

promote regulatory efficiency and reduce the burden on dealers and subscribers that are making programming changes related to both MSRB and FINRA rule changes. Accordingly, the MSRB submits this proposed rule change to revise the effective date of the amendments to be July 18, 2016.

## 2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act,<sup>7</sup> which provides that the MSRB's rules shall:

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 municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The proposed rule change does not alter any rule language but revises the effective date of the amendments to Rule G-14, which were previously approved by the Commission. By aligning the effective date of the amendments with the effective date of similar FINRA post-trade reporting requirements, the MSRB believes the proposed rule change will promote compliance with the amendments and promote just and equitable principles of trade, facilitate transactions in municipal securities, remove impediments to and perfect the mechanism of a free and open market in municipal securities and protect investors. In addition, the MSRB believes the proposed rule change will create potential regulatory efficiencies by allowing dealers that choose to do so to implement programming changes and perform testing for both MSRB and FINRA requirements simultaneously.

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

Section 15B(b)(2)(C) of the Act<sup>8</sup> requires that MSRB rules not be designed to impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The MSRB does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule

change will not alter any rule language and will, instead, only revise the effective date of the amendments to Rule G-14 to be July 18, 2016.

### *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 on 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 Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10 11</sup>

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.

### **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-MSRB-2016-05 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

<sup>11</sup> In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file a proposed rule change, along with a brief description and text of such proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission. The MSRB fulfilled this obligation.

All submissions should refer to File Number SR-MSRB-2016-05. 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 MSRB. 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-MSRB-2016-05 and should be submitted on or before April 8, 2016.

For the Commission, pursuant to delegated authority.<sup>12</sup>

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

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## **SECURITIES AND EXCHANGE COMMISSION**

### **Proposed Collection; Comment Request**

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

#### *Extension:*

Rule 17Ad-17, SEC File No. 270-412,  
OMB Control No. 3235-0469.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") is soliciting comments

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

<sup>7</sup> 15 U.S.C. 78o-4(b)(2)(C).

<sup>8</sup> *Id.*

on the existing collection of information provided for in Rule 17Ad-17, (17 CFR 240.17Ad-17), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*). The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Rule 17Ad-17 requires transfer agents and broker-dealers to make two searches for the correct address of lost securityholders using an information database without charge to the lost securityholders. In addition, paying agents are required to attempt to notify lost payees at least once. The Commission staff estimates that the rule applies to approximately 301 broker dealers and 2,766 paying agent entities, including carrying firms, transfer agents, indenture trustees, custodians, and approximately 10% of issuers. The Commission staff estimates that the total burden is 91,424 hours, representing the hours associated with searches, notifications, and recordkeeping.

The retention period for the recordkeeping requirement under Rule 17Ad-17 is not less than three years. The recordkeeping requirement under this rule is mandatory to assist the Commission in monitoring compliance with the rule. This rule does not involve the collection of confidential information.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

Please direct your written comments to: Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 14, 2016.

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

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## SECURITIES AND EXCHANGE COMMISSION

**[Release No. 34-77358; File No. SR-OCC-2016-004]**

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Related to the Adoption of an Options Exchange Risk Control Standards Policy

March 14, 2016.

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 March 4, 2016, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

This proposed rule change by OCC would adopt a new Options Exchange Risk Control Standards Policy (“Policy”), which details OCC's policy for addressing the potential risks arising from erroneous trades executed on an options exchange (“Options Exchange” or “Options Exchanges,” as applicable)<sup>3</sup> that has not demonstrated the existence of certain risk controls (“Risk Controls”) that are consistent with a set of principles-based risk control standards (“Risk Control Standards”) developed by OCC in consultation with the exchanges. The proposed rule change would also revise OCC's Schedule of Fees in accordance with the proposed Policy to charge and collect from Clearing Members<sup>4</sup> a fee of two cents per each cleared options contract (per

side) (“Fee”) executed on an Options Exchange that did not demonstrate sufficient Risk Controls designed to meet the proposed Risk Control Standards. The text of the proposed Policy and related changes to the OCC Schedule of Fees is attached as Exhibit 5. Material proposed to be added is marked by underlining and material proposed to be deleted is enclosed in bold brackets.

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### (1) Purpose

###### Background

OCC proposes to adopt a new Options Exchange Risk Control Standards Policy, which is designed to better protect OCC against risks related to erroneous transactions that may occur on Options Exchanges that have not implemented Risk Controls that are consistent with a defined set of principles-based Risk Control Standards, which were developed by OCC in consultation with the exchanges, and that are sent to OCC for a guarantee. The proposed Policy would, among other things, impose an additional Fee on cleared trades that are executed on an Options Exchange that has not certified the existence of Risk Controls that meet the Risk Control Standards in the following categories: (i) “Price Reasonability Checks;” (ii) “Drill-Through Protections;” (iii) “Activity-Based Protections;” and (iv) “Kill-Switch Protections” (in each case discussed more thoroughly below) along with OCC's review to determine if the Risk Controls are consistent with the Risk Control Standards. The Policy would also require that any funds collected from the Fee be retained as earnings and, as such, be eligible for use for Clearing Member defaults under Article VIII, Section 5(d) of OCC's By-Laws but prohibit such funds from being used for any other purpose.

OCC believes that the implementation of Risk Controls that are consistent with

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Current Options Exchanges are: (i) BATS Options Market, (ii) Box Options Exchange LLC, (iii) C2 Options Exchange, Inc., (iv) Chicago Board Options Exchange, Inc., (v) EDGX Options Exchange, (vi) International Securities Exchange, LLC, (vii) ISE Gemini LLC, (viii) ISE Mercury, LLC, (ix) MIAX Options Exchange, (x) NASDAQ OMX BX, Inc., (xi) NASDAQ OMX PHLX, LLC, (xii) NASDAQ Options Market, (xiii) NYSE Amex Options, and (xiv) NYSE Arca Options.

<sup>4</sup> See Article I, Section 1 of OCC's By-Laws.