

such organization. The Commission believes the proposal is consistent with section 17A(b)(3)(F) of the Act<sup>8</sup> and Rule 17Ad-22(d)(12),<sup>9</sup> as described in detail below.

**Consistency with Section 17A(b)(3)(F) of the Act.** Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed (i) to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions, and (ii) to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.<sup>10</sup> As described above, under NSCC's current Rules regarding AIP, settlement of AIP Payments is the responsibility of AIP Members, including AIP Fund Administrators. However, NSCC has learned from fund administrators interested in becoming AIP Members that fund administrators generally do not control money settlement for their Fund clients. This disconnect has impeded the adoption of AIP by the fund administrator community. To address this issue, NSCC will now allow AIP Fund Administrators to establish AIP sub-accounts and permit AIP Payments to settle at the sub-account level. Doing so will redirect responsibility for settlement of AIP Payments from AIP Fund Administrators to the AIP Fund Administrator's designated Fund clients.

In allowing settlement at the sub-account level, NSCC (i) will be fostering cooperation and coordination with fund administrators and Funds that are involved in the processing of alternative investment securities transactions, and (ii) will be removing an impediment to the prompt and accurate clearance and settlement of alternative investment securities transactions at the sub-account level. As such, the Commission believes that the proposal is consistent with section 17A(b)(3)(F) of the Act.<sup>11</sup>

**Consistency with Rule 17Ad-22(d)(12).** Rule 17Ad-22(d)(12) under the Act requires a central counterparty, such as NSCC, to "establish, implement, maintain and enforce written policies and procedures reasonably designed to . . . [e]nsure that final settlement occurs no later than the end of the settlement day . . . ." <sup>12</sup> As described above, under the current Rules regarding AIP, if just one of an AIP

Fund Administrators' designated Fund clients fails to make its AIP Payment on Settlement Date, and the AIP Fund Administrator does not cover the shortfall, NSCC is required to reverse all of the AIP Fund Administrator's contra-side credit positions, including the contra-side credit positions of Funds that did pay. With this proposed rule change, AIP Fund Administrators can create AIP sub-accounts that settle separately from their primary AIP accounts, as well as from other AIP sub-accounts. Allowing AIP settlement at the sub-account level will enable funded AIP sub-accounts to settle no later than the end of the settlement day, while unfunded sub-accounts can be reversed, separately. As such, the Commission believes that the proposal is consistent with Rule 17Ad-22(d)(12).<sup>13</sup>

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of section 17A of the Act<sup>14</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act, that proposed rule change SR-NSCC-2015-007 be, and hereby is, *approved*.<sup>15</sup>

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

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-31923 Filed 12-18-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76646; File No. SR-NYSEArca-2015-113]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to the Index Underlying the WisdomTree Put Write Strategy Fund

December 15, 2015.

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>

<sup>13</sup> *Id.*

<sup>14</sup> 15 U.S.C. 78q-1.

<sup>15</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>17</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

notice is hereby given that, on December 2, 2015, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 the Substance of the Proposed Rule Change

The Exchange proposes to change a representation relating to the number of components in the CBOE S&P 500 Put Write Index, the index underlying the WisdomTree Put Write Strategy Fund ("Fund"). The Securities and Exchange Commission ("Commission") has approved listing and trading of shares of the Fund on the Exchange under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3) ("Investment Company Units").<sup>4</sup> Shares of the Fund have not commenced listing and trading on the Exchange. 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 such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Commission has approved a proposed rule change relating to listing and trading on the Exchange of shares ("Shares") of the Fund on the Exchange under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3) <sup>5</sup> ("Investment

<sup>4</sup> See note 6, *infra*.

<sup>5</sup> NYSE Arca Equities Rule 5.2(j)(3)(A) provides that an Investment Company Unit is a security that represents an interest in a registered investment

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>9</sup> 17 CFR 240.17Ad-22(d)(12).

<sup>10</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>11</sup> *Id.*

<sup>12</sup> 17 CFR 240.17Ad-22(d)(12).

Company Units”).<sup>6</sup> Shares of the Fund have not commenced listing and trading on the Exchange.

