

believes that allowing non-routable DAY market orders to queue for the Opening Process may accommodate market participants that use DAY market orders on other exchanges and therein may help promote the orderly submission of those orders to the Exchange in advance of the Regular Market Session.

Further, the Commission believes that the components of the proposal that are designed to address what would occur if a disruption prevents the execution of the opening process,<sup>58</sup> and what would occur if a security is subject to a halt, suspension, or pause in trading during the Pre-Market Session,<sup>59</sup> set forth procedures that are reasonably designed to protect investors and the public interest, and remove impediments to and perfect the mechanism of a national market system, consistent with Section 6(b)(5) of the Act.<sup>60</sup>

Finally, the Commission notes that another national securities exchange conducts an opening process for non-listed securities,<sup>61</sup> and the Commission received no comments on the Exchange's proposed rule change.

#### IV. Solicitation of Comments on Amendment No. 3

Interested persons are invited to submit written data, views, and arguments concerning whether Amendment No. 3 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-IEX-2017-11 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.

Regular Market Session, and are rejected if submitted during the Pre-Market (or Post-Market) Session. See Notice, *supra* note 3, at 19763.

<sup>58</sup> See proposed Rule 11.231(d).

<sup>59</sup> See proposed Rule 11.231(e).

<sup>60</sup> The Commission believes that the other components of the proposal, including proposed Rule 11.231(f) and the minor conforming change to the language used to reference LULD Price Bands in Rule 11.190(a)(2), are consistent with the Act.

<sup>61</sup> See, e.g., BZX Rule 11.24. The Commission notes that the BZX opening process for non-listed securities is largely similar to what the Exchange has proposed, but differs in that it is designed to match eligible orders at the midpoint of the NBBO whereas the Exchange's proposed Opening Match, while bound by the Away Protected NBBO, could occur at a price other than the midpoint of the Away Protected NBBO.

All submissions should refer to File Number SR-IEX-2017-11. 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 such 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-IEX-2017-11, and should be submitted on or before August 18, 2017.

#### V. Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 3

The Commission finds good cause to approve the proposed rule change, as modified by Amendment No. 3, prior to the thirtieth day after the date of publication of the notice of Amendment No. 3 in the **Federal Register**. The Commission believes that the proposed changes to the description of the process for determining the Opening Match Price that were included in Amendment No. 3 add clarity to the price determination process without materially changing the proposal from what the Exchange originally filed. Additionally, the Commission believes that the proposed addition of a rounding process for the Cross Tie Breaker to prevent certain Tick Size Pilot securities from trading in an impermissible increment eliminates a potential conflict between the Tick Size Pilot and the Opening Process. Moreover, the Commission believes that applying the rounding process to all non-IEX-listed securities will allow for consistent handling of securities in the Opening

Process and avoid introducing unnecessary technical complexities. The Commission does not believe that any of the changes proposed in Amendment No. 3 introduce novel concepts, but rather add detail to better reflect in the proposed rule text how the proposed Opening Process would work for non-IEX-listed securities, and also reconciles the proposed Opening Process with the tick-size requirements of the Tick Size Pilot. Accordingly, for the reasons noted above, the Commission finds good cause for approving the proposed rule change, as modified by Amendment No. 3, on an accelerated basis, pursuant to Section 19(b)(2) of the Act.<sup>62</sup>

#### VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>63</sup> that the proposed rule change (SR-IEX-2017-11), as modified by Amendment No. 3 thereto, be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>64</sup>

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

[FR Doc. 2017-15908 Filed 7-27-17; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81193; File No. SR-MIAX-2017-35]

### Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend MIAX Options Rules 404, 506, 806, and 1701

July 24, 2017.

Pursuant to the provisions of 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 July 19, 2017, Miami International Securities Exchange, LLC ("MIAX Options" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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

<sup>62</sup> 15 U.S.C. 78s(b)(2).

<sup>63</sup> *Id.*

<sup>64</sup> 17 CFR 200.30-3(a)(12).

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

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

proposed rule change from interested persons.

### **I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change**

The Exchange is filing a proposal to make minor corrective changes to Exchange Rule 404, Series of Option Contracts Open for Trading; Rule 506, Collection and Dissemination of Quotations; Rule 806, Risk Analysis of Market Maker Accounts; and Rule 1701, Consolidated Audit Trail Compliance Rule—Definitions.

The text of the proposed rule change is available on the Exchange's Web site at <http://www.miaxoptions.com/rule-filings/> at MIAX Options' principal office, 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 the Statutory Basis for, the Proposed Rule Change*

##### **1. Purpose**

The Exchange proposes to amend Exchange Rules 404, Series of Option Contracts Open for Trading; Rule 506, Collection and Dissemination of Quotations; Rule 806, Risk Analysis of Market Maker Accounts; and Rule 1701, Consolidated Audit Trail Compliance Rule—Definitions to make minor non-substantive corrective changes.

First, the Exchange proposes to amend Exchange Rule 404, Series of Option Contracts Open for Trading, Interpretation and Policy .08, Mini Option Contracts, paragraph (a), to correct typographical errors in the last sentence. Currently, the sentence reads, “[m]ini-option contracts may currently be listed on SPDR S&P 500 (SPY), Apple, Inc. (AAPL), SPDR Gold Trust (GLD), Alphabet, Inc. (GOOGL) and Amazon.com Inc. (AMZN).” The commas should be removed from “Apple, Inc.” and “Alphabet, Inc.,” and a comma should be inserted in

“Amazon.com Inc.” Therefore, the Exchange proposes to amend this Rule to correctly reflect the names of Apple Inc., Alphabet Inc., and Amazon.com, Inc.

