>10</sup> including NYSE- and MKT-listed securities. The Exchange adopted the OATS Rules in 2011.<sup>11</sup> The Exchange states that FINRA may use the information it collects pursuant to the OATS Rules to perform its regulatory functions.

According to the Exchange, Rule 410B also predates the establishment of a FINRA Trade Reporting Facility (“TRF”). FINRA Rule 6110 requires FINRA members to report transactions in NMS stocks<sup>12</sup> effected “otherwise than on or through a national securities exchange.”<sup>13</sup> Pursuant to FINRA Rules 6310A and 6310B, FINRA members may use either the FINRA/NYSE TRF or FINRA/Nasdaq TRF to report such off-Exchange transactions.<sup>14</sup> FINRA members using these TRFs to report off-Exchange transactions are in turn subject to FINRA Rule 7230B, which, the Exchange states, imposes transaction-information reporting requirements similar to Rule 410B.<sup>15</sup> As a result, the Exchange represents that dual members of both the Exchange and FINRA must report off-Exchange transactions to a TRF and submit substantially similar reports to the Exchange and FINRA.

#### Proposed Rule Change

The Exchange proposes to delete Rule 410B in its entirety. The Exchange represents that, since 2010, surveillance and enforcement responsibilities across markets have been consolidated at FINRA, which conducts cross-market surveillances on the Exchange’s behalf utilizing various data sources, including extensive trade and other information that FINRA collects pursuant to its rules. This trade information includes reports of off-exchange transactions.

The Exchange represents that all of its member organizations, with only nine exceptions, are members of FINRA and, as such, must report all off-exchange transactions to FINRA, including transactions away from the Exchange that are not reported to the Consolidated Tape. The Exchange further represents that this information is essentially

duplicative of the Rule 410B reports the Exchange currently supplies to FINRA. The Exchange notes that one exception would be transactions in dually listed securities executed on and reported to a foreign securities exchange, which are not required to be reported because such trades are executed “on or through an exchange.”<sup>16</sup> The Exchange represents that it believes such trades pose little regulatory risk and, given that no other exchange has a rule comparable to Rule 410B, notes that such trades are also not being reported to other equities exchanges. Finally, the Exchange represents that only a handful of firms currently account for all of the Rule 410B activity, all of whom are also FINRA members.<sup>17</sup> The Exchange believes that Rule 410B is thus no longer necessary, and deleting it would eliminate essentially duplicative reporting of off-Exchange transactions by dual members.

The Exchange does not believe that eliminating the Rule 410B reporting requirement for the small number of NYSE-only members<sup>18</sup> would pose any significant regulatory risk. The Exchange represents that none of these firms has ever submitted a Rule 410B report. The Exchange also notes that NYSE-only members would remain subject to federal and Exchange books and records requirements.<sup>19</sup>

#### III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act<sup>20</sup> and the rules and regulations thereunder applicable to a national securities exchange.<sup>21</sup> In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>22</sup> which requires, among other things, that the rules of a national securities exchange be

<sup>16</sup> See Trade Reporting Frequently Asked Questions, Section 701, Q/A701.1, available at <http://www.finra.org/industry/trade-reporting-faq>.

<sup>17</sup> According to the Exchange, Rule 410B Weekly Reports submitted to the SEC in July and August 2015 reveal that only five firms, all also FINRA members, accounted for all of the Rule 410B trading activity. The Exchange further represents that the list of firms that have in the past submitted Rule 410B reports does not include any non-FINRA members.

<sup>18</sup> The Exchange represents that these nine non-FINRA member firms do not have any public customers and are also members of Nasdaq as well as NYSE.

<sup>19</sup> See 17 CFR 240.17a-3, 17 CFR 240.17a-4 & Rule 440—Equities.

<sup>20</sup> 15 U.S.C. 78f.

<sup>21</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>22</sup> 15 U.S.C. 78f(b)(5).

<sup>5</sup> See Securities Exchange Act Release No. 56148 (July 26, 2007), 72 FR 42146 (August 1, 2007) (File No. 4-544) (Notice of Filing and Order Approving and Declaring Effective a Plan for the Allocation of Regulatory Responsibilities). In 2007, the NASD, NYSE, the Exchange and NYSE Regulation also entered into a Regulatory Services Agreement (“RSA”), whereby FINRA was retained to perform certain regulatory services for non-common rules.

<sup>6</sup> See Securities Exchange Act Release No. 54646 (September 12, 2008), 73 FR 54646 (September 22, 2008) (File No. 4-566). See also Securities Exchange Act Release No. 58806 (October 17, 2008), 73 FR 63216 (October 23, 2008) (File No. 4-566).

<sup>7</sup> See Securities Exchange Act Release No. 62355 (June 22, 2010), 75 FR 36729 (June 28, 2010) (SR-NYSE-2010-46); Securities Exchange Act Release No. 62354 (June 22, 2010), 75 FR 36730 (June 28, 2010) (SR-NYSEAmex-2010-57). NYSE Regulation performed the regulatory functions of NYSE MKT pursuant to an intercompany RSA.

