

Required fields are shown with yellow backgrounds and asterisks.

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|----------------|--|-----------------------------|---------------------------------------|
| Page 1 of * 18 | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4 | File No.* SR - 2016 - * 012 | Amendment No. (req. for Amendments *) |
|----------------|--|-----------------------------|---------------------------------------|

Filing by Financial Industry Regulatory Authority  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

|   |   |                                     |   |   |  |
|---|---|-------------------------------------|---|---|--|
| Initial * <input checked="" type="checkbox"/> | Amendment * <input type="checkbox"/>                                      | Withdrawal <input type="checkbox"/> | Section 19(b)(2) * <input type="checkbox"/> | Section 19(b)(3)(A) * <input checked="" type="checkbox"/> | Section 19(b)(3)(B) * <input type="checkbox"/> |
|   |   |                                     | Rule  |   |  |
| Pilot <input type="checkbox"/>                | Extension of Time Period for Commission Action * <input type="checkbox"/> | Date Expires * <input type="text"/> | <input type="checkbox"/> 19b-4(f)(1)        | <input type="checkbox"/> 19b-4(f)(4)                      |  |
|   |   |                                     | <input type="checkbox"/> 19b-4(f)(2)        | <input type="checkbox"/> 19b-4(f)(5)                      |  |
|   |   |                                     | <input type="checkbox"/> 19b-4(f)(3)        | <input checked="" type="checkbox"/> 19b-4(f)(6)           |  |

|   |  |
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| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010 | Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 |
| Section 806(e)(1) * <input type="checkbox"/>  | Section 806(e)(2) * <input type="checkbox"/>                                   |
| Section 3C(b)(2) * <input type="checkbox"/>   |  |

|   |   |
|---|---|
| Exhibit 2 Sent As Paper Document <input type="checkbox"/> | Exhibit 3 Sent As Paper Document <input type="checkbox"/> |
|---|---|

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

Proposed Rule Change to amend FINRA Rule 6184 (Transactions in Exchange-Traded Managed Fund Shares (NextShares))

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name \* Lisa Last Name \* Horrigan  
 Title \* Associate General Counsel  
 E-mail \* lisa.horrigan@finra.org  
 Telephone \* (202) 728-8190 Fax (202) 728-8264

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 03/29/2016  
 By Stephanie Dumont (Name \*)  
 Senior Vice President and Director of Capital Markets Policy  
 Stephanie Dumont,

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF website.

**Form 19b-4 Information \***

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

**1. Text of the Proposed Rule Change**

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> Financial Industry Regulatory Authority, Inc. (“FINRA”) is filing with the Securities and Exchange Commission (“SEC” or “Commission”) a proposed rule change to amend FINRA Rule 6184 (Transactions in Exchange-Traded Managed Fund Shares (“NextShares”)) to provide that the FINRA/Nasdaq Trade Reporting Facility (“FINRA/Nasdaq TRF”) will make available to market participants a daily file with the final trade price for each over-the-counter transaction in exchange-traded managed fund shares (“NextShares”) reported to the FINRA/Nasdaq TRF for public dissemination purposes.

Below is the text of the proposed rule change. Proposed new language is underlined.

\* \* \* \* \*

**6000. QUOTATION AND TRANSACTION REPORTING FACILITIES**

**6100. QUOTING AND TRADING IN NMS STOCKS**

\* \* \* \* \*

**6180. Transaction Reporting**

\* \* \* \* \*

**6184. Transactions in Exchange-Traded Managed Fund Shares (“NextShares”)**

(a) through (d) No Change.

**••• Supplementary Material: -----**

.01 No Change.

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

**.02 End of Day Processing**

Members that clear transactions in NextShares directly at NSCC, e.g., via direct QSR submission, must ensure that they submit to NSCC all pricing information, including the IIV-based price on intraday submissions and the final NAV-based trade price after market close, in accordance with NSCC requirements; such information will not be provided to NSCC by FINRA.

Following publication of the NAV, the FINRA/Nasdaq Trade Reporting Facility will make available to market participants a daily file with the final NAV-based trade price for each transaction in NextShares reported during the trading day to the FINRA/Nasdaq Trade Reporting Facility for public dissemination purposes.

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

**2. Procedures of the Self-Regulatory Organization**

The Executive Committee of the Board of Governors of FINRA authorized the filing of the proposed rule change with the SEC by action dated August 25, 2015. No other action by FINRA is necessary for the filing of the proposed rule change.

