

2017–25, and should be submitted on or before April 25, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁵

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017–06560 Filed 4–3–17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80336; File No. SR–NYSEMKT–2017–04]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Relating to Market Makers Applicable When the Exchange Transitions Trading to Pillar, the Exchange’s New Trading Technology Platform

March 29, 2017.

On January 25, 2017, NYSE MKT LLC (“Exchange” or “NYSE MKT”) 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 the rules relating to market makers that would be applicable when the Exchange transitions trading to Pillar, the Exchange’s new trading technology platform. The proposed rule change was published for comment in the **Federal Register** on February 13, 2017.³ The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act⁴ provides that, within 45 days of the publication of 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 approved or disapproved. The 45th day after publication of the notice for this proposed rule change is March 30, 2017. 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 proposed rule change. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁵ designates May 14, 2017, 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 Number SR–NYSEMKT–2017–04).

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

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017–06568 Filed 4–3–17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94–409, that the Securities and Exchange Commission Equity Market Structure Advisory Committee will hold a public meeting on Wednesday, April 5, 2017, in the Multipurpose Room, LL–006 at the Commission’s headquarters, 100 F Street NE., Washington, DC.

The meeting will begin at 9:30 a.m. (EDT) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will be open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission’s Web site at www.sec.gov.

On March 14, 2017, the Commission published notice of the Committee meeting (Release No. 34–80245), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting. No earlier notice of this Meeting was practicable.

The agenda for the meeting will focus on potential recommendations and updates from the four subcommittees.

For further information, please contact Brent J. Fields from the Office of the Secretary at (202) 551–5400.

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30–3(a)(31).

Dated: March 30, 2017.

Brent J. Fields,

Secretary.

[FR Doc. 2017–06690 Filed 3–31–17; 11:15 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–80330; File No. SR–NYSEMKT–2017–08]

Self-Regulatory Organizations; NYSE MKT LLC; Order Approving Proposed Rule Change To Amend Rule 925.1NY Regarding Market Maker Quotations, Including To Adopt a Market Maker Light Only Quotation

March 29, 2017.

I. Introduction

On February 10, 2017, NYSE MKT LLC (the “Exchange”) 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 amend Rule 925.1NY regarding Market Maker Quotations, including to adopt a Market Maker Light Only Quotation. The proposed rule change was published for comment in the **Federal Register** on February 27, 2017.³ The Commission received no comment letters on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to amend Rule 925.1NY(a), which provides that a Market Maker may enter quotes in the option issues included in its appointment, to define a Market Maker “quote,” add a new quote type, and specify how such quotes would be processed when a series is open for trading.

First, the Exchange proposes to define a Market Maker quote to provide that “[t]he term ‘quote’ or ‘quotation’ means a bid or offer entered by a Market Maker that updates the Market Maker’s previous bid or offer, if any.”⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 80073 (February 21, 2017), 82 FR 11952 (“Notice”).

⁴ See proposed Rule 925.1NY(a)(1). The Exchange notes that its proposed definition is identical or substantially similar to related definitions on other options exchanges. See, e.g., International Securities Exchange, LLC Rule 100(a)(42); BOX Options Exchange LLC Rule 100(a)(55). The Exchange also proposes to modify the current definition of “Quote with Size” to include a cross

¹⁵ 17 CFR 200.30–3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 79982 (Feb. 7, 2017), 82 FR 10508.

⁴ 15 U.S.C. 78s(b)(2).

Second, the Exchange proposes to add a Market Maker Light Only Quotation (“MMLO”) to provide Market Makers the option to designate incoming quotes to trade solely with displayed interest on the Consolidated Book.⁵ This proposed change would allow Market Makers to designate quotes as MMLO to prevent such quotes from trading with undisplayed liquidity upon arrival. Once an MMLO is added to the Consolidated Book, the MMLO designation would no longer apply and any unexecuted portion could trade with displayed and undisplayed interest.

Finally, the Exchange proposes to modify the processing of Market Maker quotations, including MMLOs, in a manner that aligns with the Options Order Protection And Locked/Crossed Market Plan (“Plan”), to which the Exchange is a party.⁶ Specifically, as proposed, an incoming quotation would only trade against contra-side interest in the Consolidated Book at prices that would not trade through interest on another Market Center.⁷ Any untraded size of an incoming quote would be added to the Consolidated Book, unless

reference to the proposed definition of “quotation.” See proposed Rule 900.2NY(65).