The Shares will be offered by the WisdomTree Trust (“Trust”), which was established as a Delaware statutory trust on December 15, 2005. The Trust is registered with the Commission as an investment company and has filed a registration statement on Form N-1A (“Registration Statement”) with the Commission on behalf of the Fund.<sup>7</sup>

The Exchange proposes to change a representation made in the Prior Release relating to the number of components in the CBOE S&P 500 Put Write Index (“Index”), the index underlying the Fund.

As described in the Prior Release, the Fund’s investment objective will be to seek investment results that, before fees and expenses, closely correspond to the price and yield performance of the Index. The Index was developed and is maintained by the Chicago Board Options Exchange, Inc. (“CBOE” or the “Index Provider”). The Fund’s investment objective is to seek investment results that, before fees and expenses, closely correspond to the price and yield performance of the Index. The Index tracks the value of a passive investment strategy, which consists of overlaying of S&P 500 Index put options (“SPX Puts”) over a money market account, invested in one and three-month Treasury bills (“PUT Strategy”). The SPX Puts are struck at-the-money and are sold on a monthly basis, usually the third Friday of the month (*i.e.*, the “Roll Date”), which matches the expiration date of the SPX

Puts. All SPX Puts are standardized options traded on the CBOE.

As stated in the Prior Release, the Exchange submitted a proposed rule change (*i.e.*, File No. SR-NYSEArca-2015-05) to permit listing and trading of Shares of the Fund because the Index for the Fund does not meet all of the “generic” listing requirements of Commentary .01(a)(A) to NYSE Arca Equities Rule 5.2(j)(3), applicable to the listing of Investment Company Units based upon an index of “US Component Stocks.”<sup>8</sup> Specifically, Commentary .01(a)(A) to NYSE Arca Equities Rule 5.2(j)(3) sets forth the requirements to be met by components of an index or portfolio of US Component Stocks. Because the Index consists primarily of SPX Puts, rather than “US Component Stocks” as defined in NYSE Arca Equities Rule 5.2(j)(3), the Index does not satisfy the requirements of Commentary .01(a)(A).

As stated in the Prior Release, the Shares will conform to the initial and continued listing criteria under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2), except that the Index will not meet the requirements of NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(1–5) in that the Index will consist of one series of options based on US Component Stocks (*i.e.*, SPX Puts), rather than US Component Stocks. However, the Prior Release also stated that the Index will include a minimum of 20 components and therefore, would meet the numerical requirements of NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(4) (a minimum of 13 index or portfolio components). The representation in the preceding sentence is incorrect in that NYSE Arca Equities Rule 5.2(j)(3), Commentary .01 is inapplicable to an index consisting of options. NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(4) requires that an underlying index include a minimum of 13 “component stocks”, *i.e.*, US Component Stocks or Non-US Component Stocks (as defined in NYSE Arca Equities Rule 5.2(j)(3)), not options components.<sup>9</sup> In addition,

<sup>8</sup> NYSE Arca Equities Rule 5.2(j)(3) provides that the term “US Component Stock” shall mean an equity security that is registered under sections 12(b) or 12(g) of the Act and an American Depositary Receipt, the underlying equity securities of which is registered under Sections 12(b) or 12(g) of the Act.

<sup>9</sup> NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(5) provides that all securities in the applicable index or portfolio shall be US Component Stocks listed on a national securities exchange and shall be NMS Stocks as defined in Rule 600 under Regulation NMS of the Act. Each component stock of the S&P 500 Index is a US Component Stock that is listed on a national securities exchange and is an NMS Stock. Options are excluded from the definition of NMS Stock. As

the Index does not include 20 components, but rather consists of one component, which will be one series of SPX Puts struck at-the-money and sold on a monthly basis.

The Exchange believes it is appropriate to strike from the Prior Release the representation that the Index will include a minimum of 20 components and would meet the numerical requirements of NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(4) because such Commentary is inapplicable to an index containing options components and because the Index does not include a minimum of 20 components. The Exchange believes that such deletion will not adversely impact investors or the public interest in that the Index is based on CBOE-traded puts on one of the most widely-followed broad-based market indexes—the S&P 500.

