

19(b)(3)(A)³⁸ of the Act and subparagraphs (f)(2)³⁹ and (f)(4)⁴⁰ of Rule 19b-4 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.

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-NSCC-2017-011 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-NSCC-2017-011. 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 NSCC and on DTCC's Web site

(<http://dtcc.com/legal/sec-rule-filings.aspx>). 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-NSCC-2017-011 and should be submitted on or before September 5, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴¹

Eduardo A. Aleman,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81340; File No. SR-NYSEAMER-2017-03]

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Supplementary Material .01 and .02 to NYSE American Rule 5.2E(j)(3) To Provide for the Inclusion of Cash in an Index Underlying a Series of Investment Company Units

August 8, 2017.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on July 27, 2017, NYSE American LLC (the "Exchange" or "NYSE American") 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 Supplementary Material .01 and .02 to NYSE American Rule 5.2E(j)(3) to provide for the inclusion of cash in an index underlying a series of Investment Company Units, which amendments conform to amendments to NYSE Arca Equities Rule 5.2(j)(3) previously approved by the Commission. The

proposed rule change is available on the Exchange's Web site at 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 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 (1) to amend Supplementary Material .01 and .02 to NYSE American Rule 5.2E(j)(3) to provide for the inclusion of cash in an index underlying a series of Investment Company Units ("Units"), which amendments conform to amendments to NYSE Arca Equities Rule 5.2(j)(3) previously approved by the Commission.⁴

Amendments to NYSE American Rule 5.2E(j)(3)

NYSE American Rule 5.2E(j)(3) permits the trading of Units pursuant to unlisted trading privileges ("UTP"). The Exchange proposes to amend Commentaries .01 and .02 to NYSE American Rule 5.2E(j)(3) to permit trading of Units based on an index or portfolio that includes cash as a component. While Units, like mutual funds, will generally hold an amount of cash, NYSE American Rule 5.2E(j)(3) currently provides that components of an index or portfolio underlying a series of Units consist of securities—namely, US Component Stocks, Non-US Component Stocks, Fixed Income Securities or a combination thereof. As described below, the proposed amendments to Supplementary Material .01 and .02 to Rule 5.2E(j)(3) would

⁴ See Securities Exchange Act Release No. 80777 (May 25, 2017) (SR-NYSEArca-2017-30) (order approving amendments to Commentary .01 and Commentary .02 to NYSE Arca Equities Rule 5.2(j)(3) to provide for the inclusion of cash in an index underlying a series of Investment Company Units).

³⁸ 15 U.S.C. 78s(b)(3)(A).

³⁹ 17 CFR 240.19b-4(f)(2).

⁴⁰ 17 CFR 240.19b-4(f)(4).

⁴¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

permit inclusion of cash as an index or portfolio component.

Currently, Supplementary Material .01(a)(A) to NYSE American Rule 5.2E(j)(3) provides that an underlying index or portfolio of US Component Stocks⁵ must meet specified criteria. The Exchange proposes to amend Supplementary Material .01(a)(A) to provide that the components of an index or portfolio underlying a series of Units may also include cash. In addition, the percentage weighting criteria in Supplementary Material .01(a)(A)(1) through (4) each would be amended to make clear that such criteria would be applied only to the US Component Stocks portion of an index or portfolio. For example, in applying the criteria in proposed Supplementary Material .01(a)(A)(1),⁶ if 85% of the weight of an index consists of US Component Stocks and 15% of the index weight is cash, the requirement that component stocks (excluding Exchange Traded Products) that in the aggregate account for at least 90% of the weight of the US Component Stocks portion of the index or portfolio (excluding such Exchange Traded Products) each will have a minimum market value of \$75 million minimum would be applied only to the 85% portion consisting of US Component Stocks.