FINRA has filed the proposed rule change for immediate effectiveness and proposes that the operative date will be on or about April 4, 2016.

**3. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

(a) Purpose

FINRA recently adopted Rule 6184<sup>2</sup> relating to the reporting of over-the-counter (“OTC”) transactions in NextShares, which have been approved by the SEC for listing and trading on the Nasdaq Stock Market LLC (“Nasdaq”).<sup>3</sup> As described more fully in SR-FINRA-2015-043 and SR-NASDAQ-2014-020, NextShares will trade in the secondary market using a new trading protocol called “NAV-Based Trading.” In NAV-Based Trading, all bids, offers and execution prices will be expressed as a premium or discount (which may be zero) to the fund’s next-determined net asset value per share (“NAV”), e.g., NAV-\$0.01 or NAV+\$0.01. A NextShares Fund’s NAV will be determined each business day after the close of trading, and consequently, the final value of a transaction will not be known until the end of the trading day. Because existing order transmission and processing systems commonly used by exchanges and firms are generally not designed to accommodate pricing arrangements such as NAV-Based Trading, the prices of NextShares trades and quotes will be represented intraday using a “proxy price” format (discussed more fully in SR-FINRA-2015-043 and SR-NASDAQ-2014-020). The securities information processor (“SIP”) will publicly disseminate trades in the proxy price format.

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<sup>2</sup> See Securities Exchange Act Release No. 76213 (October 21, 2015), 80 FR 65838 (October 27, 2015) (Notice of Filing and Immediate Effectiveness; File No. SR-FINRA-2015-043). Rule 6184 became operative on February 26, 2016.

<sup>3</sup> See Securities Exchange Act Release No. 73562 (November 7, 2014), 79 FR 68309 (November 14, 2014) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of File No. SR-NASDAQ-2014-020).

In SR-NASDAQ-2015-036, Nasdaq stated that after a NextShares Fund's NAV is calculated, Nasdaq will price each NextShares trade executed on the exchange during the day at the Fund's NAV plus or minus the trade's executed premium or discount.<sup>4</sup> Using the final trade price, each NextShares trade executed on the exchange will be disseminated to Nasdaq member firms and market data services via a File Transfer Protocol ("FTP") file to be created for NextShares to supplement the previously provided information to include final pricing.<sup>5</sup>

Similarly, Nasdaq, Inc., as the "Business Member" under the limited liability company agreement with FINRA establishing the FINRA/Nasdaq TRF, has determined to make available to market participants a daily file in FTP format with the final NAV-adjusted trade price for each OTC transaction in NextShares reported during the trading day to the FINRA/Nasdaq TRF for public dissemination purposes. Nasdaq has represented to FINRA that the daily FTP files will be accessible at no cost to market participants on Nasdaq's public website. FINRA is proposing to amend Rule 6184.02 to reflect the proposed FTP file.

As noted in Item 2 of this filing, FINRA has filed the proposed rule change for immediate effectiveness and proposes that the operative date will be on or about April 4,

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<sup>4</sup> See Securities Exchange Act Release No. 75499 (July 21, 2015), 80 FR 44406 (July 27, 2015) (Order Granting Approval of Proposed Rule Change, as Modified by Amendments Nos. 1 and 2; File No. SR-NASDAQ-2015-036).

<sup>5</sup> As described in SR-NASDAQ-2015-036, FTP is a standard network protocol used to transfer computer files on the Internet, and Nasdaq will arrange for the daily dissemination of an FTP file with executed NextShares trades to Nasdaq member firms and market data services. See also Frequently Asked Questions: NextShares Exchange-Traded Managed Funds, #35, available at [www.nasdaqtrader.com/content/ETFs/ETMF\\_FAQs.pdf](http://www.nasdaqtrader.com/content/ETFs/ETMF_FAQs.pdf).

2016, the date that the systems development work to support the proposed FTP file is expected to be completed by the FINRA/Nasdaq TRF.

(b) Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>6</sup> which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is consistent with the Act because it will further enhance market transparency and price discovery by ensuring that additional pricing information relating to OTC transactions in NextShares, i.e., the final NAV-adjusted trade price on a transaction-by-transaction basis, is available to market participants.