Second, the Exchange proposes to amend Exchange Rule 404, Series of Option Contracts Open for Trading, Interpretation and Policy .08, Mini Option Contracts, paragraph (b), to correct typographical errors in the last sentence. Currently, the sentence reads, “[f]or example, a call series strike price to deliver 10 shares of stock at \$125 per share has a total deliverable value of \$1250, and the strike price will be set at 125.” A comma should be inserted in the number “\$1250” and a dollar sign should be inserted before the number “125.” Therefore, the Exchange proposes to amend this Rule to replace the number “\$1250” with “\$1,250” and replace the number “125” with “\$125.”

Third, the Exchange proposes to amend Exchange Rule 506(c) to convert the Roman numeral list item identifiers to numerical identifiers to properly conform to the hierarchical heading scheme used throughout the Exchange's rulebook. Paragraphs (i) and (ii) are incorrectly numbered and should be numbered (1) and (2). Therefore, the Exchange proposes to amend this Rule to correctly number the paragraphs as (1) and (2).

Fourth, the Exchange proposes to amend Exchange Rule 806(b)(3) to correct a minor typographical error in the last word of this subparagraph. Currently, the section reads, “[o]ptions prices shall be estimated through use of recognized options pricing models such as, but not limited to, Black-Scholes and Cox-Reubenstein.” The word “Cox-Reubenstein” is misspelled and the Exchange proposes to amend this Rule to correct the spelling to “Cox-Rubinstein.”

Finally, the Exchange proposes to amend Exchange Rule 1701(d) to correct a typographical error. Currently, the section reads, “. . . required to be reported under the Compliance Audit Trail . . .” The word “Compliance” is incorrect and should be replaced with “Consolidated.”

##### **2. Statutory Basis**

The Exchange believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>4</sup> in particular, in that they are 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 facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes the proposed changes promote just and equitable principles of trade and remove impediments to and perfect the mechanism of a free and open market and a national market system because the proposed rule change corrects minor typographical errors and corrects errors in the hierarchical heading scheme to provide uniformity in the Exchange's rulebook. The Exchange notes that the proposed changes to Exchange Rule 404, Series of Option Contracts Open for Trading; Rule 506, Collection and Dissemination of Quotations; Rule 806, Risk Analysis of Market Maker Accounts; and Rule 1701, Consolidated Audit Trail Compliance Rule—Definitions do not alter the application of each rule. As such, the proposed amendments would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national exchange system. In particular, the Exchange believes that the proposed changes will provide greater clarity to Members<sup>5</sup> and the public regarding the Exchange's Rules. It is in the public interest for rules to be accurate and concise so as to eliminate the potential for confusion.

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

MIAX Options does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will have no impact on competition as they are not designed to address any competitive issues but rather are designed to add additional clarity to existing rules and to remedy minor non-substantive issues in the text of various rules identified in this proposal.

The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition as the Rules apply equally to all Exchange Members.

<sup>5</sup> The term “Member” means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed “members” under the Exchange Act. See Exchange Rule 100.

<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

*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**

Pursuant to Section 19(b)(3)(A) of the Act<sup>6</sup> and Rule 19b-4(f)(6)<sup>7</sup> thereunder, the Exchange has designated this proposal as one that effects a change that: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.

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](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2017-35 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-MIAX-2017-35. 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-MIAX-2017-35, and should be submitted on or before August 18, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-81191; File No. SR-BatsBZX-2017-46]

**Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Rule 14.11(c), Index Fund Shares, To List and Trade Shares of the Aptus Fortified Value ETF, a Series of ETF Series Solutions**

July 24, 2017.

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 July 10, 2017, Bats BZX Exchange, Inc. ("Exchange" or "BZX") 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 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 filed a proposal to list and trade shares of the Aptus Fortified Value ETF (the "Fund"), a series of ETF Series Solutions (the "Trust"), under Rule 14.11(c) ("Index Fund Shares").

The text of the proposed rule change is available at the Exchange's Web site at [www.bats.com](http://www.bats.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 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 Exchange proposes to list and trade the Shares under Rule 14.11(c)(3), which governs the listing and trading of Index Fund Shares on the Exchange.<sup>3</sup> The Fund will be an index-based exchange traded fund ("ETF"). The Exchange is submitting this proposed rule change because the Index, as defined below, does not meet all of the "generic" listing requirements of Rule 14.11(c)(3)(A)(i), applicable to the listing of Index Fund Shares based upon an index of "U.S. Component Stocks."<sup>4</sup> Specifically, Rule 14.11(c)(3)(A)(i) sets forth the requirements to be met by components of an index or portfolio of U.S. Component Stocks. Because the

<sup>3</sup> The Commission originally approved BZX Rule 14.11(c) in Securities Exchange Act Release No. 65225 (August 30, 2011), 76 FR 55148 (September 6, 2011) (SR-BATS-2011-018).

<sup>4</sup> As defined in Rule 14.11(c)(1)(D), the term "U.S. Component Stock" shall mean an equity security that is registered under Sections 12(b) or 12(g) of the Act, or an American Depositary receipt, the underlying equity security of which is registered under Sections 12(b) or 12(g) of the Act.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(6).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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

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