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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Rule 6191(b) (Compliance with Data Collection Requirements) implements the data collection and Web site publication requirements of the Plan.5 Rule 6191.12 currently provides, among other things, that the requirement that FINRA make certain data for the Pre-Pilot Period and Pilot Period6 publicly available on the FINRA Web site pursuant to Appendix B to the Plan shall commence on April 28, 2017.7 FINRA is proposing to amend Rule 6191.12 to delay the Appendix B data Web site publication date until August 31, 2017.8 FINRA is proposing to further delay the Web site publication of Appendix B data until August 31, 2017 to permit additional time to consider a methodology to mitigate concerns raised in connection with the publication of Appendix B data.8

Pursuant to this proposed amendment, FINRA would publish the required Appendix B data for the Pre-Pilot Period through April 30, 2017, by August 31, 2017. Thereafter, Appendix B data for a given month would be published within 120 calendar days following month end.9 Thus, for example, Appendix B data for May 2017 would be made available on the FINRA Web site by September 28, 2017, and data for the month of June 2017 would be made available on the FINRA Web site by October 28, 2017.

FINRA has filed the proposed rule change for immediate effectiveness. The operative date of the proposed rule change will be the date of filing.

2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,10 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, and Section 15A(b)(9) of the Act,11 which requires that FINRA rules not impose any burden on competition that is not necessary or appropriate.

The Plan is designed to allow the Commission, market participants, and the public to study and assess the impact of increment conventions on the liquidity and trading of the common stock of small-capitalization companies. FINRA believes that this proposal is consistent with the Act because it is in furtherance of the objectives of Section VII(A) of the Plan in that it is designed to provide FINRA with additional time to consider a methodology to mitigate concerns raised in connection with the publication of Appendix B data.

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


11 Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in Rule 6191.
of the purposes of the Act. FINRA notes that the proposed rule change implements the provisions of the Plan.

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 \footnote{12} and Rule 19b–4(f)(6) thereunder.\footnote{13}

A proposed rule change filed under Rule 19(b)–4(f)(6) normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. FINRA has filed the proposed rule change for immediate effectiveness and has requested that the Commission waive the requirement that the proposed rule change not become operative for 30 days after the date of the filing so that it may become operative on the date of filing.

FINRA notes that the proposed rule change is intended to mitigate confidentiality concerns raised in connection with Section VII(A) of the Plan, which provides that the data made publicly available will not identify the Trading Center that generated the data. FINRA states that the additional time would allow consideration of a methodology to mitigate concerns related to the publication of Appendix B data.\footnote{14}

The commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it will provide FINRA with additional time to develop the necessary systems changes to implement the anonymous, grouped masking methodology for Appendix B data related to OTC trading activity.\footnote{15} Therefore, the Commission hereby waives the 30-day operative delay and designates the proposed rule change to be operative on the date of filing.\footnote{16}

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–2017–010 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–2017–010. 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 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–2017–010 and should be submitted on or before June 6, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\footnote{17}

Eduardo A. Aleman,
Assistant Secretary.

[FR Doc. 2017–09818 Filed 5–15–17; 8:45 am]
BILLY CODE 801–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amend Rule 67-Equities Site Data Publication Pursuant to the Regulation NMS Plan To Implement a Tick Size Pilot Program

May 10, 2017

Pursuant to Section 19(b)(1) \footnote{1} of the Securities Exchange Act of 1934 (the “Act”)\footnote{2} and Rule 19b–4 thereunder,\footnote{3} notice is hereby given that on April 27, 2017, NYSE MKT LLC (the “Exchange” or “NYSE MKT”)\footnote{4} filed with the Securities and Exchange Commission (the “Commission”) the proposed rule changes.


\footnote{17} 17 CFR 200.30–3(a)(12).