**4. 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. The proposed rule change will enhance the pricing information relating to OTC transactions in NextShares available to market participants. The proposed rule change will not impose any reporting or other requirements on member firms, and as a result, will have no impact on member firms from a systems development and reporting perspective. Member firms that choose to trade NextShares may incur some costs to integrate the pricing information that will be provided pursuant to the proposed rule change. However, FINRA anticipates these costs to be minor because the pricing

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<sup>6</sup> 15 U.S.C. 78q-3(b)(6).

information will be accessible at no cost to market participants on Nasdaq's public website and also provided through data vendors, and firms will factor in any attendant costs when making the decision to enter into the market for NextShares.

5. **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.

6. **Extension of Time Period for Commission Action**

Not applicable.

7. **Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2) or Section 19(b)(7)(D)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>8</sup> in that the proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and does not become operative for 30 days after filing or such shorter time as the Commission may designate. FINRA believes that the filing is appropriately designated as "non-controversial" because the proposed rule change would not impose any reporting or other requirements on member firms, while enhancing the information available to market participants relating to OTC transactions in NextShares.

FINRA requests that the Commission waive the requirement that the rule change, by its terms, not become operative for 30 days after the date of the filing, as set forth in

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6).



Rule 19b-4(f)(6)(iii),<sup>9</sup> to allow the proposed rule change to become operative on or about April 4, 2016, the date the systems development work to support the proposed FTP file is expected to be completed by the FINRA/Nasdaq TRF. This will ensure that additional pricing information relating to OTC transactions in NextShares will be available to market participants without delay and will supplement the FTP file that is already available for trades in NextShares executed on the Nasdaq exchange.

In accordance with Rule 19b-4(f)(6),<sup>10</sup> FINRA submitted 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, or such shorter time as the Commission may designate, as specified in Rule 19b-4(f)(6)(iii) under the Act.<sup>11</sup>

**8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission**

Not applicable.

**9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act**

Not applicable.

**10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act**

Not applicable.

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<sup>9</sup> 17 CFR 240.19b-4(f)(6)(iii).

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

<sup>11</sup> 17 CFR 240.19b-4(f)(6)(iii).

**11. Exhibits**

Exhibit 1. Completed notice of proposed rule change for publication in the Federal Register.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-FINRA-2016-012)

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to amend FINRA Rule 6184 (Transactions in Exchange-Traded Managed Fund Shares (“NextShares”))

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 , 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 constituting a “non-controversial” rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> 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 Substance of the Proposed Rule Change

FINRA is proposing to amend FINRA Rule 6184 (Transactions in Exchange-Traded Managed Fund Shares (“NextShares”)) to provide that the FINRA/Nasdaq Trade Reporting Facility (“FINRA/Nasdaq TRF”) will make available to market participants a daily file with the final trade price for each over-the-counter transaction in exchange-

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

traded managed fund shares (“NextShares”) reported to the FINRA/Nasdaq TRF for public dissemination purposes.

Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

\* \* \* \* \*

**6000. QUOTATION AND TRANSACTION REPORTING FACILITIES**

**6100. QUOTING AND TRADING IN NMS STOCKS**

\* \* \* \* \*

**6180. Transaction Reporting**

\* \* \* \* \*

**6184. Transactions in Exchange-Traded Managed Fund Shares (“NextShares”)**

(a) through (d) No Change.

**••• Supplementary Material: -----**

.01 No Change.

**.02 End of Day Processing**

Members that clear transactions in NextShares directly at NSCC, e.g., via direct QSR submission, must ensure that they submit to NSCC all pricing information, including the IIV-based price on intraday submissions and the final NAV-based trade price after market close, in accordance with NSCC requirements; such information will not be provided to NSCC by FINRA.

Following publication of the NAV, the FINRA/Nasdaq Trade Reporting Facility will make available to market participants a daily file with the final NAV-based trade

price for each transaction in NextShares reported during the trading day to the FINRA/Nasdaq Trade Reporting Facility for public dissemination purposes.

\* \* \* \* \*

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

FINRA recently adopted Rule 6184<sup>4</sup> relating to the reporting of over-the-counter (“OTC”) transactions in NextShares, which have been approved by the SEC for listing and trading on the Nasdaq Stock Market LLC (“Nasdaq”).<sup>5</sup> As described more fully in SR-FINRA-2015-043 and SR-NASDAQ-2014-020, NextShares will trade in the secondary market using a new trading protocol called “NAV-Based Trading.” In NAV-Based Trading, all bids, offers and execution prices will be expressed as a premium or discount (which may be zero) to the fund’s next-determined net asset value per share

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<sup>4</sup> See Securities Exchange Act Release No. 76213 (October 21, 2015), 80 FR 65838 (October 27, 2015) (Notice of Filing and Immediate Effectiveness; File No. SR-FINRA-2015-043). Rule 6184 became operative on February 26, 2016.

