

objective and will not be used to enhance leverage. That is, while a Fund will be permitted to borrow as permitted under the 1940 Act, a Fund's investments will not be used to seek performance that is the multiple or inverse multiple (*i.e.*, 2Xs and 3Xs) of a Fund's primary broad-based securities benchmark index (as defined in Form N-1A).

This approval order is based on all of the Exchange's representations, including those set forth above, in the Notice, and in Amendment No. 1. The Commission notes that the Funds and the Shares must comply with the requirements of NYSE Arca Equities Rule 8.600 to be initially and continuously listed and traded on the Exchange.

#### IV. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 1 to the proposed rule change is consistent with the Exchange 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-NYSEArca-2016-28 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-NYSEArca-2016-28. 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-NYSEArca-2016-28 and should be submitted on or before May 9, 2016.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the 30th day after the date of publication of notice of Amendment No. 1 in the **Federal Register**. Amendment No. 1 revised the proposed rule change by: (1) Clarifying the permitted investments of the Funds; (2) modifying the investment restrictions applicable to the Funds; (3) clarifying how certain investments will be valued for computing each Fund's NAV; (4) describing where price information can be obtained for certain investments of the Funds; and (5) providing additional representations relating to the continued listing requirements for listing the Shares on the Exchange, including issuer notification requirements if a Fund fails to comply with such continued listing requirements, and Exchange surveillance obligations relating to such continued listing requirements.

Amendment No. 1 supplements the proposed rule change by, among other things, clarifying the scope of the Funds' permitted investments and investment restrictions and providing additional information about the availability of pricing information for the Funds' underlying assets. It also helps the Commission evaluate whether the listing and trading of the Shares of the Funds would be consistent with the protection of investors and the public interest.

Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,<sup>31</sup> to approve the proposed rule change, as modified by Amendment No. 1 on an accelerated basis.

<sup>31</sup> 15 U.S.C. 78s(b)(2).

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Exchange Act,<sup>32</sup> that the proposed rule change (SR-NYSEArca-2016-28), as modified by Amendment No. 1 thereto, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>33</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-08818 Filed 4-15-16; 8:45 am]

BILLING CODE 8011-01-P

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77591; File No. SR-NYSE-2016-26]

#### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Price List To Adopt a Rebate Program for the NYSE Bonds<sup>SM</sup> System

April 12, 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 29, 2016, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III 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 its Price List, effective April 1, 2016, to adopt a rebate program for the NYSE Bonds<sup>SM</sup> system. 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.

<sup>32</sup> 15 U.S.C. 78s(b)(2).

<sup>33</sup> 17 CFR 200.30-3(a)(12).

<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.

## 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

The Exchange proposes to amend its Price List, effective April 1, 2016, to adopt a rebate program for the NYSE Bonds system.

The Exchange currently charges an execution fee per bond for orders that take liquidity from the NYSE Bonds Book. For executions of one to 10 bonds, the Exchange charges \$0.50 per bond; for executions of 11 to 25 bonds, the Exchange charges \$0.20 per bond; and for executions of 26 bonds or more, the Exchange charges \$0.10 per bond. The execution fees for bonds are subject to a \$100.00 maximum fee per execution. The Exchange currently does not provide any rebates for bond transactions, other than rebates for bond liquidity providers that meet the requirements of Rule 88.<sup>4</sup> The Exchange is not proposing any change to the bond liquidity provider rebate program.

The Exchange proposes to adopt the Liquidity Provider Incentive Program, a voluntary rebate program relating to bonds pursuant to which the Exchange would pay Users<sup>5</sup> of NYSE Bonds a monthly rebate provided Users who opt into the proposed rebate program meet specified quoting requirements. Under the program, the rebate payable would be based on the number of CUSIPs<sup>6</sup> a

User decides to quote. The more CUSIPs quoted by a User, the higher the rebate that would be payable by the Exchange to the User. The Exchange believes that the proposed changes would encourage additional displayed liquidity in bonds on the Exchange.

