

as the proposal provides, when it believes it is necessary in the interests of a fair and orderly market. The Commission believes that the ability to exercise such discretion can be important in situations when, for example, the primary market for an options class is unable to open due to a systems or technical issue or if some other unanticipated circumstance arises. The Commission notes that it has previously approved provisions of this kind as consistent with the Act.³²

The Commission further believes that the proposed rule change will provide transparency and enhance investors' understanding of the operation of the Exchange's opening process. For these reasons, the Commission believes that the proposed rule change, as modified by Amendment No. 1, is consistent with the Act.

IV. Solicitation of Comments on Amendment No. 1

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether Amendment No. 1 to the proposed rule change 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-NYSEARCA-2016-49 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-NYSEARCA-2016-49. 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-2016-49 and should be submitted by August 5, 2016.

V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 1, prior to the 30th day after the date of publication of notice of Amendment No. 1 in the **Federal Register**. As discussed above, Amendment No. 1 clarifies how the Exchange would determine the opening price upon dissemination of an NBBO from OPRA, an in particular specifies the circumstances in which "at or nearest to the midpoint" pricing is utilized during the Auction Process. Furthermore, the Commission believes it is appropriate to have these changes incorporated into the rules of the Exchange concurrently with the changes discussed in the original filing.

Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,³³ to approve the proposed rule change, as modified by Amendment No. 1 on an accelerated basis.

VI. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,³⁴ that the proposed rule change (SR-NYSEARCA-2016-49), as modified by Amendment No. 1 thereto, be, and it hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁵

Robert W. Errett,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78281; File No. SR-FINRA-2016-025]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Fee for the Regulatory Element of Continuing Education

July 11, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2016, Financial Industry Regulatory Authority, Inc. ("FINRA") 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 FINRA. FINRA has designated the proposed rule change as "establishing or changing a due, fee or other charge" under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposal effective upon receipt of this filing by the Commission. 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

FINRA is proposing to amend Section 4 of Schedule A to the FINRA By-Laws to address the transition of the Regulatory Element of Continuing Education ("CE") to the FINRA CE Online System®.

The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

³⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

³² See, e.g., Securities Exchange Act Release No. 71651 (March 5, 2014), 79 FR 13693 (March 11, 2014) (SR-BATS-2014-003).

³³ 15 U.S.C. 78s(b)(2).

³⁴ 15 U.S.C. 78s(b)(2).

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

In its filing with the Commission, FINRA 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. FINRA 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

As part of the transition to CE Online, FINRA is phasing out test center delivery of the CE Regulatory Element.⁵ Specifically, effective July 1, 2016, the option to complete the Regulatory Element at a test center will no longer be available, and participants must complete their session using the CE Online System with the exception of participants who, pursuant to the Americans with Disabilities Act,⁶ may need accommodations in completing their CE session due to a disability. Participants who need such accommodations may apply for an accommodation and complete their CE Regulatory Element session at a test center.⁷

Currently, pursuant to Section 4(f) of Schedule A to the FINRA By-Laws, FINRA assesses a session fee of \$100 to each participant for each scheduled session to complete the Regulatory Element at a test center, and it assesses a session fee of \$55 to each participant who completes the Regulatory Element through the CE Online System. In conjunction with phasing out test center delivery of the Regulatory Element, FINRA is proposing to amend Section 4(f) of Schedule A to the FINRA By-Laws to assess a session fee of \$55 for the Regulatory Element regardless of whether the session is completed at a test center or through the CE Online System. However, as noted above, only participants who apply for an accommodation would be eligible to

complete their CE Regulatory Element session at a test center.

In addition, Section 4(c) of Schedule A to the FINRA By-Laws includes additional fees for taking the Regulatory Element session outside the United States, failing to appear on time for an appointment or cancelling or rescheduling an appointment. FINRA is proposing to make technical changes to Sections 4(c)(3) and (4) of Schedule A to the FINRA By-Laws to clarify that such additional fees are only applicable to test center-based sessions. Further, because these additional fees are based on the initial session fee, which FINRA is proposing to reduce, the proposed rule change would result in a reduction of the total fees charged under these sections for completing the Regulatory Element at a test center.

FINRA has filed the proposed rule change for immediate effectiveness.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act,⁸ which requires, among other things, that FINRA rules provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that FINRA operates or controls. The proposed rule change reduces the session fee for participants who are eligible to complete their CE Regulatory Element session at a test center, and it aligns the session fee for such participants with the session fee for participants who complete their session through the CE Online System.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. As described above, participants who need an accommodation pursuant to the Americans with Disabilities Act may apply for an accommodation and complete their CE Regulatory Element session at a test center. FINRA is proposing to reduce the session fee for a test center-based session of the CE Regulatory Element for such participants.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁹ and paragraph (f)(2) of Rule 19b-4 thereunder.¹⁰ 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 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-FINRA-2016-025 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-FINRA-2016-025. 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.,

⁵ See *Regulatory Notice* 15-28 (August 2015); see also *Information Notice*, May 16, 2016 (Elimination of Continuing Education Delivery at Testing Centers).