S&P 500 Index options traded on CBOE are highly liquid, with average daily trading volume in 2014 of 888,089 contracts, with a notional size per contract of \$200,000.<sup>10</sup> The Exchange represents that the average daily trading volume of at-the-money 30-day SPX Puts as of approximately 12:00 noon on each of the three recent Roll Dates was as follows: For Roll Date of April 17, 2015 (expiry May 15, 2015), strike price of 2080, 4,069 contracts on Roll Date, 2,273 average contracts per day through expiration; for Roll Date of May 15, 2015 (expiry June 19, 2015), strike price of 2120, 9,521 contracts on Roll Date, 2,427 average contracts per day through expiration; and for Roll Date of June 19, 2015 (expiry July 17, 2015), strike price of 2110, 126 contracts on Roll Date, 859 average contracts per day through expiration.<sup>11</sup> Moreover, the proceeds of the sales of the SPX Puts will be invested in one and three-month Treasury bills, which are also highly liquid instruments.

The trading volume of the at-the-money SPX Puts as of approximately 12:00 noon on Roll Dates compares favorably with at-the-money (as of approximately 12:00 noon) put options on other major indexes on Roll Dates. For example, the trading volume of comparable 30-day put options trading at-the-money as of 12:00 noon on each of the Roll Dates above on the Russell 2000 Index (“RUT”) was as follows: For

stated in the Prior Release, the Fund and the Index meet all of the requirements of the listing standards for Investment Company Units in NYSE Arca Equities Rule 5.2(j)(3) and the requirements of Commentary .01, except the requirements in Commentary .01(a)(A)(1)–(5), as the Index consists of options on US Component Stocks.

<sup>10</sup> See [www.CBOE.com](http://www.CBOE.com).

<sup>11</sup> Source: Bloomberg.

company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities (or holds securities in another registered investment company that holds securities comprising, or otherwise based on or representing an interest in, an index or portfolio of securities).

<sup>6</sup> See Securities Exchange Act Release Nos. 74290 (February 18, 2015), 80 FR 9818 (February 24, 2015) (SR-NYSEArca-2015-05) (notice of filing of proposed rule change relating to listing and trading of shares of WisdomTree Put Write Strategy Fund under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3)) (“Prior Notice”); 74675 (April 8, 2015), 80 FR 20038 (April 14, 2015) (SR-NYSEArca-2015-05) (order approving proposed rule change to list and trade shares of WisdomTree Put Write Strategy Fund under Commentary .01 to NYSE Arca Equities Rule 5.2(j)(3)) (“Prior Order” and, together with the Prior Notice, the “Prior Release”).

<sup>7</sup> The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a–1) (“1940 Act”). See Post-Effective Amendment No. 381 to Registration Statement on Form N-1A for the Trust, dated December 15, 2014 (File Nos. 333–132380 and 811–21864). The descriptions of the Fund and the Shares contained herein are based on information in the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 28171 (October 27, 2008) (File No. 812–13458).

Roll Date of April 17, 2015 (expiry May 15, 2015), strike price of 1250, 1,137 contracts on Roll Date, 554 average contracts per day through expiration; for Roll Date of May 15, 2015 (expiry June 19, 2015), strike price of 1240, 356 contracts on Roll Date, 624 average contracts per day through expiration; and Roll Date of June 19, 2015 (expiry July 17, 2015), strike price of 1280, 2,240 contracts on Roll Date, 670 average contracts per day through expiration.<sup>12</sup>

The daily high, low and last reported sales prices on each of the Roll Dates for SPX Puts at-the-money as of approximately 12:00 noon were as follows: Roll Date of April 17, 2015 (expiry May 15, 2015), strike price of 2080, daily high: \$34.65, low: \$23.45, last: \$28.70; Roll Date of May 15, 2015 (expiry June 19, 2015), strike price of 2120, daily high: \$32.70, low: \$29.00, last: \$29.00; and Roll Date of June 19, 2015 (expiry July 17, 2015), strike price of 2110, daily high: \$30.40, low: \$24.20, last: \$30.40.<sup>13</sup>

The Exchange estimates that on launch date, the Fund would hold approximately \$2.5–\$5.0 million in cash and cash equivalents (*e.g.* one-month and three-month Treasury bills). This estimate is based on a minimum of 100,000–200,000 Shares being created at an estimated initial offering price of \$25 per Share.