<sup>8</sup> See Securities Exchange Act Release No. 63750 (January 21, 2011), 76 FR 4948 (January 27, 2011) (File No. 4-566).

<sup>9</sup> See Securities Exchange Act Release No. 39729 (March 6, 1998), 63 FR 12559 (March 13, 1998) (SR-NASD-97-56).

<sup>10</sup> See Securities Exchange Act Release No. 63311 (November 12, 2010), 75 FR 70757 (November 18, 2010) (SR-FINRA-2010-044). See also 17 CFR 242.600(b)(47).

<sup>11</sup> See Securities Exchange Act Release No. 65524 (October 7, 2011), 76 FR 64151 (October 17, 2011) (SR-NYSEAmex-2011-74).

<sup>12</sup> As defined in Rule 600(b)(47) of Regulation NMS, 17 CFR 242.600(b)(47).

<sup>13</sup> See FINRA Rule 6110. See generally FINRA Rule 6300A and 7200A Series (FINRA/Nasdaq TRF) and 6300B and 7200B Series (FINRA/NYSE TRF).

<sup>14</sup> See FINRA Rules 6300A & 6300B.

<sup>15</sup> See Rule 7230B.

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 and that the rules are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Based on the Exchange's representations, the Commission believes that eliminating the Rule 410B reporting requirement will not reduce the amount of publicly available information about securities transactions and that it is not likely to hamper the ability of the Exchange to conduct regulatory oversight of its members. The Commission notes that Rule 410B does not currently provide for real-time, publicly disseminated reporting of transactions, but instead requires non-public, electronic reporting of trade data to the Exchange on a next-day basis for regulatory purposes only. The Commission further notes that the Exchange represents that its members would remain subject to federal and Exchange books-and-records requirements<sup>23</sup> and that Exchange members would still be required to provide such trade data to the Exchange upon the Exchange's request. For these reasons, the Commission believes that the proposal should help to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>24</sup> that the proposed rule change (SR-NYSE-2015-48) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

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

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<sup>23</sup> See 17 CFR 240.17a-3, 17 CFR 240.17a-4 & Rule 440—Equities.

<sup>24</sup> 15 U.S.C. 78s(b)(2).

<sup>25</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### Extension:

Form N-8F, OMB Control No. 3235-0157, SEC File No. 270-136.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Form N-8F (17 CFR 274.218) is the form prescribed for use by registered investment companies in certain circumstances to request orders of the Commission declaring that the registration of that investment company cease to be in effect. The form requests information about: (i) The investment company's identity, (ii) the investment company's distributions, (iii) the investment company's assets and liabilities, (iv) the events leading to the request to deregister, and (v) the conclusion of the investment company's business. The information is needed by the Commission to determine whether an order of deregistration is appropriate.

The Form takes approximately 5.2 hours on average to complete. It is estimated that approximately 150 investment companies file Form N-8F annually, so the total annual burden for the form is estimated to be approximately 780 hours. The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act and is not derived from a comprehensive or even a representative survey or study.

The collection of information on Form N-8F is not mandatory. The information provided on Form N-8F is not kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently-valid OMB control number.

The public may view the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive

Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) 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). Comments must be submitted to OMB within 30 days of this notice.

Dated: January 29, 2016.

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

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76994; File No. SR-NYSEArca-2015-121]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Order Approving Proposed Rule Change To Provide for Price Collar Thresholds for Trading Halt Auctions

January 28, 2016.

#### I. Introduction

On December 7, 2015, NYSE Arca, 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 amend Exchange Rule 1.1(s) to provide for price collar thresholds for Trading Halt Auctions. The proposed rule change was published for comment in the **Federal Register** on December 24, 2015.<sup>3</sup> The Commission received three comment letters on the proposed rule change.<sup>4</sup> This order approves the proposed rule change.

#### II. Description of the Proposed Rule Change

The Exchange currently conducts Trading Halt Auctions under Exchange Rule 7.35(f).<sup>5</sup> To respond to market

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

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

<sup>3</sup> See Securities Exchange Act Release No. 76690 (December 18, 2015), 80 FR 80430 ("Notice").

<sup>4</sup> See letters from David LaValle, US Head of SPDR ETF Capital Markets, State Street Global Advisors, dated January 14, 2016 ("SSGA Letter"); Joanne Medero, US Head of Government Relations & Public Policy, Samara Cohen, US Head of iShares Capital Markets, Hubert De Jesus, Co-Head of Market Structure and Electronic Trading, BlackRock, Inc., dated January 14, 2016 ("BlackRock Letter"); and Eric Swanson, General Counsel & Secretary, BATS Global Markets, Inc., dated January 22, 2016 ("BATS Letter").

<sup>5</sup> See Exchange Rule 7.35(f); see also Notice, *supra* note 3, at 80431.