

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition. For these reasons, the Exchange believes that the proposal is consistent with the Act.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with section 6(b)(8) of the Act,¹² 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. In particular, the routing fees would not place a burden on competition because the Exchange is standardizing the fee so that each participant would pay a uniform fee. Further, the proposed change to credits applicable to MPL Orders would also not place a burden on competition as the modified credit is comparable to the level of credit for Tape C Securities provided by at least one other exchange.¹³

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that this proposal promotes a competitive environment.

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)¹⁴ of the Act and subparagraph (f)(2) of Rule 19b-4¹⁵ 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 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)¹⁶ 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. Please include File Number SR-NYSEArca-2016-54 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-NYSEArca-2016-54. 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-NYSEArca-2016-54, and should be submitted on or before May 9, 2016.

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

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77590; File No. SR-BX-2016-020]

Self-Regulatory Organizations; NASDAQ BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Fees Under Rule 7018(a)

April 12, 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 March 30, 2016, NASDAQ BX, Inc. ("BX" or "Exchange") 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 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 amend the Exchange's transaction fees at Rule 7018(a) relating to charges assessed for providing liquidity through the NASDAQ OMX BX Equities System in securities priced at \$1 or more per share that it trades to: (i) Eliminate Qualified Market Maker-based criteria and adopt new Consolidated Volume-based criteria required to receive the \$0.0014 per share executed charge; and (ii) decrease the \$0.0018 per share executed charge, and amend the qualification criteria currently required to receive the charge, for a displayed order entered by a member.

While these amendments are effective upon filing, the Exchange has designated the proposed amendments to be operative on April 1, 2016.

¹² 15 U.S.C. 78f(b)(8).

¹³ See *supra*, note 11.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f)(2).

¹⁶ 15 U.S.C. 78s(b)(2)(B).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxbx.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 purpose of the proposed rule change is to amend the Exchange's transaction fees at Rule 7018(a) relating to charges assessed for providing liquidity through the NASDAQ OMX BX Equities System in securities priced at \$1 or more per share that it trades to: (i) Eliminate Qualified Market Maker-based criteria and adopt new Consolidated Volume-based criteria required to receive the \$0.0014 per share executed charge; and (ii) decrease the \$0.0018 per share executed charge, and amend the qualification criteria currently required to receive the charge, for a displayed order entered by a member.

First Change

The purpose of the first change is to eliminate the Qualified Market Maker-based criteria required to receive the \$0.0014 per share executed charge. Currently, this fee applies to all displayed orders entered by a Qualified Market Maker. A member firm may become a Qualified Market Maker by being a member firm that provides through one or more of its NASDAQ OMX BX Equities System MPIDs more than 0.20% of Consolidated Volume³

³ Consolidated Volume is defined as the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during a month in equity securities, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of ratio to Consolidated Volume, the date of the

during the month. For a member firm qualifying under this method, the member must have at least one Qualified MPID, that is, an MPID through which, for at least 200 securities, the Qualified Market Maker quotes at the National Best Bid and Offer ("NBBO") an average of at least 50% of the time during regular market hours (9:30 a.m. through 4:00 p.m.) during the month. Because the Exchange is proposing to eliminate the Qualified Market Maker criteria there will no longer be references to Qualified Market Makers in Rule 7018. Thus, the Exchange is also proposing to eliminate language concerning how a member firm may become a Qualified Market Maker.

In lieu of the Qualified Market Maker-based criteria, the Exchange proposes to adopt new Consolidated Volume-based criteria that a member must meet to receive the \$0.0014 per share executed charge. Specifically, the Exchange proposes to provide the \$0.0014 per share executed charge for a displayed order entered by a member firm that adds liquidity equal to or exceeding 0.25% of total Consolidated Volume during a month.

The Exchange notes that, like the eliminated \$0.0014 charge criteria discussed above, the proposed new charge criteria requires a level of Consolidated Volume in return for a reduced charge assessed for displayed orders. Although the proposed level of Consolidated Volume is 0.05% higher than the eliminated charge tier, the proposed new charge criteria does not require the member firm to also qualify as a Qualified Market Maker, which includes certain quoting requirements discussed above.

Second Change

The purpose of the second change is to decrease the \$0.0018 per share executed charge, and amend the qualifications currently required to receive the charge, for a displayed order entered by a member. Under Rule 7018(a), a member firm may receive a \$0.0018 per share executed charge for a displayed order if it adds liquidity equal to or exceeding 0.20% of total Consolidated Volume during a month.

