

disapprove, the proposed rule change (File No. SR-ISE-2015-30).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76891; File No. SR-BATS-2015-102]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Designation of Longer Period for Commission Action on a Proposed Rule Change To Adopt Rule 11.27 Regarding the Data Collection Requirements of the Tick Size Pilot Program

January 13, 2016.

On November 13, 2015, BATS Exchange, Inc. (the "Exchange" or "BATS") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt Exchange Rule 11.27 to implement the data collection requirements set forth in the Regulation NMS Plan to Implement a Tick Size Pilot Program.³ The proposed rule change was published for comment in the *Federal Register* on December 1, 2015.⁴ The Commission has received one comment letter on the proposal.⁵

Section 19(b)(2) of the Act⁶ provides that, within 45 days of the publication of the notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change

should be disapproved. The 45th day for this filing is January 15, 2016.

The Commission is extending this 45-day time period. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposal.

Accordingly, pursuant to section 19(b)(2) of the Act,⁷ the Commission designates February 29, 2016, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File No. SR-BATS-2015-102).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76887; File No. SR-DTC-2015-011]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving Proposed Rule Change Regarding the Acknowledgment of End-of-Day Net-Net Settlement Balances by Settling Banks

January 13, 2016.

On November 16, 2015, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-DTC-2015-011 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² to amend DTC's Settlement Service Guide ("Guide")³ in order to establish a new practice whereby any Settling Bank⁴ that (i) fails to affirmatively acknowledge its end-of-day net-net settlement balance,⁵ or (ii) does not

notify DTC of its refusal to settle on behalf of a Participant or Participants for which it is the designated Settling Bank will be deemed to have acknowledged its end-of-day net-net settlement balance and to make related technical changes and corrections to the Rules, as more fully described below. The proposed rule change was published for comment in the *Federal Register* on November 30, 2015.⁶ The Commission did not receive any comment letters on the proposed rule change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description of the Proposed Rule Change

The following is a description of the proposed rule change, as provided by DTC:

Background. The DTC⁷ end-of-day net settlement structure depends upon the use of Settling Banks.⁸ Each Participant must designate a Settling Bank to settle on its behalf. Any Participant that is a bank may settle for itself.⁹ Today, a Settling Bank that settles for other Participants must acknowledge its end-of-day net-net settlement balance for the group of Participants for which it settles, or notify DTC if it refuses to settle for any Participant for which it is the designated Settling Bank, by the later of 4:15 p.m. and the time that is 30 minutes after the Settling Bank end-of-day net-net settlement balances are first made available by DTC ("Acknowledgment Cutoff Time").¹⁰

If a Settling Bank notifies DTC that it refuses to settle for a Participant, DTC would recalculate the Settling Bank's net-net settlement balance by excluding the net settlement balance of the Participant for which the Settling Bank refused to settle.¹¹ DTC would then provide the Settling Bank with its adjusted net-net settlement balance ("Post-Refusal Adjusted Balance"). The Settling Bank may not refuse to settle for any other Participant on that day and must immediately respond to DTC to

⁶ See Securities Exchange Act Release No. 76510 (November 23, 2015), 80 FR 74819 (November 30, 2015) (SR-DTC-2015-011).

⁷ Terms not otherwise defined herein have the meaning set forth in the DTC Rules (the "Rules"), available at <http://www.dtcc.com/legal/rules-and-procedures.aspx>.

⁸ See the Guide, *supra* note 3, pp. 17-18.

⁹ See Rule 9(B), *supra* note 7.

¹⁰ Currently, a Settling Bank that settles only for itself may opt out of the requirement to acknowledge its balance, but it cannot refuse to settle for itself.

¹¹ Any Participant for which its designated Settling Bank has refused to settle on its behalf remains obligated to DTC for the payment of any net debit balance and must make another arrangement to timely pay that amount by Fedwire.

⁶ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 74892 (May 6, 2015), 80 FR 27513 (May 13, 2015) (order approving the Tick Size Pilot) ("Approval Order").

⁴ See Securities Exchange Act Release No. 76524 (November 25, 2015), 80 FR 75141.

⁵ See Letter from Mary Lou Von Kaenel, Managing Director, Financial Information Forum, to Robert W. Errett, Deputy Secretary, Commission, dated December 22, 2015.

⁶ 15 U.S.C. 78s(b)(2).

⁷ *Id.*

⁸ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Available at <http://www.dtcc.com/~media/Files/Downloads/legal/service-guides/Settlement.pdf> for an overview of the end-of-day net settlement process.

⁴ A "Settling Bank" is a DTC participant ("Participant") that is a bank and that settles for itself and may settle for other Participants, including other bank Participants.

⁵ The end-of-day net-net figure is the net of all Participants' net balances after cross-endorsement with the National Securities Clearing Corporation for which a Settling Bank settles, including its own accounts.