

subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>16</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: (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](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2017-48 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-Phlx-2017-48. 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-Phlx-2017-48 and should be submitted on or before August 7, 2017.

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

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2017-14886 Filed 7-14-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81122; File No. SR-MIAX-2017-32]

### Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change by Miami International Securities Exchange, LLC To Amend MIAX Options Rule 524, Reporting of Matched Trades to Clearing Corporation

July 11, 2017.

Pursuant to the provisions of 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 June 28, 2017, Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 is filing a proposal to amend Exchange Rule 524, Reporting of

Matched Trades to Clearing Corporation.

The text of the proposed rule change is available on the Exchange's Web site at <http://www.miaxoptions.com/rule-filings>, at MIAX's principal office, 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 the Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend Exchange Rule 524, Reporting of Matched Trades to Clearing Corporation, to adopt Interpretations and Policies .01, to state that post-trade adjustments that do not affect the contractual terms of a trade are to be performed by the Exchange Member<sup>3</sup> via an Exchange approved electronic interface. The Exchange will notify Members of the approved electronic interface via Regulatory Circular.

The Exchange staffs a Help Desk<sup>4</sup> to provide customer service and support to its Members. One of the support functions the Help Desk currently provides is to make certain post-trade adjustments to a Member's matched trades at the Member's request and on its behalf. The Exchange has also developed functionality that it makes available to all Members that enables Members to electronically and independently perform post-trade adjustments that do not affect the contractual terms of the transaction to their side of the matched trade.

<sup>3</sup> The term "Member" means an individual or organization approved to exercise the trading rights associate with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>4</sup> The term "Help Desk" means the Exchange's control room consisting of Exchange staff authorized to make certain trading determinations on behalf of the Exchange. The Help Desk shall report to and be supervised by a senior executive officer of the Exchange. See Exchange Rule 100.

<sup>16</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. The Exchange has satisfied this requirement.

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

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

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

Examples of post-trade adjustments that do not affect the contractual terms of a trade include: changing the position indicator (*e.g.*, from Open to Close or Close to Open); adding or removing Clearing Member Trade Agreement (“CMTA”) information; changing the clearing account type (*e.g.*, Customer or Firm); and modifying the optional data field, which may be used by Members for their own internal back-office processing.

Despite the availability of functionality for Members to perform these straightforward post-trade adjustments on their own, the Help Desk still receives a significant number of requests on a daily basis to manually perform these adjustments. Processing these requests is a time consuming exercise for Exchange staff and is an inefficient use of Exchange time and resources given that Members have the ability to perform these adjustments themselves electronically via an Exchange provided interface. Accordingly, the Exchange proposes to mandate that Members perform their own post-trade adjustments which do not affect the contractual terms of a trade as discussed above, using the functionality provided by the Exchange. The Exchange notes that use of the functionality provided by the Exchange does not relieve Members of their obligations to abide by the rules of the Exchange.<sup>5</sup> The Exchange also represents that it has an adequate surveillance program in place to review post-trade adjustments made by its Members. Additionally, the Exchange has a Regulatory Services Agreement in place with the Financial Industry Regulatory Authority to monitor adjustments done directly at the Options Clearing Corporation (“OCC”) to ensure compliance with applicable Exchange rules and such Securities and Exchange Commission Trading rules related to options trading. Further, the Exchange notes that Members may make post-trade adjustments to trades executed on the Exchange directly at the OCC, as the OCC provides functionality for Members to update certain non-critical trade information with respect to the transaction, provided such changes are not in contravention of any rule of the Exchange on which a confirmed trade was executed.<sup>6</sup>

The Exchange notes that other exchanges offer similar functionality to their members for post-trade

adjustments.<sup>7</sup> However, these Exchanges incentivize their members to perform their own post-trade adjustments by charging a fee when the member elects to have the exchange perform the adjustment on their behalf, as opposed to mandating usage of an interface to perform post-trade adjustments such as the Exchange is proposing.

## 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is 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 mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that its proposal would promote just and equitable principles of trade and not unfairly discriminate between Members because the functionality to make post-trade adjustments is available to all Members. Further, the Exchange believes that its proposal would promote a fair and orderly market and protect investors and the public interest because its proposal would result in a more efficient use of Exchange resources, which would benefit all market participants.

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

The Exchange 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 proposed rule change is not designed to address any competitive issues but rather to make more efficient use of the Exchange’s employee time and resources, which may ultimately benefit Members.

The Exchange does not believe that the proposed rule change will impose any burden on intra-market competition as the Rules apply equally to all Exchange 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.

## 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 after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6)<sup>11</sup> thereunder.

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](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2017-32 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-MIAX-2017-32. This file number should be included on the

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

<sup>11</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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. The Exchange has satisfied this requirement.

<sup>7</sup> See Securities Exchange Act Release Nos. 73585 (November 13, 2014), 79 FR 68927 (November 19, 2014) (SR-NYSEArca-2014-116); and 73542 (November 6, 2014), 79 FR 67496 (November 13, 2014) (SR-NYSEMKT-2014-87).