The Exchange is proposing to reduce the level of total Consolidated Volume required from 0.20% to 0.15% during a month, in light of the new \$0.0014 per share executed charge tier discussed above that requires 0.25% Consolidated

annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity. See Rule 7018.

Volume to qualify. The Exchange is also proposing to decrease the charge assessed member firms that qualify under the rule from \$0.0018 to \$0.0017 per share executed. As a consequence of the changes, the amended charge tier will be easier to attain and will provide a further reduced per share executed charge [sic]

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁵ in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

First Change

The Exchange believes that eliminating the \$0.0014 per share executed charge for a displayed order entered by a Qualified Market Maker is reasonable because the Exchange must, from time to time, assess the effectiveness of the criteria it applies in providing reduced charges, including the nature of the market improving behavior required to receive the reduced charge. The Exchange will modify or eliminate such criteria when it believes the criteria are ineffective, which in turn may allow the Exchange to offer other incentives instead.

In this instance, the Exchange believes the criteria required to receive the \$0.0014 per share executed charge were ineffective at providing incentive to market participants to improve the market appreciably. As a consequence, the Exchange believes it is reasonable to eliminate the Qualified Market Maker-based criteria and replace it with new criteria, as discussed below.

The Exchange believes that the new \$0.0014 per share executed charge criteria is reasonable because it is similar to the Qualified Market Maker charge tier criteria that the Exchange is proposing to eliminate. Under the existing Qualified Market Maker charge tier, a member firm must be a Qualified Market Maker to receive the \$0.0014 per share executed charge for its displayed orders. To be a Qualified Market Maker, a member firm must: (i) Provide through one or more of its NASDAQ OMX BX Equities System MPIDs more than 0.20% of Consolidated Volume during

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(4) and (5).

the month; and (ii) have at least one Qualified MPID, that is, an MPID through which, for at least 200 securities, the Qualified Market Maker quotes at the NBBO an average of at least 50% of the time during regular market hours (9:30 a.m. through 4:00 p.m.) during the month.

Under the proposed new charge tier, a member firm must provide a higher level of Consolidated Volume in contrast to the Qualified Market Maker criteria, but is not required to meet the quoting requirements of the Qualified Market Maker criteria. Accordingly, the Exchange believes that the proposed new \$0.0014 per share executed charge criteria is reasonable.

The Exchange believes that assessing a \$0.0014 per share executed charge and requiring a member to provide a level of Consolidated Volume to qualify for that charge is an equitable allocation and is not unfairly discriminatory because the Exchange will apply the new criteria and assess the charge to all similarly situated members. Any member firm that elects to provide the level of Consolidated Volume required by the tier will receive the charge. In this regard, the Exchange notes that all member firms that could meet the eliminated criteria will have the opportunity to qualify under the new Consolidated Volume-based criteria.

Second Change

The Exchange believes that the proposed changes to the \$0.0018 per share executed charge provided for a displayed order if it is entered by a member firm that adds liquidity equal to or exceeding 0.20% of total Consolidated Volume during a month are reasonable because they better align the reduced charge with the level of Consolidated Volume required to qualify, in light of the proposed changes the Exchange is making to the \$0.0014 per share executed charge criteria.

Specifically, the Exchange is reducing the level of Consolidated Volume required to qualify from 0.20%, which is close to the proposed level of Consolidated Volume required to receive the \$0.0014 per share executed charge, to 0.15%, which the Exchange believes is better aligned with the charges provided and the criteria required to receive the charges. As a further incentive, the Exchange is proposing to decrease the charge assessed qualifying member firms from \$0.0018 to \$0.0017 per share executed.

The Exchange believes that it is reasonable to reduce the charge because it may provide greater incentive to member firms to provide the level of Consolidated Volume necessary to

receive the reduced charge. Moreover, the reduced charge better aligns the charge tier with the proposed new \$0.0014 per share executed charge tier and its 0.25% Consolidated Volume requirement and the \$0.0019 per share executed tier, which requires a member to provide 0.10% of total Consolidated Volume to receive that charge.

The Exchange believes that the proposed \$0.0017 per share executed charge and changes to the Consolidated Volume requirement are an equitable allocation and are not unfairly discriminatory because the Exchange will apply the same charge to all similarly situated members. Any member firm that elects to provide the level of Consolidated Volume required by the amended tier will receive the reduced charge [sic]

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable.

In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees 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. In this instance, the proposed changes to the charges assessed member firms for execution of displayed orders do not impose a burden on competition because the Exchange's execution services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues.