The Exchange believes that sufficient protections are in place to protect against market manipulation of the Fund's Shares and SPX Puts for several reasons: (i) Surveillances administered by each of the Exchange, CBOE and FINRA designed to detect violations of the federal securities laws and self-regulatory organization ("SRO") rules; (ii) the large number of financial instruments tied to the specified securities; and (iii) the exchange-traded fund ("ETF") creation/redemption arbitrage mechanism tied to the large pool of liquidity of each of the Fund's underlying investments, as more fully described below.

Trading in the Shares and the underlying Fund instruments will be subject to the federal securities laws and Exchange, CBOE and the Financial Industry Regulatory Authority ("FINRA") rules and surveillance programs.<sup>14</sup> In this regard, the Exchange

has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. The Exchange notes that the Fund's portfolio is not readily susceptible to manipulation as assets in the portfolio—comprised primarily of short-term U.S. Treasury bills<sup>15</sup> and SPX Puts—will be acquired in extremely liquid and highly regulated markets.

SPX options are among the most liquid index options in the U.S. and derive their value from the actively traded S&P 500 Index components. SPX options are cash-settled with no delivery of stocks or ETFs, and trade in competitive auction markets with price and quote transparency. The Exchange believes the highly regulated S&P 500 options markets and the broad base and scope of the S&P 500 Index make securities that derive their value from that index, including S&P 500 options, less susceptible to potential market manipulation in view of market capitalization and liquidity of the S&P 500 Index components, price and quote transparency, and arbitrage opportunities.

Because the pricing of the Shares is tied to the Fund's underlying assets (cash, Treasuries and SPX Puts), all of which are traded in efficient, diversified and liquid markets, the Exchange also expects the liquidity in the congruent creation/redemption arbitrage mechanism to keep the Shares' market pricing in line such that the Shares' pricing would not materially differ from their net asset value. The Exchange believes that the efficiency and liquidity of the markets for SPX Puts, related derivatives, and S&P 500 Index components are sufficiently great as to

see <http://www.cboe.com/aboutcboe/legal/departments/orsareg.aspx>.

<sup>15</sup> The Treasury bill market is highly liquid; Treasury bills are often considered a cash-equivalent given the ability of investors to quickly convert them into cash. According to Federal Reserve Bank of New York data as of September 2015, average daily trading volume for U.S. Treasury bills totaled \$67.8 billion. In addition, the Treasury market and its participants are subject to a wide range of oversight and regulations, including requirements designed to prevent market manipulation and other abuses. For example, Treasury market participants and the Treasury market, itself, are subject to significant oversight by a number of regulatory authorities, including the Treasury, the Commission, federal bank regulators, and the Financial Industry Regulatory Authority. The Exchange contends that the short-term Treasury securities that the Fund will acquire as part of its strategy are not readily susceptible to market manipulation due to the liquidity and extensive oversight associated with the short-term U.S. Treasury market.

deter fraudulent or manipulative acts associated with the Fund's Share price. Coupled with the extensive surveillance programs of the SROs described above, the Exchange does not believe that trading in the Fund's Shares, as proposed, would present manipulation concerns.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by regulatory staff of the Exchange or the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.<sup>16</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

FINRA, on behalf of the Exchange, or the regulatory staff of the Exchange, will communicate as needed regarding trading in the Shares and SPX Index options with other markets and other entities that are members of the Intermarket Surveillance Group ("ISG"), and FINRA, on behalf of the Exchange, or the regulatory staff of the Exchange, may obtain trading information regarding trading such securities from such markets and other entities. In addition, the regulatory staff of the Exchange may obtain information regarding trading in such securities from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.<sup>17</sup>

In addition, the Exchange also has a general policy prohibiting the

<sup>16</sup> FINRA surveils certain trading activity on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

<sup>17</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all components of the Disclosed Portfolio for a Fund may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

<sup>12</sup> *Id.*

<sup>13</sup> Source: CBOE.

