

submitted on or before September 1, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁰

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81325; File No. SR-NYSEARCA-2017-82]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change in Connection With the September 5, 2017 Compliance Date for the Shortening of the Standard Settlement Cycle From Three Business Days After the Trade Date to Two Business Days After the Trade Date

August 7, 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 26, 2017, 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 Substance of the Proposed Rule Change

The Exchange proposes in connection with the September 5, 2017, compliance date for the shortening of the standard settlement cycle from three business days after the trade date (“T+3”) to two business days after the trade date (“T+2”), to (1) delete NYSE Arca Equities Rule 7.4 (Ex-Dividend or Ex-Right Dates); (2) delete the preamble and “T” modifier from NYSE Arca Equities Rule 7.4T (“Rule 7.4T”); and (3) establish the operative date of Rule 7.4T. 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

In connection with the September 5, 2017, compliance date for shortening of the standard settlement cycle from T+3 to T+2, the Exchange proposes to (1) delete NYSE Arca Equities Rule 7.4 (“Rule 7.4”); (2) delete the preamble and “T” modifier from Rule 7.4T; and (3) establish the operative date of Rule 7.4T as September 5, 2017.

Background

On September 28, 2016, the Securities and Exchange Commission (“SEC”) proposed amendments to Rule 15c6-1(a) to shorten the standard settlement cycle from T+3 to T+2.⁴ Following this action by the SEC, the Exchange adopted a new Rule 7.4 with the modifier “T” to reflect a T+2 settlement cycle.⁵ Because the Exchange would not implement Rule 7.4T until after the final implementation of T+2, the Exchange retained the version of Rule 7.4 reflecting T+3 settlement on its books. In order to reduce the potential for confusion regarding which version of the rule governs, the Exchange added explanatory preambles to Rule 7.4 and Rule 7.4T.

In particular, the following preamble was added to Rule 7.4:

This version of Rule 7.4 will remain operative until the Exchange files separate proposed rule changes as necessary to establish the operative date of “Rule 7.4T. Ex-Dividend or Ex-Right Dates,” to delete this version of Rule 7.4 and preamble, and to remove the preamble text from the version of Rule 7.4T. In addition to filing the necessary proposed rule changes, the Exchange will

announce via Information Memo the operative date of the deletion of this Rule and implementation of “Rule 7.4T. Ex-Dividend or Ex-Right Dates.”

The following preamble was added to Rule 7.4T:

The Exchange will file separate proposed rule changes to establish the operative date of Rule 7.4T, to delete “Rule 7.4. Ex-Dividend or Ex-Right Dates” and the preamble text from Rule 7.4, and to remove the preamble text from the version of Rule 7.4T. Until such time, “Rule 7.4. Ex-Dividend or Ex-Right Dates” will remain operative. In addition to filing the necessary proposed rule changes, the Exchange will announce via Information Memo the implementation of this Rule and the operative date of the deletion of “Rule 7.4. Ex-Dividend or Ex-Right Dates.”

On March 22, 2017, the SEC adopted the proposed amendment to Rule 15c6-1(a) under the Act⁶ with a compliance date of September 5, 2017.⁷

Proposed Rule Change

In order to comply with the September 5, 2017, transition to T+2 settlement, the Exchange proposes to:

- Delete Rule 7.4, including the preamble, in its entirety;
- delete the preamble to Rule 7.4T; and
- delete the “T” modifier in Rule 7.4T, which distinguished it from Rule 7.4.

The Exchange proposes that the changes described herein would take effect on September 5, 2017, to coincide with the transition to T+2. The Exchange will announce via Information Memo the implementation of Rule 7.4T and the operative date of the deletion of Rule 7.4.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and further the objectives of Section 6(b)(5) of the Act,⁹ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, 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.

In particular, the Exchange believes that the proposed changes remove impediments to and perfect the mechanism of a free and open market by

³⁰ 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.

⁴ See Securities Exchange Act Release No. 78962 (September 28, 2016), 81 FR 69240 (October 5, 2016) (File No. S7-22-16).

⁵ See Securities Exchange Act Release No. 79732 (January 4, 2017), 82 FR 3042 (January 10, 2017) (SR-NYSEArca-2016-145).

⁶ See 17 CFR 240.15c6-1(a).

⁷ See Securities Exchange Act Release No. 80295 (March 22, 2017), 82 FR 15564 (March 29, 2017) (File No. S7-22-16).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

adding clarity as to which rules are operative and when, thereby reducing potential confusion, and making the Exchange's rules easier to navigate. The Exchange also believes that eliminating obsolete material from its rulebook also removes impediments to and perfects the mechanism of a free and open market by removing confusion that may result from having obsolete material in the Exchange's rulebook. The Exchange believes that eliminating such obsolete material would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased transparency, thereby reducing potential confusion.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not designed to address any competitive issue but rather facilitate the industry's transition to a T+2 regular-way settlement cycle. The Exchange also believes that the proposed rule change will serve to promote clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection.

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 Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and 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. The Exchange has satisfied this requirement.

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 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-NYSEARCA-2017-82 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSEARCA-2017-82. 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-2017-82 and should be submitted on or before September 1, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

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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 will hold an Open Meeting on Tuesday, August 15, 2017 at 1:00 p.m., in the Auditorium (L-002) at the Commission's headquarters building, to hear oral argument in an appeal from an initial decision of an administrative law judge by respondents Frank H. Chiappone, Andrew G. Guzzetti, William F. Lex, Thomas E. Livingston, Brian T. Mayer, and Philip S. Rabinovich, formerly registered representatives associated with former broker-dealer McGinn, Smith & Co., Inc.

On February 25, 2015, the ALJ found that Chiappone, Lex, Livingston, Mayer, and Rabinovich violated antifraud provisions of the federal securities laws by recommending that customers purchase securities without conducting a reasonable investigation into the offerings as well as provisions of the securities laws prohibiting unregistered offers and sales of securities. The ALJ barred or suspended these respondents from certain associations in the securities industry and ordered them to pay third-tier civil money penalties, to pay disgorgement of commissions received for their sales in violation of the antifraud provisions plus prejudgment interest, and to cease and desist from further violations of the securities laws. The ALJ found that Guzzetti failed reasonably to supervise the other respondents, ordered him to pay a third-tier civil money penalty, and suspended him from association in certain capacities in the securities industry.

¹² 17 CFR 200.30-3(a)(12).