As proposed, the rebate amount would be tiered based on the number of CUSIPs quoted by a User, as follows:

#### LIQUIDITY PROVIDER INCENTIVE PROGRAM

Number of CUSIPs	Monthly rebate
400–599 .....	\$10,000
600–799 .....	20,000
800 or more .....	30,000

To qualify for a rebate, a User would have to provide continuous two-sided quotes for at least eighty percent (80%) of the time during the Core Bond Trading Session<sup>7</sup> for an entire calendar month. The Exchange would calculate each participating User's quoting performance beginning each month on a daily basis, up to and including the last trading day of a calendar month, to determine at the end of each month each User's monthly average. The Exchange would provide Users a report on a daily basis with quoting statistics so that Users can determine whether or not they are meeting the Exchange's current stated criteria. Under the program, Users must provide a two-sided quote for a minimum of hundred (100) bonds per side of the market with an average spread of half-point (\$0.50) or less in CUSIPs whose average maturity is at least five (5) years as of the date the User provides a quote. Average maturity is calculated by determining the number of calendar days between the quote date and the maturity date of a bond. The resulting number (total days to maturity) is divided by 365 to derive the maturity in years.

As an incentive for Users to opt in to the Liquidity Provider Incentive Program, the Exchange proposes a lower quoting requirement of 50% that would be applicable for the first calendar month after a User opts in. After the first calendar month, the User would be required to meet the 80% quoting requirement to receive a rebate. A User who first opts in, and who therefore would be subject to the 50% quoting

facilitates the clearance and settlement process of securities. See <http://www.sec.gov/answers/cusip.htm>.

<sup>7</sup> The Core Bond Trading Session commences with the Core Bond Auction at 8:00 a.m. ET and concludes at 5:00 p.m. ET. See Rule 86(i)(2).

requirement for the first calendar month, and then opts out, would not be entitled to the 50% quoting incentive if that User decides to opt in to the program again at a later date. The 50% quoting incentive would only be available to a User once for the first calendar month after the User first opts in to the Liquidity Provider Incentive Program.

Users that opt in to the Liquidity Provider Incentive Program would be subject to a transaction fee for orders that provide liquidity to the NYSE Bonds Book of \$0.50 per bond, and for orders that take liquidity from the NYSE Bonds Book, the current tiered fees would apply, *i.e.*, \$0.50 per bond for executions of one to 10 bonds, \$0.20 per bond for executions of 11 to 25 bonds and \$0.10 per bond for executions of 26 bonds or more, with a maximum fee of \$100 per execution. Users that do not opt in to the Liquidity Provider Incentive Program would be subject to the Exchange's standard fees and rebates, as currently provided on the Price List.

The Liquidity Provider Incentive Program would be applicable on trading days, as determined by Securities Industry and Financial Markets Association ("SIFMA"),<sup>8</sup> and not the Exchange.

As noted above, the Liquidity Provider Incentive Program would be voluntary and Users that wish to participate would be required to opt in by notifying the Exchange via electronic email. Users would be required to communicate to the Exchange their intention to opt in, or to opt out if they are already participating in the program, by the end of the Core Bond Trading Session on the first trading day of a calendar month.

The Exchange proposes that if a User meets the quoting requirements for a given month, that User would be entitled to a rebate that month. As proposed, the amount of the rebate would be based on the number of CUSIPs in which the User met the quoting requirement. For example, a User who opts in to the Liquidity Provider Incentive Program on the first trading day of the month and provides a two-sided quote in 500 CUSIPs, whose average maturity is at least five (5) years as of the quote date, for at least 50% of the time during the Core Bond Trading Session for that entire calendar month, would receive a rebate of \$10,000 for that month. For subsequent months, this User would be required to provide a

<sup>4</sup> There are currently no bond liquidity providers who meet the requirements of Rule 88 and therefore no rebates are currently provided under the program.