<sup>14</sup> The Exchange notes that CBOE is a member for the Options Regulatory Surveillance Authority, which was established in 2006, to provide efficiencies in looking for insider trading and serves as a central organization to facilitate collaboration in insider trading and investigations for the U.S. options exchanges. For more information,

distribution of material, non-public information by its employees.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under section 6(b)(5)<sup>18</sup> 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 Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 5.2(j)(3). The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by regulatory staff of the Exchange or FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws. FINRA, on behalf of the Exchange, or the regulatory staff of the Exchange, will communicate as needed regarding trading in the Shares and SPX Index options with other markets and other entities that are members of ISG, and FINRA, on behalf of the Exchange, or the regulatory staff of the Exchange, may obtain trading information regarding trading such securities from such markets and other entities. In addition, the regulatory staff of the Exchange may obtain information regarding trading in such securities from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. The Exchange believes it is appropriate to strike from the Prior Release the representation that the Index will include a minimum of 20 components and would meet the numerical requirements of NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(A)(4), as described above. The Exchange believes that such deletion will not adversely impact investors or the public interest in that the Index is based on CBOE-traded puts on the S&P 500, which are highly liquid and actively traded. The Exchange

represents that S&P 500 Index options traded on CBOE are highly liquid, with average daily trading volume in 2014 of 888,089 contracts, with a notional size per contract of \$200,000.<sup>19</sup> The Exchange represents that the average daily trading volume of at-the-money 30-day SPX Puts as of approximately 12:00 noon on each of the three previously referenced Roll Dates. Moreover, the proceeds of the sales of the SPX Puts will be invested in one and three-month Treasury bills, which are also highly liquid instruments. The trading volume of the at-the-money SPX Puts as of approximately 12:00 noon on Roll Dates compares favorably with at-the-money (as of approximately 12:00 noon) put options on other major indexes on Roll Dates. Trading in the Shares and the underlying Fund instruments will be subject to the federal securities laws and Exchange, CBOE and FINRA rules and surveillance programs. In this regard, the Exchange has in place a surveillance program for transactions in ETFs to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making the Shares less readily susceptible to manipulation. The Exchange notes that the Fund's portfolio is not readily susceptible to manipulation as assets in the portfolio—comprised primarily of short-term U.S. Treasury bills and SPX Puts—will be acquired in extremely liquid and highly regulated markets.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that trading in the Shares is subject to all requirements of NYSE Arca Equities Rule 5.2(j)(3). The Index is based on CBOE-traded puts on the S&P 500, which are highly liquid and actively traded. The Web site for the Fund will include a form of the prospectus for the Fund and additional data relating to NAV and other applicable quantitative information. In addition, as stated in the Prior Notice, investors will have ready access to information regarding the Fund's holdings, the Intraday Indicative Value, and quotation and last sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or

with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as stated in the Prior Release, investors will have ready access to information regarding the Fund's holdings, the Intraday Indicative Value, and quotation and last sale information for the Shares.

## 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 proposed rule change will enhance competition by permitting listing and trading of an additional type of index-based exchange-traded fund whose underlying index includes an options component.

## 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

Within 45 days of the date of publication of this notice in the **Federal Register** or such longer time period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will: (a) By order approve or disapprove such proposed rule change; or (b) institute proceedings to determine whether the proposed rule change should be 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-NYSEArca-2015-113 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> See [www.CBOE.com](http://www.CBOE.com).

and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSEArca–2015–113. 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–NYSEArca–2015–113 and should be submitted on or before January 11, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

**Robert W. Errett,**  
Deputy Secretary.

[FR Doc. 2015–31933 Filed 12–18–15; 8:45 am]

BILLING CODE 8011–01–P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–76647; File No. SR–NASDAQ–2015–148]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend NASDAQ Options Market—Fees and Rebates

December 15, 2015.