Supplementary Material .01 (a)(B) to NYSE American Rule 5.2E(j)(3), which relates to international or global indexes or portfolios, would be amended to provide that components of an index or portfolio underlying a series of Units may consist of (a) only Non-US Component Stocks, (b) Non-US Component Stocks and cash, (c) both US Component Stocks and Non-US Component Stocks, or (d) US Component Stocks, Non-US Component Stocks and cash. In addition, the percentage weighting criteria in Supplementary Material .01(a)(B)(1) through (4) each would be amended to make clear that such criteria would be applied only to the combined US and Non-US Component Stocks portions of an index or portfolio.

Supplementary Material .02 to NYSE American Rule 5.2E(j)(3) provides

⁵ Rule 5.2E(j)(3) defines “US Component Stock” as an equity security that is registered under Sections 12(b) or 12(g) of the Act or an American Depositary Receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

⁶ Supplementary Material .01(a)(A)(1) provides that component stocks (excluding Units and securities defined in Section 2 of Rule 8E, collectively, “Exchange Traded Products”) that in the aggregate account for at least 90% of the weight of the US Component Stocks portion of the index or portfolio (excluding such Exchange Traded Products) each shall have a minimum market value of at least \$75 million.

generic criteria applicable to trading of Units whose underlying index or portfolio includes Fixed Income Securities.⁷ Currently, Commentary .02(a)(1) provides that an underlying index or portfolio must consist of Fixed Income Securities. The Exchange proposes to amend Commentary .02(a)(1) to provide that the index or portfolio may also include cash. In addition, the percentage weighting criteria in Supplementary Material .02(a)(2), (a)(4) and (a)(6) each would be amended to make clear that such criteria would be applied only to the Fixed Income Securities portion of an index or portfolio. For example, in applying the criteria in proposed Supplementary Material .02(a)(2),⁸ if 90% of the weight of an index or portfolio consists of Fixed Income Securities and 10% of the index weight is cash, the requirement that Fixed Income Security components accounting for at least 75% of the Fixed Income Securities portion of the weight of the index or portfolio each will have a minimum original principal amount outstanding of \$100 million would be applied only to the 90% portion consisting of Fixed Income Securities.

The Exchange notes that the Commission has previously approved NYSE Arca rules allowing portfolios held by issues of Managed Fund Shares (actively-managed exchange-traded funds) under Commentary .01 to NYSE Arca Equities Rule 8.600 to include cash.⁹ Like the provision in Supplementary Material .01(c) to Exchange Rule 8.600E (which is similar to Commentary .01(c) to NYSE Arca Equities Rule 8.600), which states that there is no limit to cash holdings by an issue of Managed Fund Shares traded under Supplementary Material .01 to Exchange Rule 8.600E, there is no proposed limit to the weighting of cash in an index underlying a series of Units. The Exchange believes this is appropriate in that cash does not, in itself, impose investment or market risk.

⁷ As defined in Supplementary Material .02 to NYSE American Rule 5.2E(j)(3), Fixed Income Securities are debt securities that are notes, bonds, debentures or evidence of indebtedness that include, but are not limited to, U.S. Department of Treasury securities (“Treasury Securities”), government-sponsored entity securities (“GSE Securities”), municipal securities, trust preferred securities, supranational debt and debt of a foreign country or a subdivision thereof.

⁸ Supplementary Material .02(a)(2) provides that Fixed Income Security components that in aggregate account for at least 75% of the Fixed Income Securities portion of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more.

⁹ See Commentary .01(c) to NYSE Arca Equities Rule 8.600.

The Exchange also proposes to make a non-substantive change to Supplementary Material .02 to Exchange Rule 5.2E(j)(3) to change “shall” to “will” in one place to conform to other usages in Rule 5.2E(j)(3).