<sup>5</sup> Rule 86(b)(2)(M) defines a User as any Member or Member Organization, Sponsored Participant, or Authorized Trader that is authorized to access NYSE Bonds.

<sup>6</sup> CUSIP stands for Committee on Uniform Securities Identification Procedures. A CUSIP number identifies most financial instruments, including: Stocks of all registered U.S. and Canadian companies, commercial paper, and U.S. government and municipal bonds. The CUSIP system—owned by the American Bankers Association and managed by Standard & Poor's—

<sup>8</sup> The SIFMA holiday schedule for 2016 is available at <http://www.sifma.org/services/holiday-schedule/#us2016>.

two-sided quote for at least 80% of the time during the Core Bond Trading Session in order for the User to continue to receive the rebate.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>9</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>10</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange believes that it is reasonable and equitable to adopt the Liquidity Provider Incentive Program for the bonds trading platform, which would provide rebates for member organizations that provide liquidity and meet quoting volume requirements. The proposed rebate program would provide incentives for additional liquidity at the Exchange. The Exchange believes that the proposed quoting requirements to qualify for rebates, which would be based on the size, spread and maturity dates, are reasonable and would not unfairly discriminate between customers, issuers, and brokers or dealers because all member organizations that opt in to the Liquidity Provider Incentive Program would be subject to the same requirements. The Exchange further believes that the proposed quoting requirements are reasonable because they are designed to provide an incentive for member organizations to increase displayed liquidity at the Exchange, thereby increasing traded volume.

The Exchange also believes it is reasonable and equitable to charge a fee to Users who opt in to the proposed rebate program when they provide liquidity in bonds traded on the Exchange. The proposed maker fee is intended to offset the significant rebates proposed by the Exchange, which would increase as the number of CUSIPs quoted by a User increases. The Exchange further believes the proposed fee change is not unfairly discriminatory because all member organizations that opt in to the Liquidity Provider Incentive Program would be subject to the same fees.

Finally, recognizing the statements of Commissioners who have expressed concern about the state of the U.S. corporate and municipal bond markets as well as recommendations outlined in

the Commission's release of its Report on the Municipal Securities Market (Report), the Exchange believes that amending the Exchange's transaction fees for the Bonds system would create an incentive for bonds traders to direct their liquidity to the Exchange, and therefore would be an important element in the democratization of the fixed income market.<sup>11</sup> As highlighted in SEC Chair White's statement during the SEC's 2013 Roundtable on Fixed Income Markets, the Report makes recommendations that include (1) improving pre- and post-trade transparency; (2) promoting the use of transparent and open trading venues; and (3) requiring dealers to seek "best execution" for customers and to provide customers with relevant pricing information in connection with their transactions.<sup>12</sup> Achieving these recommendations and applying them to both the municipal and corporate bond markets would, in the Exchange's view, assist in lowering the systemic risk that is anticipated to increase as interest rates rise and the closed network of bond trading comes under pressure as retirement and pension managers seek to adjust their positions.

The Exchange believes the proposed fee change is consistent with these principles and the proposed Liquidity Provider Incentive Program is intended to provide additional liquidity to the market and add competition to the existing group of liquidity providers. The Exchange believes that by requiring Users to quote within the prescribed parameters for a percentage of the regular trading day, and by paying them a rebate for providing liquidity in large number of bonds, the Exchange is rewarding aggressive liquidity providers in the market, and by doing so, the Exchange will encourage the additional utilization of, and interaction with, the NYSE and provide customers with the premier venue for price discovery, liquidity, and competitive quotes.