The proposed changes are reflective of this competition and the Exchange's desire to offer lower fees in return for market-improving liquidity, which is ultimately limited by the Exchange's need to cover costs and make a profit. Thus, the Exchange must carefully adjust its access fees with the understanding that if the proposed

changes are unattractive to market participants, it is likely that the Exchange will lose market share to other exchanges and off-exchange venues as a result.

In this proposal, the Exchange is modifying qualification criteria and reducing the charges that it assesses its member firms for providing liquidity to the Exchange. The Exchange believes that such changes will support liquidity on the Exchange and are pro-competitive, since any other market is free to provide similar, if not better, fees should they choose to do so. For these reasons, the Exchange does not believe that the proposed changes will impair the ability of members 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 either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁶

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. Please include File Number SR-BX-2016-020 on the subject line.

⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

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-BX-2016-020. 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-BX-2016-020, and should be submitted on or before May 9, 2016.

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

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77594; File No. SR-BatsBZX-2016-01]

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Under BZX Rule 14.11(c)(4) Shares of the Following Series of Market Vectors ETF Trust: Market Vectors 6-8 Year Municipal Index ETF; Market Vectors 8-12 Year Municipal Index ETF; and Market Vectors 12-17 Year Municipal Index ETF

April 12, 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 March 29, 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 and II 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 filed a proposal to list and trade under BZX Rule 14.11(c)(4) the shares of the following series of Market Vectors ETF Trust (the "Trust"): Market Vectors 6-8 Year Municipal Index ETF; Market Vectors 8-12 Year Municipal Index ETF; and Market Vectors 12-17 Year Municipal Index ETF.

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

The Exchange proposes to list and trade shares ("Shares") of the following series of the Trust under BZX Rule 14.11(c)(4),³ which governs the listing and trading of index fund shares based on fixed income securities indexes: Market Vectors AMT-Free 6-8 Year Municipal Index ETF; Market Vectors AMT-Free 8-12 Year Municipal Index ETF; and Market Vectors AMT-Free 12-17 Year Municipal Index ETF (each a "Fund" and, collectively, the "Funds").⁴ The Shares will be offered by the Trust, which was established as a Delaware statutory trust on March 15, 2001. The Trust is registered with the Commission as an open-end investment company and has filed a registration statement on behalf of the Funds on

³ The Commission approved BZX Rule 14.11(c) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

⁴ The Commission previously has approved a proposed rule change relating to listing and trading of funds based on municipal bond indexes. See Securities Exchange Act Release Nos. 67985 (October 4, 2012), 77 FR 61804 (October 11, 2012) (SR-NYSEArca-2012-92) (order approving proposed rule change relating to the listing and trading of iShares 2018 S&P AMT-Free Municipal Series and iShares 2019 S&P AMT-Free Municipal Series under NYSE Arca, Inc. ("NYSE Arca") Rule 5.2(j)(3), Commentary .02); 72523 (July 2, 2014), 79 FR 39016 (July 9, 2014) (SR-NYSEArca-2014-37) (order approving proposed rule change relating to the listing and trading of iShares 2020 S&P AMT-Free Municipal Series under NYSE Arca Rule 5.2(j)(3), Commentary .02); and 75468 (July 16, 2015), 80 FR 43500 (July 22, 2015) (SR-NYSEArca-2015-25) (order approving proposed rule change relating to the listing and trading of the iShares iBonds Dec 2021 AMT-Free Muni Bond ETF and iShares iBonds Dec 2022 AMT-Free Muni Bond ETF under NYSE Arca Rule 5.2(j)(3), Commentary .02). The Commission also has issued a notice of filing and immediate effectiveness of a proposed rule change relating to listing and trading on the Exchange of the iShares Taxable Municipal Bond Fund. See Securities Exchange Act Release No. 63176 (October 25, 2010), 75 FR 66815 (October 29, 2010) (SR-NYSEArca-2010-94). The Commission has approved two actively managed funds of the PIMCO ETF Trust that hold municipal bonds. See Securities Exchange Act Release No. 60981 (November 10, 2009), 74 FR 59594 (November 18, 2009) (SR-NYSEArca-2009-79) (order approving listing and trading of PIMCO Short-Term Municipal Bond Strategy Fund and PIMCO Intermediate Municipal Bond Strategy Fund, among others). The Commission also has approved listing and trading on the Exchange of the SPDR Nuveen S&P High Yield Municipal Bond Fund. See Securities Exchange Act Release No. 63881 (February 9, 2011), 76 FR 9065 (February 16, 2011) (SR-NYSEArca-2010-120).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁷ 17 CFR 200.30-3(a)(12).