

Three, how resting non-displayed orders would trade, how order with a STPN Modifier would be handled, and that g-Quotes and Buy Minus/Zero Plus orders will be rejected. The Exchange also proposes to only permit buy and sell orders that are entered into the Cross Function pursuant to Supplementary Material .10 to Rule 76 to be eligible for the Block Size order exception to the Trade-at Prohibition.³⁸

In addition, the Exchange proposes to amend provisions related to two exceptions to the Trade-at Prohibition. First, the Exchange proposes amend the TAISO definition to reflect that ISOs may be routed to the full displayed size of a Protected Quotation that is traded-at and to make the corresponding change to the specific trade-at exception. Second, the Exchange proposes to amend the exception for Block Size orders to allow an order of Block Size to be executed on multiple Trading Centers.

The Commission believes that these changes are reasonably designed to comply with the Plan. Further, the Commission believes that the proposed changes that are targeted at particular Test Groups are necessary for compliance with the Plan. Accordingly, the Commission finds that these changes are consistent with Section 6(b)(5) of the Act³⁹ and Rule 608 of Regulation NMS⁴⁰ because they implement the Plan and clarify Exchange Rules.

In addition, the Exchange proposes to adopt a rule to specify how the Exchange will calculate LULD Price Bands after the Exchange opens or reopens. The Commission believes that this change should help to ensure that trading does not occur outside of Price Bands when LULD is in effect.

Finally, the Exchange proposes to specify that Trading Collars that are not in the MPV would be rounded down to the nearest price. The Commission believes that this change should provide clarity in the Exchange's rules.

For these reasons, the Commission finds that the proposed rule change, as modified by Amendment No. 2, is consistent with the requirements of the Act and Rule 608 of Regulation NMS.

³⁸ The Commission notes that the orders entered into the Cross Function for purposes of relying on the Block Size exception must satisfy the provisions of the exception, including that it may not be an aggregation of non-block orders, or broken into orders smaller than Block Size prior to submitting the order to the Trading Center for execution. See Exchange Rule 67(e)(4)(C)(iii).

³⁹ 15 U.S.C. 78f(b)(5).

⁴⁰ 17 CFR 242.608.

V. Solicitation of Comments on Amendment No. 2

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 2 is consistent with the Exchange 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-NYSEMKT-2016-83 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-NYSEMKT-2016-83. 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 20549-1090, 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-NYSEMKT-2016-83 and should be submitted on or before October 28, 2016.

VI. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 2

The Commission finds good cause to approve the proposed rule change, as

modified by Amendment No. 2, prior to the thirtieth day after the date of publication of notice of Amendment No. 2 in the **Federal Register**. As described above, the Exchange proposes to amend its rules to comply with the Plan and clarify other rules related to LULD and Trading Collars.

The Commission believes that the proposals related to LULD Price Bands and Trading Collars should provide clarity on instances where they are not in the MPV. The Commission believes that the proposals related to the Pilot are designed to ensure compliance with the Plan. The Commission notes that the Pilot is scheduled to start on October 3, 2016, and accelerated approval would ensure that the rules of the Exchange would be in place for the start of the Pilot. Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁴¹ to approve the proposed rule change, as modified by Amendment No. 2, on an accelerated basis.

VII. Conclusion

It is therefore ordered that, pursuant to Section 19(b)(2) of the Act,⁴² the proposed rule change (SR-NYSEMKT-2016-83), as modified by Amendment No. 2, be and hereby is approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴³

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-79023; File No. SR-Phlx-2016-82]

Self-Regulatory Organizations; NASDAQ PHLX LLC; Notice of Designation of Longer Period for Commission Action on a Proposed Rule Change To Adopt a New Exception in Exchange Rule 1000(f) for Sub-MPV Split-Priced Orders

October 3, 2016.

On August 3, 2016, NASDAQ PHLX 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

⁴¹ 15 U.S.C. 78s(b)(2).

⁴² *Id.*

⁴³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

thereunder,² a proposed rule change to provide an exception to the mandatory use of the Floor Broker Management System pursuant to Rule 1000(f)(iii) to permit Floor Brokers to execute certain sub-minimum price variation (“sub-MPV”) split-priced orders in the options trading crowd rather than electronically. The proposed rule change was published for comment in the **Federal Register** on August 22, 2016.³ The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act⁴ 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 October 6, 2016.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. 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 and take action on the Exchange’s proposed rule change.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act⁵ and for the reasons stated above, the Commission designates November 20, 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-Phlx-2016-82).