⁶ Americans with Disabilities Act of 1990, Public Law 101-336, 104 Stat. 328 (1990).

⁷ See FINRA's CE Online Delivery Accommodation Web page, available at <http://www.finra.org/industry/accommodations-continuing-education-ce-online-participants>.

⁸ 15 U.S.C. 78o-3(b)(5).

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2016-025, and should be submitted on or before August 5, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹¹

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78286; File No. SR-BX-2016-032]

Self-Regulatory Organizations; NASDAQ BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Automated Removal of Quotes

July 11, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 1, 2016, NASDAQ BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II 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 Chapter VII, Section 6(f), entitled “Automated Removal of Quotes.”

The text of the proposed rule change is available on the Exchange’s Web site at <http://nasdaqomxbx.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 to amend BX Rules at Chapter VII, Section 6(f), entitled “Automated Removal of Quotes” to modify the minimum Specified Percentage (as described below). A BX Options Market Maker³ sets the Specified Percentage to enhance its risk management for an underlying security as market conditions warrant, based on its own risk tolerance level and quoting behavior. The Exchange proposes to permit the BX Options Market Maker to set the Specified Percentage more broadly, no less than 1%, with this rule change. The Exchange also proposes to replace the definition of “disseminated size”⁴ with a quantitative description to add transparency with respect to the calculation of Series Percentage.

Background

Today, Chapter VII, Section 6(f) permits BX Options Market Makers to monitor risk arising from multiple executions across multiple options series of a single underlying security. A BX Options Market Maker may provide a specified time period and a specified percentage by which the Exchange’s System will automatically remove a BX Options Market Maker’s quotes in all series of an underlying security

submitted through designated BX protocols, as specified by the Exchange, during a specified time period not to exceed 15 seconds (“Percentage-Based Specified Time Period”).⁵

For each series in an option, the System determines: (i) The percentage that the number of contracts executed in that series represents relative to the BX Options Market Maker’s disseminated size of each side in that series (“Series Percentage”); and (ii) the sum of the Series Percentage in the option issue (“Issue Percentage”). The Exchange proposes herein to replace the term “disseminated size” with the more precise phrase “number of contracts available at the time of execution plus the number of contracts executed in unexpired prior executions.”

The System tracks and calculates the net impact of positions in the same option issue during the Percentage-Based Specified Time Period. Specifically, the System tracks transactions, *i.e.*, the sum of buy-side put percentages, the sum of sell-side put percentages, the sum of buy-side call percentages, and the sum of sell-side call percentages. The System then calculates the absolute value of the difference between the buy-side puts and the sell-side puts plus the absolute value of the difference between the buy-side calls and the sell-side calls. If the Issue Percentage, rounded to the nearest integer, equals or exceeds a percentage established by the BX Options Market Maker, not less than 100% (“Specified Percentage”), the System automatically removes a BX Options Market Maker’s quotes in all series of an underlying security submitted through designated BX protocols, as specified by the Exchange, during the Percentage-Based Specified Time.

The Percentage-Based Specified Time Period commences for an option every time an execution occurs in any series in such option and continues until the System removes quotes as described in Chapter VII, Section 6(f)(iv) or (v) or the Percentage-Based Specified Time Period expires. The Percentage-Based Specified Time Period operates on a rolling basis among all series in an option in that there may be multiple Percentage-Based Specified Time Periods occurring simultaneously and such Percentage-Based Specified Time periods may overlap.

Proposal

The Exchange proposes to lower the minimum Specified Percentage, which

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term “BX Options Market Maker” or “Options Market Maker” (herein “BX Options Market Maker”) means an Options Participant registered with the Exchange for the purpose of making markets in options contracts traded on the Exchange and that is vested with the rights and responsibilities specified in Chapter VII of these Rules.” [sic] See BX Rules at Chapter I, Section 1(a)(9).

⁴ See Securities Exchange Act Release No. 76317 (October 30, 2015), 80 FR 68586 at 68587 (November 5, 2015) (SR-BX-2015-060). The Exchange defined disseminated size in this rule change in footnote 12, as the original size quoted by the Participant.

⁵ A specified time period commences for an option when a transaction occurs in any series in such option.