

allowing Clearing Members to better monitor their risk exposure.

The Exchange notes that the rule change to adopt paragraph (f) to Rule 11.13 is based on and substantively identical to Bats BZX Exchange Rule 21.17 (“BZX”) and Bats EDGX Exchange (“EDGX”) Rule 21.17, each of which is applicable to options participants of such exchanges. The Exchange also notes that other equities exchanges offer functionality that allows clearing firms to not only directly monitor but also to set certain risk settings in connection with the activities of the firms for which they clear.<sup>14</sup>

The Exchange further believes that codifying the risk settings described above in Interpretation and Policy .01 to Rule 11.10 is consistent with the Act as it will provide additional transparency to Exchange Users regarding the optional risk settings offered by the Exchange. As noted above, these settings have been described by the Exchange in prior filings<sup>15</sup> and further information regarding such settings is available in technical specifications made available by the Exchange. However, the Exchange believes it is appropriate to provide additional details regarding these risk settings in Exchange rules. As such, the Exchange believes that the proposal is consistent with the Act, particularly Section 6(b)(5),<sup>16</sup> because it will foster cooperation and coordination with persons engaged in facilitating transactions in securities and more generally, will protect investors and the public interest, by providing additional transparency regarding optional risk settings offered by the Exchange.

#### *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 purposes of the Act. The proposed rule change is not designed to address any competitive issues and does not pose an undue burden on non-Clearing Members because, unlike Clearing Members, non-Clearing Members do not guarantee the execution of a Member's transactions on the Exchange. The proposal is structured to offer the same enhancement to all Clearing Members, regardless of size, and would not impose a competitive burden on any Member. Any Member that does not wish to share its

designated risk settings with its Clearing Member could avoid sharing such settings by becoming a Clearing Member.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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

Because the 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>17</sup> and Rule 19b-4(f)(6) thereunder.<sup>18</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. 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](mailto:rule-comments@sec.gov). Please include File No. SR-BatsEDGA-2017-07 on the subject line.

<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the 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.

#### *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 No. SR-BatsEDGA-2017-07. 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 No. SR-BatsEDGA-2017-07, and should be submitted on or before June 1, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

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#### **SECURITIES AND EXCHANGE COMMISSION**

#### **Submission for OMB Review; 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:*

<sup>19</sup> 17 CFR 200.30-3(a)(12).

<sup>14</sup> See, e.g., Nasdaq Rules 6110 and 6120 relating to the Nasdaq Risk Management Service.

<sup>15</sup> See *supra* note 9.

<sup>16</sup> 15 U.S.C. 78f(b)(5).

Rule 203A-2(e), SEC File No. 270-501, OMB Control No. 3235-0559.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) (“PRA”), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension and approval of the previously approved collection of information discussed below.

Rule 203A-2(e),<sup>1</sup> which is entitled “Internet Investment Advisers,” exempts from the prohibition on Commission registration an Internet investment adviser who provides investment advice to all of its clients exclusively through computer software-based models or applications termed under the rule as “interactive Web sites.”<sup>2</sup> These advisers generally would not meet the statutory thresholds currently set out in section 203A of the Advisers Act<sup>3</sup>—they do not manage \$25 million or more in assets and do not advise registered investment companies, or they manage between \$25 million and \$100 million in assets, do not advise registered investment companies or business development companies, and are required to be registered as investment advisers with the states in which they maintain their principal offices and places of business and are subject to examination as an adviser by such states.<sup>4</sup> Eligibility under rule 203A-2(e) is conditioned on an adviser maintaining in an easily accessible place, for a period of not less than five years from the filing of Form ADV,<sup>5</sup> a record demonstrating that the adviser’s advisory business has been conducted through an interactive Web site in accordance with the rule.<sup>6</sup>

This record maintenance requirement is a “collection of information” for PRA purposes. The Commission believes that approximately 144 advisers are registered with the Commission under rule 203A-2(e), which involves a recordkeeping requirement of

approximately four burden hours per year per adviser and results in an estimated 576 of total burden hours (4 × 144) for all advisers.

This collection of information is mandatory, as it is used by Commission staff in its examination and oversight program in order to determine continued Commission registration eligibility of advisers registered under this rule. Responses generally are kept confidential pursuant to section 210(b) of the Advisers Act.<sup>7</sup> An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [Shagufta.Ahmed@omb.eop.gov](mailto:Shagufta.Ahmed@omb.eop.gov); and (ii) 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). Comments must be submitted to OMB within 30 days of this notice.