The Exchange believes the proposed amendments, by permitting inclusion of cash as a component of indexes underlying series of Units, would provide issuers of Units with additional choice in indexes permitted to underlie Units that are permitted to trade on the Exchange pursuant to the Rule 19b–4(e), which would enhance competition among market participants, to the benefit of investors and the marketplace. In addition, the proposed amendments would provide investors with greater ability to hold Units based on underlying indexes that may accord more closely with an investor’s assessment of market risk, in that some investors may view cash as a desirable component of an underlying index under certain market conditions.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)¹⁰ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The proposed rule changes are designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. The basis under the Exchange Act for this proposed rule change is the requirement under Section 6(b)(5) that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

With respect to the proposed amendments to Supplementary Material .01(a)(B)(1) through (4) to Rule 5.2E(j)(3), as described above, the percentage weighting criteria in Supplementary Material .01(a)(B)(1) through (4) to Rule 5.2E(j)(3) each would be amended to make clear that such criteria would be applied only to the combined US and Non-US Component Stocks portions of an index or portfolio. The percentage weighting criteria in Supplementary Material

¹⁰ 15 U.S.C. 78f(b)(5).

.02(a)(2), (a)(4) and (a)(6) to Rule 5.2E(j)(3) each would be amended to make clear that such criteria would be applied only to the Fixed Income Securities portion of an index or portfolio. Such applications of the proposed amendments would assure that the weighting requirements in Supplementary Material .01 and .02 would continue to be applied only to securities in an index or portfolio, and would not be diluted as a result of inclusion of a cash component. In addition, the addition of cash as a permitted component of indexes underlying Units traded on the Exchange pursuant to Rule 19b-4(e) does not raise regulatory issues because cash does not, in itself, impose investment or market risk and is not susceptible to manipulation. The non-substantive change to Supplementary Material .02 to Exchange Rule 5.2E(j)(3) to change "shall" to "will" conforms to other usages in Rule 5.2E(j)(3).

The Exchange believes these proposed amendments, by permitting inclusion of cash as a component of indexes underlying series of Units, would provide issuers of Units with additional choice in indexes permitted to underlie Units that are permitted to trade on the Exchange pursuant to UTP, which would enhance competition among market participants, to the benefit of investors and the marketplace. In addition, the proposed amendments would provide investors with greater ability to hold Units based on underlying indexes that may accord more closely with an investor's assessment of market risk.

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 that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange believes the proposed rule change will enhance intermarket competition by allowing trading on the Exchange pursuant to UTP of the above-described securities pursuant to rules that have been previously approved by the Commission for NYSE Arca, Inc.

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

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 from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹²

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii)T¹³ 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. As noted above, the Exchange believes that the proposed rule change would provide additional choices to issuers of Units and investors in Units. The Exchange also noted that the amendments it is proposing to Rule 5.2E(j)(3) conform to amendments to NYSE Arca Equities Rule 5.2(j)(3) that the Commission previously approved,¹⁴ and that this proposed rule change may enhance competition between the exchanges. The Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative upon filing.¹⁵

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

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 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.

¹³ 17 CFR 240.19b-4(f)(6)(iii).

¹⁴ See *supra* note 4.

¹⁵ 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).

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. Please include File Number SR-NYSEAMER-2017-03 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-NYSEAMER-2017-03. 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 will also 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-NYSEAMER-2017-03 and should be submitted on or before September 5, 2017.

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

Eduardo A. Aleman,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81345; File No. SR-ISE-2017-71]

Self-Regulatory Organizations; Nasdaq ISE, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend ISE's Schedule of Fees With Respect to the Options Regulatory Fee

August 8, 2017.

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 July 26, 2017, Nasdaq ISE, LLC ("ISE" 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 revise ISE's Schedule of Fees to: (i) Make adjustments to the amount of the Options Regulatory Fee ("ORF"); (ii) more closely reflect the manner in which ISE assesses and collects its ORF; and (iii) remove rule text related to the timing when the Exchange may increase or decrease the amount of the ORF.

While the changes proposed herein are effective upon filing, the Exchange has designated the amendments [sic] become operative on August 1, 2017.

The text of the proposed rule change is available on the Exchange's Web site at www.ise.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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

ISE initially filed to establish its ORF in 2010.³ The Exchange has amended its ORF several times since the inception of this fee.⁴ At this time, the Exchange proposes to: (i) Amend the amount of its ORF; (ii) more closely reflect the manner in which ISE assesses and collects its ORF; and (iii) remove rule text related to the timing when the Exchange may increase or decrease the amount of its ORF.