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

In accordance with Section 6(b)(8) of the Act,<sup>13</sup> the Exchange believes that the proposed rule change would not impose

any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Debt securities typically trade in a decentralized OTC dealer market that is less liquid and transparent than the equities markets. The Exchange believes that the proposed change would increase competition with these OTC venues by creating incentives to engage in bonds transactions on the Exchange and rewarding market participants for actively quoting and providing liquidity in the only transparent bond market, which the Exchange believes will enhance market quality.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues that are not transparent. In such an environment, the Exchange must continually review, and consider adjusting its fees and rebates to remain competitive with other exchanges as well as with alternative trading systems and other venues that are not required to comply with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed change will impair the ability of member organizations or competing order execution venues to maintain their competitive standing in the financial markets.

## 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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>14</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>15</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(4), (5).

<sup>11</sup> See SEC Report on the Municipal Securities Market, at <http://www.sec.gov/news/studies/2012/-munireport073112.pdf>; "SEC's Gallagher Says Retail Bond Investors Fighting 'Headwinds'", Jesse Hamilton, Bloomberg News, Sep 20, 2012. See <http://www.bloomberg.com/news/2012-09-19/sec-s-gallagher-says-retail-bond-investors-fighting-headwinds-.html>.

<sup>12</sup> See Opening remarks of Chairman Mary Jo White at SEC Roundtable on Fixed Income Markets. <http://www.sec.gov/News/Speech/Detail/Speech/1365171515300>.

<sup>13</sup> 15 U.S.C. 78f(b)(8).

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f)(2).

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 under Section 19(b)(2)(B) <sup>16</sup> of the Act 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-NYSE-2016-26 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSE-2016-26. 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 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-NYSE-2016-26, and should be submitted on or before May 9, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

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

[FR Doc. 2016-08822 Filed 4-15-16; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 32069; File No. 812-14557]

#### Nuveen Fund Advisors, LLC, et al.; Notice of Application

April 12, 2016.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from sections 2(a)(32), 5(a)(1), 22(d), and 22(e) of the Act and rule 22c-1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and 17(a)(2) of the Act, and under section 12(d)(1)(j) for an exemption from sections 12(d)(1)(A) and 12(d)(1)(B) of the Act.

**SUMMARY:** Applicants request an order that would permit (a) series of certain open-end management investment companies to issue shares ("Shares") redeemable in large aggregations only ("Creation Units"); (b) secondary market transactions in Shares to occur at negotiated market prices rather than at net asset value ("NAV"); (c) certain series to pay redemption proceeds, under certain circumstances, more than seven days after the tender of Shares for redemption; (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units; (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the series to acquire Shares; and (f) certain series to perform creations and redemptions of Creation Units in-kind in a master-feeder structure.

**APPLICANTS:** Nuveen ETF Trust (the "Trust"), Nuveen Fund Advisors, LLC

("Nuveen"), and Nuveen Securities, LLC.

**FILING DATES:** The application was filed on October 2, 2015, and amended on November 17, 2015 and March 4, 2016.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on May 9, 2016, and should be accompanied by proof of service on applicants, in the form of an affidavit, or for lawyers, a certificate of service. Pursuant to rule 0-5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** The Commission: Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090; Applicants: 333 West Wacker Drive, Chicago, IL 60606.

**FOR FURTHER INFORMATION CONTACT:** James D. McGinnis, Attorney-Advisor at (202) 551-3025, or Sara Crovitz, Assistant Chief Counsel, at (202) 551-6862 (Division of Investment Management, Chief Counsel's Office).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at <http://www.sec.gov/search/search.htm> or by calling (202) 551-8090.

#### Applicants' Representations

1. The Trust is organized as a Massachusetts business trust. The Trust is, or will be prior to the commencement of operations of the initial series of the Trust (the "Initial Fund"), registered under the Act as an open-end management investment company.

2. Nuveen is registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") and will be the investment adviser to the Initial Fund. Any other Adviser (defined below) will also be registered as an investment adviser under the Advisers Act. An Adviser may enter into sub-advisory agreements with one or more

<sup>16</sup> 15 U.S.C. 78s(b)(2)(B).

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