

imposed certain restrictions on a DMM unit's trading in assigned securities, but those restrictions, according to the Exchange, may cause a conflict with a DMM unit's obligations to its customer when representing that customer's order as principal. The Commission believes that the proposal is reasonably designed to permit DMM units to comply with their obligations when engaging in proprietary trading on the Exchange in assigned securities, while also allowing a DMM unit to comply with customer instructions and the duty of best execution when representing customer orders as principal.

The Commission also notes that the Exchange's proposal includes certain safeguards that should help to prevent potential mismarking of orders as "customer-driven orders" and to assist the Exchange in monitoring for compliance by DMM units with Rule 98 as amended. The Commission notes that, under the proposal, all proprietary interest entered into Exchange systems by the DMM unit in DMM securities will be considered DMM unit interest unless that interest is (1) for the purpose of facilitating the execution of an order that has already been received from a customer (whether the DMM unit's own customer or the customer of another broker-dealer); and (2) represented on a riskless principal basis, or on a principal basis to provide price improvement to the customer. Moreover, the Commission notes that a DMM unit must use a unique mnemonic that identifies to the Exchange its customer-driven orders in DMM securities.

Finally, the Commission notes that the Exchange represents that this proposed rule change would not alter in any way a member organization's existing obligations under Section 15(g) of the Act,<sup>18</sup> Regulation SHO,<sup>19</sup> NYSE Rule 5320, or to maintain policies and procedures to ensure that a member organization does not engage in any frontrunning of customer order information in violation of Exchange, FINRA, or federal securities laws.

For the above reasons, the Commission finds that the proposal, as modified by Amendment No. 1, is consistent with the requirements of the Act.

#### 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 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-2016-16 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-2016-16. 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-NYSE-2016-16 and should be submitted on or before May 23, 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**. In Amendment No. 1, the Exchange proposes: (1) To clarify that a DMM unit

must have received a customer order before it enters a "customer-driven order" in DMM securities at the Exchange; (2) to specify that a DMM unit entering a customer-driven order in DMM securities may do so only if the order is entered on a riskless principal basis or if the order is entered on a principal basis to provide price improvement to the customer; and (3) to provide that a mnemonic used to identify a DMM's customer-driven orders in DMM securities may not be used for trading activity at the Exchange in DMM securities that are not customer-driven order, but may be used for trading activities in securities not assigned to the DMM.

The Commission believes that the revisions proposed in Amendment No. 1 are designed to prevent abuse and facilitate surveillance of the new rules. Therefore, the Commission finds that Amendment No. 1 is consistent with the protection of investors and the public interest.

Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>20</sup> to approve the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>21</sup> that the proposed rule change (NYSE-2016-16), as modified by Amendment No. 1, 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>22</sup>

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

[FR Doc. 2016-10149 Filed 4-29-16; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

##### Proposed Collection; Comment Request

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

Extension: Rule 6a-3, File No. 270-0015, OMB Control No. 3235-0021

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission

<sup>18</sup> 15 U.S.C. 78o(g).

<sup>19</sup> 17 CRF 242.201.

<sup>20</sup> 15 U.S.C. 78s(b)(2).

<sup>21</sup> *Id.*

<sup>22</sup> 17 CFR 200.30-3(a)(12).

("Commission") is soliciting comments on the existing collection of information provided for in Rule 6a-3 (17 CFR 240.6a-3) under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Act"). The Commission plans to submit this existing collection of information to the Office of Management and Budget ("OMB") for extension and approval.

Section 6 of the Act sets out a framework for the registration and regulation of national securities exchanges. Under Rule 6a-3, one of the rules that implements Section 6, a national securities exchange (or an exchange exempted from registration as a national securities exchange based on limited trading volume) must provide certain supplemental information to the Commission, including any material (including notices, circulars, bulletins, lists, and periodicals) issued or made generally available to members of, or participants or subscribers to, the exchange. Rule 6a-3 also requires the exchanges to file monthly reports that set forth the volume and aggregate dollar amount of certain securities sold on the exchange each month.

The information required to be filed with the Commission pursuant to Rule 6a-3 is designed to enable the Commission to carry out its statutorily mandated oversight functions and to ensure that registered and exempt exchanges continue to be in compliance with the Act.

The Commission estimates that each respondent makes approximately 12 such filings on an annual basis at an average cost of approximately \$20 per response. Currently, 19 respondents (19 national securities exchanges) are subject to the collection of information requirements of Rule 6a-3. The Commission estimates that the total burden for all respondents is 114 hours and \$4,560 per year.

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

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

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

Dated: April 26, 2016.

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

[FR Doc. 2016-10107 Filed 4-29-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-77709; File No. SR-NSCC-2016-001]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change To Remove From the DTCC Limit Monitoring Tool the 50% Early Warning Limit Alert and Make Technical Revisions to the Rules

April 26, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 18, 2016, National Securities Clearing Corporation ("NSCC") 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 clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to NSCC's Rules and Procedures ("Rules") to remove from the DTCC Limit Monitoring tool the alert that is sent to Members when trading activity in any of their Risk Entities reaches 50% of the pre-set trading limits for that Risk Entity and to make technical revisions, as described in greater detail below.<sup>3</sup>

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

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

<sup>3</sup> Terms not defined herein are defined in the Rules, available at [http://dtcc.com/~media/Files/Downloads/legal/rules/nsccl\\_rules.pdf](http://dtcc.com/~media/Files/Downloads/legal/rules/nsccl_rules.pdf).

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the clearing agency 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 clearing agency has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

###### (i) Reasons for Adopting the Proposed Rule Change

NSCC provides its Members with a risk management tool called DTCC Limit Monitoring, for which certain types of Members are required to register.<sup>4</sup> DTCC Limit Monitoring enables Members that use the tool to monitor post-trade activity and to be notified when pre-set trading limits are reached. To use the tool, Members must (1) define one or more "Risk Entities," which may include (i) the trading activity of a single trading desk within the firm; (ii) for Members that clear trades for other firms, *i.e.*, their correspondents, the trading activity of a correspondent firm; (iii) for Members acting as a Special Representative or a QSR, as such terms are defined in the Rules,<sup>5</sup> the trading activity of a firm with which it has a clearing relationship; (iv) the trading activity of a single clearing number within the Member's NSCC account structure; or (v) all trading activity of the Member submitted to NSCC for clearing; and (2) set a trading limit, at a net notional value, for each Risk Entity. DTCC Limit Monitoring then sets early warning limits at 50%, 75%, and 90% of those trading limits.<sup>6</sup> Members receive alerts when trading activity for their Risk Entities reaches each of these early warning limits, as well as the pre-set trading limits.

Since the implementation of DTCC Limit Monitoring in 2014, NSCC has

<sup>4</sup> Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring), *supra* note 3; see Securities Exchange Act Release No. 71637 (February 28, 2014), 79 FR 12708 (March 6, 2014) (File No. SR-NSCC-2013-12).

<sup>5</sup> Rule 7 (Comparison and Trade Recording Operation) and Procedure IV (Special Representative Service), *supra* note 3.

<sup>6</sup> Rule 54 (DTCC Limit Monitoring) and Procedure XVII (DTCC Limit Monitoring), *supra* note 3.