The Exchange supports a common approach for the assessment and collection of ORF among the various options exchanges that assess such a fee. Furthermore, the Exchange supports guidance from the Commission regarding regulatory cost structures to ensure equal knowledge and treatment among options markets assessing ORF.

Proposal 1—Amend the Amount of the ORF

The Exchange assesses an ORF of \$0.0039 per contract side. The Exchange proposes to decrease the ORF from \$0.0039 per contract side to \$0.0016 per contract side as of August 1, 2017 to account for synergies which resulted from Nasdaq's acquisition of the Exchange. On June 30, 2016, Nasdaq completed its acquisition of the International Securities Exchange, which included acquiring three electronic options exchanges.⁵ With the

³ See Securities Exchange Act Release Nos. 61154 (December 11, 2009), 74 FR 67278 (December 18, 2009) (SR-ISE-2009-105) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Registered Representative Fee and an Options Regulatory Fee).

⁴ See Securities Exchange Act Release Nos. 62012 (April 30, 2010), 75 FR 25306 (May 7, 2010) (SR-ISE-2010-36); 67087 (May 31, 2012), 77 FR 33535 (June 6, 2012) (SR-ISE-2012-43); and 70859 (November 13, 2013), 78 FR 69501 (November 19, 2013) (SR-ISE-2014-54).

⁵ On June 30, 2016, Nasdaq, Inc. acquired all of the capital stock of U.S. Exchange Holdings, Inc., the ISE's indirect parent company. As a result, ISE in addition to its affiliates, which are now known as Nasdaq GEMX, LLC and Nasdaq MRX, LLC, became a wholly-owned subsidiary of Nasdaq, Inc. See Securities Exchange Act Release No. 78119

acquisition, ISE [sic] regulatory program has been examined and conformed to certain best practices which exist today on NASDAQ PHLX LLC, The NASDAQ Options Market LLC and NASDAQ BX, Inc. (collectively "Nasdaq Markets") and Nasdaq GEMX, LLC. These synergies in combination with conforming the expense and revenue review of ISE to that of the Nasdaq Markets has resulted in a projected decreased in regulatory expenses for ISE and therefore ISE is decreasing the amount of its ORF. The Exchange believes that this decreased number reflects efficiencies in the regulatory program today within the Nasdaq Markets.

The Exchange's proposed change to the ORF should balance the Exchange's regulatory cost [sic] against the anticipated revenue. The Exchange regularly reviews its ORF to ensure that the ORF, in combination with its other regulatory fees and fines, does not exceed regulatory costs. The Exchange believes this adjustment will permit the Exchange to cover a material portion of its regulatory costs, while not exceeding regulatory costs.

The Exchange notified members of this ORF adjustment thirty (30) calendar days prior to the proposed operative date.⁶

Proposal 2—Reflect the Manner in Which ISE Assesses and Collects its ORF

Currently, ISE assesses its ORF for each customer option transaction that is either: (1) Executed by a member on ISE; or (2) cleared by a ISE member at The Options Clearing Corporation ("OCC") in the customer range,⁷ even if the transaction was executed by a non-member of ISE, regardless of the exchange on which the transaction occurs.⁸ If the OCC clearing member is a ISE member, ORF is assessed and collected on all cleared customer contracts (after adjustment for CMTA⁹); and (2) if the OCC clearing member is not a ISE member, ORF is collected only on the cleared customer contracts executed at ISE, taking into account any

(June 21, 2016), 81 FR 41611 (June 27, 2016) (SR-ISE-2016-11).

⁶ See Options Trader Alert #2017-54.

⁷ Members must record the appropriate account origin code on all orders at the time of entry in order. The Exchange represents that it has surveillances in place to verify that members mark orders with the correct account origin code.

⁸ The Exchange uses reports from OCC when assessing and collecting the ORF.

⁹ CMTA or Clearing Member Trade Assignment is a form of "give-up" whereby the position will be assigned to a specific clearing firm at OCC.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.