Pursuant to 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 December 1, 2015, The NASDAQ Stock Market LLC (“Nasdaq” 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 amend the Exchange's transaction fees at Chapter XV, Section 2 entitled “NASDAQ Options Market—Fees and Rebates,” which governs pricing for Nasdaq members using the NASDAQ Options Market (“NOM”), Nasdaq's facility for executing and routing standardized equity and index options.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.cchwallstreet.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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes various changes to the NOM transaction fees and rebates set forth at Chapter XV, Section 2 for executing and routing standardized equity and index options under the Non-Penny Pilot Options program, as well as other changes.

The proposed changes are as follows:  
*Fees for Removing Liquidity in Non-Penny Pilot Options:* The Exchange proposes to:

1. Increase fees from \$0.94 to \$1.10 per contract for all Participant categories other than Customer, which remains at \$0.85 per contract.

2. Offer Participants that send Professional, Firm, Non-NOM Market Maker, NOM Market Maker and/or Broker-Dealer order flow an opportunity to lower the Fees for Removing Liquidity in Non-Penny Pilot Options from \$1.10 to \$1.03 per contract provided they qualify for Customer or Professional Penny Pilot<sup>3</sup> Options Rebates to Add Liquidity Tiers 7 or 8.

3. Offer Participants that send NOM Market Maker order flow an opportunity to lower the Fee for Removing Liquidity in Non-Penny Pilot Options from \$1.10 to \$1.08 per contract provided they qualify for Customer or Professional Penny Pilot Options Rebate to Add Liquidity Tiers 2, 3, 4, 5 or 6.

<sup>3</sup> The Penny Pilot was established in March 2008 and has since been expanded and extended through June 30, 2016. See Securities Exchange Act Release Nos. 57579 (March 28, 2008), 73 FR 18587 (April 4, 2008) (SR–NASDAQ–2008–026) (notice of filing and immediate effectiveness establishing Penny Pilot); 60874 (October 23, 2009), 74 FR 56682 (November 2, 2009) (SR–NASDAQ–2009–091) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 60965 (November 9, 2009), 74 FR 59292 (November 17, 2009) (SR–NASDAQ–2009–097) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 61455 (February 1, 2010), 75 FR 6239 (February 8, 2010) (SR–NASDAQ–2010–013) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 62029 (May 4, 2010), 75 FR 25895 (May 10, 2010) (SR–NASDAQ–2010–053) (notice of filing and immediate effectiveness adding seventy-five classes to Penny Pilot); 65969 (December 15, 2011), 76 FR 79268 (December 21, 2011) (SR–NASDAQ–2011–169) (notice of filing and immediate effectiveness [sic] extension and replacement of Penny Pilot); 67325 (June 29, 2012), 77 FR 40127 (July 6, 2012) (SR–NASDAQ–2012–075) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2012); 68519 (December 21, 2012), 78 FR 136 (January 2, 2013) (SR–NASDAQ–2012–143) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2013); 69787 (June 18, 2013), 78 FR 37858 (June 24, 2013) (SR–NASDAQ–2013–082) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2013); 71105 (December 17, 2013), 78 FR 77530 (December 23, 2013) (SR–NASDAQ–2013–154) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2014); 79 FR 31151 (May 23, 2014), 79 FR 31151 (May 30, 2014) (SR–NASDAQ–2014–056) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through December 31, 2014); 73686 (November 25, 2014), 79 FR 71477 (December 2, 2014) (SR–NASDAQ–2014–115) (notice of filing and immediate effectiveness and extension and replacement of Penny Pilot through June 30, 2015) and 75283 (June 24, 2015), 80 FR 37347 (June 30, 2015) (SR–NASDAQ–2015–063) (notice of filing and immediate effectiveness of a Proposed Rule Change Relating to Extension of the Exchange's Penny Pilot Program and Replacement of Penny Pilot Issues That Have Been Delisted.) See also NOM Rules, Chapter VI, Section 5.

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>20</sup> 17 CFR 200.30–3(a)(12).