⁵ See proposed Rule 925.1NY(a)(2). The Exchange noted that this proposed functionality for Market Maker quotations is comparable to functionality on another options exchange for orders. See Notice, *supra* note 3, at 11953 n.9. See also NYSE Arca, Inc. (“NYSE Arca”) Rule 6.62(v) (defining Post No Preference Light Orders as non-routable orders that are only eligible to execute against displayed liquidity). The Exchange further noted that NYSE Arca previously offered, and later eliminated, a Post No Preference Light Only Quotation (“PNPLO”), which, like the MMLO, allowed Market Makers to designate certain quotations to only interact with displayed liquidity. See Notice, *supra* note 3, at 11953 n.10. See also Securities Exchange Act Release Nos. 67252 (June 25, 2012), 77 FR 38879 (June 29, 2012) (SR–NYSEArca–2012–05) (order approving adoption of PNPLO for Penny Pilot issues only); 68339 (December 3, 2012), 77 FR 73109 (December 7, 2012) (SR–NYSEArca–2012–130) (extending the PNPLO to non-Penny Pilot issues); 69641 (May 28, 2013), 78 FR 33134 (June 3, 2013) (SR–NYSEArca–2013–51) (eliminating reference to the PNPLO).

⁶ See Plan, dated April 14, 2009, available at, [http://www.optionsclearing.com/components/docs/clearing/services/](http://www.optionsclearing.com/components/docs/clearing/services/options_order_protection_plan.pdf)

options_order_protection_plan.pdf. See also Securities Exchange Act Release No. 60405 (July 30, 2009), 74 FR 39362 (August 6, 2009) (File No. 4–546) (order approving the Plan). The Plan establishes various obligations for participating exchanges, including that Market Makers should “reasonably avoid displaying, and shall not engage in a pattern or practice of displaying, any quotations that lock or cross” the best bid or offer on another Market Center. See Plan, *supra*, at Section 6(c).

⁷ See proposed Rule 925.1NY(a)(3)(A). See also Rule 900.2NY(36) (defining Market Center as “a national securities exchange that has qualified for participation in the Options Clearing Corporation pursuant to the provisions of the rules of the Options Clearing Corporation”).

it locks or crosses interest on another Market Center or if the quote is an MMLO and locks or crosses undisplayed interest.⁸ The proposed rule would further state that when such quantity of an incoming quote is cancelled (as opposed to being rejected outright), the Exchange would also cancel the Market Maker’s current quote on the opposite side of the market. According to the Exchange, this would allow the Market Maker to refresh both its bid and offer simultaneously, as both sides of the Market Maker’s quote residing on the Consolidated Book would be cancelled.⁹ Additionally, the Exchange would reject an incoming quotation if it locks or crosses interest on another Market Center and if it cannot trade with interest in the Consolidated Book at prices that do not trade through another Market Center.¹⁰ The Exchange also proposes to reject an incoming MMLO if it locks or crosses undisplayed interest and cannot trade with displayed interest in the Consolidated Book at prices that do not trade through another Market Center.¹¹ The proposed rule would further state that when an incoming quote is rejected outright (as opposed to being cancelled after a partial fill), the Exchange would also cancel the Market Maker’s current quote on the same side of the market.¹² According to the Exchange, this treatment recognizes that the Market Maker unsuccessfully attempted to update its bid or offer price, and the cancellation would allow the Market Maker to refresh that side of its quote.¹³ The Exchange also proposes to specify that, when a series is open for trading, a quote will trade only against interest in the Consolidated Book and will not route.¹⁴

According to the Exchange, the implementation of the proposed rule change will be no later than 30 days after its approval, and will be announced by Trader Update.¹⁵

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of Section 6 of the Act¹⁶ and the rules and regulations thereunder applicable to a

national securities exchange.¹⁷ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁸ which requires, among other things, that the rules of a national securities exchange be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest and that the rules not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange noted that its proposal to add the definition of Market Maker quotes will provide additional clarity and transparency to Exchange rules.¹⁹ The Exchange further stated that it is difficult for Market Makers to account for undisplayed liquidity in their quoting models. The Exchange believes that its proposal to adopt the MMLO functionality would therefore provide Market Makers with increased control over their exposure, and thus may encourage more aggressive liquidity provision, resulting in more trading opportunities and tighter spreads.²⁰ According to the Exchange, this would improve overall market quality and improve competition on the Exchange to the benefit of all market participants.²¹ Finally, the Exchange stated that its proposal to amend the treatment of Market Maker quotations would assist Market Makers in maintaining a fair and orderly market, would encourage increased liquidity provision on the Exchange, and is consistent with Exchange’s obligations under the Plan in that it avoids trading through better prices on other exchanges and is designed to avoid locking and crossing markets.²² In particular, the Exchange noted that the proposed rules with respect to the treatment of Market Maker quotations would enable Market Makers to simultaneously update both sides of their resting quote when one side of the quote received a partial fill but was subsequently cancelled, and to leave

⁸ See proposed Rule 925.1NY(a)(3)(B)(i).

⁹ See Notice, *supra* note 3, at 11953.

¹⁰ See proposed Rule 925.1NY(a)(3)(C)(i).

¹¹ See proposed Rule 925.1NY(a)(3)(C)(ii).

¹² See proposed Rule 925.1NY(a)(3)(C).