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>5</sup> Specifically, the Exchange notes that Members have an obligation to adhere to Exchange Rule 507, Must Give Up Clearing Member.

<sup>6</sup> See OCC Rules, Chapter IV, Rule 401, Reporting of Confirmed Trades Effected on Exchanges.

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-MIAX-2017-32, and should be submitted on or before August 7, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Jill M. Peterson,**  
Assistant Secretary.

[FR Doc. 2017-14892 Filed 7-14-17; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81115; File No. SR-NYSEMKT-2017-38]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Exchange Rules To Eliminate ALO and Day ISO Orders and Related Functionality, Provide That All Pegged Orders Would Be Non-Displayed Orders, Change References From "NYSE MKT" to "NYSE American," and Add the Definition of "NYSE American Marketplace"

July 11, 2017.

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 June 29, 2017, NYSE MKT LLC (the "Exchange" or "NYSE MKT") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 Exchange rules to (1) eliminate ALO and Day ISO orders and related functionality; (2) provide that all Pegged Orders would be non-displayed orders; (3) change references from "NYSE MKT" to "NYSE American"; (4) add the definition of "NYSE American Marketplace"; and (5) make other conforming rule changes. 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.

#### 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 these 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 Exchange rules to (1) eliminate Add Liquidity Only ("ALO") Orders and Day Intermarket Sweep Orders ("ISO") and related functionality; (2) provide that all Pegged Orders would be non-displayed orders; (3) change references from "NYSE MKT" to "NYSE American"; (4) add the definition of "NYSE American Marketplace"; and (5) make other conforming rule changes.

To effect its transition to Pillar, the Exchange has adopted the rule numbering framework of the NYSE Arca Equities, Inc. ("NYSE Arca Equities") rules for Exchange cash equities trading on the Pillar trading platform.<sup>4</sup> As described in the Framework Filing, the Exchange is denoting the rules applicable to cash equities trading on Pillar with the letter "E" to distinguish such rules from current Exchange rules with the same numbering. The Exchange's trading rules for cash equity trading on Pillar are also based on the trading rules of NYSE Arca Equities.<sup>5</sup> As described in the Trading Rules Filing, with Pillar, the Exchange will transition its cash equities trading platform from a Floor-based market with a parity allocation model to a fully automated price-time priority allocation model that trades all NMS Stocks. In addition, the Exchange will introduce a delay mechanism on Pillar that will add the equivalent of 350 microseconds of latency to inbound and outbound order messages, as described in greater detail in Rules 1.1E(y) and 7.29E(b).<sup>6</sup>

In the Delay Mechanism Filing, the Exchange represented that in conjunction with implementing the Delay Mechanism, it would no longer offer ALO or Day ISO functionality and all Pegged Orders would not be displayed.<sup>7</sup> Because the Exchange has

<sup>4</sup> See Securities Exchange Act Release No. 79242 (November 4, 2016), 81 FR 79081 (November 10, 2016) (SR-NYSEMKT-2016-97) (Notice and Filing of Immediate Effectiveness of Proposed Rule Change) (the "Framework Filing"). In addition, the Exchange has filed a proposed rule change to support Exchange trading of securities listed on other national securities exchanges on an unlisted trading privileges basis, including Exchange Traded Products ("ETP") listed on other exchanges. See Securities Exchange Act Release Nos. 79400 (November 25, 2016), 81 FR 86750 (December 1, 2016) (SR-NYSEMKT-2016-103) (Notice) and 81038 (June 28, 2017) (SR-NYSEMKT-2016-103) (Approval Order) (the "ETP Listing Rules Filing").

<sup>5</sup> See Securities Exchange Act Release Nos. 80590 (May 4, 2017), 82 FR 21843 (May 10, 2017) (Approval Order) and 79993 (February 9, 2017), 82 FR 10814 (February 15, 2017) (SR-NYSEMKT-2017-01) (Notice) ("Trading Rules Filing"). The Exchange also has established market maker obligations when trading on the Pillar trading platform. See Securities Exchange Act Release No. 80577 (May 2, 2017), 82 FR 21446 (May 8, 2017) (SR-NYSEMKT-2017-04) (Approval Order).

<sup>6</sup> See Securities Exchange Act Release Nos. 80700 (May 16, 2017), 82 FR 23381 (May 22, 2017) (SR-NYSEMKT-2017-05) (Approval Order) and 79998 (February 9, 2017), 82 FR 10828 (February 15, 2017) (SR-NYSEMKT-2017-05) (Notice) ("Delay Mechanism Filing").

<sup>7</sup> Rule 7.31E (Orders and Modifiers) currently describes ALO Orders, Day ISO Orders, and Pegged Orders. These order types are based on NYSE Arca Equities ALO, Day ISO, and Pegged Orders, including that Primary Pegged Orders are required to have a minimum display quantity. In the Delay Mechanism Filing, the Exchange represented that, before implementing the Delay Mechanism, the

Continued

<sup>12</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.