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. 34-79030; File No. SR-NYSE-2016-62]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Partial Amendment No. 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Partial Amendment No. 2, To Amend Rule 67 Relating to the Tick Size Pilot Program

October 3, 2016.

I. Introduction

On August 25, 2016, New York Stock Exchange LLC (“NYSE” or “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: (1) Change system functionality to implement the Plan to Implement a Tick Size Pilot Program (“Plan” or “Pilot”)³ submitted to the Commission pursuant to Rule 608 of Regulation NMS⁴ under the Act; (2) clarify the operation of certain exceptions to the Trade-at Prohibition⁵ on Pilot Securities in Test Group Three; (3) amend the Limit Up/Limit Down (“LULD”) price controls set forth in Exchange Rule 80C regarding the Regulation NMS Plan to Address Extraordinary Market Volatility (“LULD Plan”);⁶ and (4) amend the Exchange’s trading collar calculation in Exchange Rule 1000. The proposed rule change was published for comment in the **Federal Register** on September 15, 2016.⁷ The Commission received two comments letter on the proposal.⁸ On

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) (“Approval Order”). Unless otherwise specified, capitalized terms used in this order are defined as set forth in the Plan.

⁴ 17 CFR 242.608.

⁵ Exchange Rule 67(e)(4)(A) defines the “Trade-at Prohibition” as the prohibition against executions by a Trading Center of a sell order for a Pilot Security at the price of a Protected Bid or the execution of a buy order for a Pilot Security at the price of a Protected Offer during regular trading hours. See also Plan Section I(LL) and Plan Section VI(D).

⁶ See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (File No. 4-631).

⁷ See Securities Exchange Act Release No. 78802 (September 9, 2016), 81 FR 63515.

⁸ See Letters from Eric Swanson, EVP, General Counsel, Bats Global Markets, Inc., Elizabeth K. King, General Counsel and Corporate Secretary, New York Stock Exchange; and Thomas A. Wittman, EVP, Global Head of Equities, Nasdaq, Inc., dated September 9, 2016 (“Comment Letter

September 27, 2016, the Exchange filed Partial Amendment No. 1 to the proposed rule change (“Amendment No. 1”). On September 30, 2016, the Exchange withdrew Amendment No. 1 and filed Partial Amendment No. 2 to the proposed rule change (“Amendment No. 2”).⁹

This order provides notice of Amendment No. 2, and approves the proposal, as modified by Amendment No. 2, on an accelerated basis.

II. Description of the Amended Proposal

The Exchange proposes to amend Exchange Rule 67 to: (1) Change system functionality to implement the Plan; (2) clarify the operation of certain exceptions to the Trade-at Prohibition on Pilot Securities in Test Group Three; (3) amend the LULD price controls set forth in Exchange Rule 80C; and (4) amend the Exchange’s trading collar calculation set forth in Exchange Rule 1000.

A. Amendments to Exchange Systems Functionality To Implement the Plan

1. Trade-at Intermarket Sweep Order¹⁰

The Exchange proposes to accept Trade-at Intermarket Sweep Orders (“TAISO”) in all securities, and that TAISOs must be designated as immediate or cancel (“IOC”), may include a minimum trade size, and do not route. The Exchange would immediately and automatically execute a TAISO against the displayed and non-displayed bid (offer) up to its full size in accordance with and to the extent provided by Exchange Rules 1000—1004 and will then sweep the Exchange’s book as provided in Rule 1000(e)(iii), and the portion not so executed will be immediately and automatically cancelled. The Exchange would accept TAISOs before the Exchange opens and would allow TAISOs to be eligible to participate in the opening transaction at its limit price, but would not be accept TAISOs during a trading halt or pause for participation in a reopening transaction. Finally, the Exchange would not allow TAISOs to be entered as e-Quotes, d-Quotes, or g-Quotes.

No. 1”); and Eric Swanson, EVP, General Counsel, Bats Global Markets, Inc., dated September 12, 2016 (“Comment Letter No. 2”).

⁹ In Amendment No. 2, the Exchange proposes to: (1) Specify that in all Pilot Securities, d-Quotes to buy (sell) would not exercise discretion if (A) exercising discretion would result in an execution equal to or higher (lower) than the price of a protected offer (bid) or (B) the price of a protected bid (offer) is equal to or higher (lower) than the filed price of the d-Quote; and (2) correct cross references.

¹⁰ See proposed Exchange Rule 67(f)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 78593 (August 16, 2016), 81 FR 56724.

⁴ 15 U.S.C. 78s(b)(2).

⁵ 15 U.S.C. 78s(b)(2)(A)(ii)(I).

⁶ 17 CFR 200.30-3(a)(31).