¹³ See Notice, *supra* note 3, at 11953.

¹⁴ See proposed Rule 925.1NY(a)(3)(D).

¹⁵ See Notice, *supra* note 3, at 11954.

¹⁶ 15 U.S.C. 78f.

¹⁷ In approving this proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ See Notice, *supra* note 3, at 11954.

²⁰ See *id.*

²¹ See *id.*

²² See *id.*

undisturbed valid opposite-side interest where one side of a quote is rejected and not booked.²³ This proposal does not relieve a Market Maker of its continuous quoting, or firm quote, obligations pursuant to Rules 925.1NY and 970NY, respectively. For these reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act and the rules and regulations thereunder applicable to a national securities exchange.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²⁴ that the proposed rule change (SR-NYSEMKT-2017-08) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority,²⁵

Eduardo A. Aleman,

Assistant Secretary.

[FR Doc. 2017-06565 Filed 4-3-17; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80327; File No. SR-MSRB-2017-02]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of a Proposed Rule Change to Rule G-3, on Professional Qualification Requirements, and Rule G-8, on Books and Records, To Establish Continuing Education Requirements for Municipal Advisors and Accompanying Recordkeeping Requirements

March 29, 2017.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act" or "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 22, 2017 the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. 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 MSRB filed with the Commission a proposed rule change to amend MSRB Rule G-3, on professional qualification requirements, to establish continuing education requirements for municipal advisors;³ and accompanying amendments to MSRB Rule G-8, on books and records to be made by brokers, dealers and municipal securities dealers ("dealers") and municipal advisors; and the proposed rule change also makes minor technical changes to Rule G-3 to reflect the renumbering of sections and updates to cross-referenced provisions (collectively the "proposed rule change"). The MSRB requests that the proposed rule change be approved with an implementation date of January 1, 2018. Municipal advisors would, therefore, have until December 31, 2018 to complete a needs analysis, develop a written training plan and deliver the appropriate training to comply with the annual training requirement for calendar year 2018.

The text of the proposed rule change is available on the MSRB's Web site at www.msrb.org/Rules-and-Interpretations/SEC-Filings/2017-Filings.aspx, at the MSRB'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 MSRB 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 MSRB 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

Now that the MSRB has launched the Municipal Advisor Representative Qualification Examination (Series 50),⁴

³ Municipal advisor would have the same meaning as in Section 15B(e)(4) of the Act, 17 CFR 240.15Ba1-1(d)(1)-(4) and other rules and regulations thereunder.

⁴ On February 26, 2015, the MSRB received approval from the SEC amending Rule G-3 to establish two new registration classifications for municipal advisors: Municipal advisor

in connection with its statutory mandate,⁵ the MSRB seeks to amend Rule G-3(i) to prescribe continuing education requirements for municipal advisors. Section 15B(b) of the Act, as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act"), specifically requires the MSRB to provide professional standards and continuing education requirements for municipal advisors. The goal of continuing education is to ensure that certain associated persons of municipal advisors stay abreast of issues that may affect their job responsibilities and of product and regulatory developments. The proposed rule change also would amend Rule G-8 to establish recordkeeping requirements related to the administration of a municipal advisor's continuing education program.

In addition, the proposed rule change would make technical changes to Rule G-3 to reflect the renumbering of sections and updates to cross-referenced provisions.

Background

In May 1993, due to the increasing complexity of the securities industry, a self-regulatory organization ("SRO") task force⁶ was formed by the industry's SROs, to study and develop recommendations regarding continuing education needs in the securities industry. In September 1993, the task force issued a report recommending a formal two-part continuing education program.⁷ The task force also recommended that a permanent council on continuing education, composed of broker-dealers and SRO representatives, be formed to develop the content for the continuing education program and provide ongoing maintenance of the program. Pursuant to this recommendation, the Securities Industry/Regulatory Council on Continuing Education ("CE Council") was formed.⁸ The CE Council prepared

representatives and municipal advisor principals; and to require each prospective municipal advisor representative and municipal advisor principal to take and pass the municipal advisor representative qualification examination. See Exchange Act Release No. 74384 (February 26, 2015), 80 FR 11706 (March 4, 2015) (SR-MSRB-2014-08).

⁵ See 15 U.S.C. 78o-4(b)(2)(L)(ii) and (iii).

⁶ The SROs in the task force included the MSRB, American Stock Exchange, Inc., the Chicago Board Options Exchange, Inc., the National Association of Securities Dealers, Inc. (n/k/a the Financial Industry Regulatory Authority), the New York Stock Exchange, Inc., and the Philadelphia Stock Exchange, Inc.

⁷ Report and Recommendations of the Securities Industry Task Force on Continuing Education (September 1993).

⁸ The CE Council is currently composed of up to 20-industry members from broker-dealers,

²³ See *id.*

²⁴ 15 U.S.C. 78s(b)(2).

²⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.