Dated: May 5, 2017.

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-09584 Filed 5-10-17; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-80616; File No. SR-NYSEMKT-2017-13]

### Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Amending Rule 968NY To Make Permanent a Program That Allows Cabinet Trade Transactions To Take Place at a Price Below \$1 Per Option Contract

May 5, 2017.

#### I. Introduction

On March 2, 2017, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change amending the Exchange’s rules to make permanent a program that allows transactions to take place in open outcry trading at prices of at least \$0 but less than \$1 per option contract (“sub-dollar cabinet trades”). The proposed rule change was published for comment in the **Federal Register** on March 23, 2017.<sup>3</sup> On April 25, 2017, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission received no comment letters on the proposed rule change. This order provides notice of filing of Amendment No. 1 and approves the proposed rule change, as modified by Amendment No. 1, on an accelerated basis.

#### II. Description of the Proposed Rule Change

Prior to 2010, Exchange Rule 968NY (Cabinet Trades (Accommodation Transactions)) allowed cabinet trade transactions at a price of \$1 per option contract to occur in open outcry trading for certain classes.<sup>5</sup> In 2010, the Exchange amended Rule 968NY on a pilot basis to allow sub-dollar cabinet trades to take place at prices of at least \$0 but less than \$1 per option contract.<sup>6</sup> The Exchange now proposes to amend Rule 968NY to make permanent its sub-dollar cabinet trade pilot program, which currently is scheduled to expire on July 5, 2017.<sup>7</sup>

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

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

<sup>3</sup> See Securities Exchange Act Release No. 80272 (March 17, 2017), 82 FR 14936 (March 23, 2017) (“Notice”).

<sup>4</sup> In Amendment No. 1, the Exchange provided supplemental background detail on its proposal, including a summary of why it initially put the program on a pilot, a description of the systems enhancements it made to be able to process cabinet trades in the regular course, an example of how a cabinet trade is done on the trading floor, and a representation that, to its knowledge, neither the Options Clearing Corporation (“OCC”) nor the Exchange’s members have reported any operational issues in connection with cabinet trades. To promote transparency of its proposed amendment, when NYSE MKT filed Amendment No. 1 with the Commission, it also submitted Amendment No. 1 as a comment letter to the file, which the Commission posted on its Web site and placed in the public comment file for SR-NYSEMKT-2017-13 (available at <https://www.sec.gov/comments/sr-nysemkt-2017-13/nysemkt201713.htm>). The Exchange also posted a copy of its Amendment No. 1 on its Web site (<https://www.nyse.com/regulation/rule-filings>) when it filed it with the Commission.

<sup>5</sup> See Rule 968NY. See also Notice, *supra* note 3, at 14936 (discussing Rule 968NY).

<sup>6</sup> See Securities Exchange Act Release No. 63475 (December 8, 2010), 75 FR 77932 (December 14, 2010) (SR-NYSEAmex-2010-114).

<sup>7</sup> See Commentary .01 to Rule 968NY. See also Securities Exchange Act Release No. 79564 (December 15, 2016), 81 FR 93716 (December 21, 2016) (SR-NYSEMKT-2016-116).

<sup>1</sup> 17 CFR 275.203A-2(e).

<sup>2</sup> Included in rule 203A-2(e) is a limited exception to the interactive Web site requirement which allows these advisers to provide investment advice to fewer than 15 clients through other means on an annual basis. 17 CFR 275.203A-2(e)(1)(i). The rule also precludes advisers in a control relationship with an SEC-registered Internet adviser from registering with the Commission under the common control exemption provided by rule 203A-2(b) (17 CFR 275.203A-2(b)). 17 CFR 275.203A-2(e)(1)(iii).

<sup>3</sup> 15 U.S.C. 80b-3a(a).

<sup>4</sup> *Id.*

<sup>5</sup> The five-year record retention period is a similar recordkeeping retention period as imposed on all advisers under rule 204-2 of the Advisers Act. See rule 204-2 (17 CFR 275.204-2).

<sup>6</sup> 17 CFR 275.203A-2(e)(1)(ii).

<sup>7</sup> 15 U.S.C. 80b-10(b).