<sup>5</sup> See Securities Exchange Act Release No. 73562 (November 7, 2014), 79 FR 68309 (November 14, 2014) (Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of File No. SR-NASDAQ-2014-020).

(“NAV”), e.g., NAV-\$0.01 or NAV+\$0.01. A NextShares Fund’s NAV will be determined each business day after the close of trading, and consequently, the final value of a transaction will not be known until the end of the trading day. Because existing order transmission and processing systems commonly used by exchanges and firms are generally not designed to accommodate pricing arrangements such as NAV-Based Trading, the prices of NextShares trades and quotes will be represented intraday using a “proxy price” format (discussed more fully in SR-FINRA-2015-043 and SR-NASDAQ-2014-020). The securities information processor (“SIP”) will publicly disseminate trades in the proxy price format.

In SR-NASDAQ-2015-036, Nasdaq stated that after a NextShares Fund’s NAV is calculated, Nasdaq will price each NextShares trade executed on the exchange during the day at the Fund’s NAV plus or minus the trade’s executed premium or discount.<sup>6</sup> Using the final trade price, each NextShares trade executed on the exchange will be disseminated to Nasdaq member firms and market data services via a File Transfer Protocol (“FTP”) file to be created for NextShares to supplement the previously provided information to include final pricing.<sup>7</sup>

Similarly, Nasdaq, Inc., as the “Business Member” under the limited liability company agreement with FINRA establishing the FINRA/Nasdaq TRF, has determined

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<sup>6</sup> See Securities Exchange Act Release No. 75499 (July 21, 2015), 80 FR 44406 (July 27, 2015) (Order Granting Approval of Proposed Rule Change, as Modified by Amendments Nos. 1 and 2; File No. SR-NASDAQ-2015-036).

<sup>7</sup> As described in SR-NASDAQ-2015-036, FTP is a standard network protocol used to transfer computer files on the Internet, and Nasdaq will arrange for the daily dissemination of an FTP file with executed NextShares trades to Nasdaq member firms and market data services. See also Frequently Asked Questions: NextShares Exchange-Traded Managed Funds, #35, available at [www.nasdaqtrader.com/content/ETFs/ETMF\\_FAQs.pdf](http://www.nasdaqtrader.com/content/ETFs/ETMF_FAQs.pdf).

to make available to market participants a daily file in FTP format with the final NAV-adjusted trade price for each OTC transaction in NextShares reported during the trading day to the FINRA/Nasdaq TRF for public dissemination purposes. Nasdaq has represented to FINRA that the daily FTP files will be accessible at no cost to market participants on Nasdaq's public website. FINRA is proposing to amend Rule 6184.02 to reflect the proposed FTP file.

FINRA has filed the proposed rule change for immediate effectiveness and proposes that the operative date will be on or about April 4, 2016, the date that the systems development work to support the proposed FTP file is expected to be completed by the FINRA/Nasdaq TRF.

## 2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>8</sup> which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change is consistent with the Act because it will further enhance market transparency and price discovery by ensuring that additional pricing information relating to OTC transactions in NextShares, i.e., the final NAV-adjusted trade price on a transaction-by-transaction basis, is available to market participants.

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<sup>8</sup> 15 U.S.C. 78q-3(b)(6).

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. The proposed rule change will enhance the pricing information relating to OTC transactions in NextShares available to market participants. The proposed rule change will not impose any reporting or other requirements on member firms, and as a result, will have no impact on member firms from a systems development and reporting perspective. Member firms that choose to trade NextShares may incur some costs to integrate the pricing information that will be provided pursuant to the proposed rule change. However, FINRA anticipates these costs to be minor because the pricing information will be accessible at no cost to market participants on Nasdaq's public website and also provided through data vendors, and firms will factor in any attendant costs when making the decision to enter into the market for NextShares.

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

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</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 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2016-012 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

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

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

All submissions should refer to File Number SR-FINRA-2016-012. This file number should be included on the subject line if e-mail 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 website (<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 website 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 a.m. and 3 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-2016-012 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Robert W. Errett  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).