Dear Chief Regulatory Officer:

The Office of Market Oversight ("Market Oversight") within the Office of Compliance Inspections and Examinations ("OCIE") is pleased to present its examination priorities for Fiscal Year 2016. As you know, Market Oversight conducts examinations of the national securities exchanges and other self-regulatory organizations pursuant to Sections 17(a)(1) and 17(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 17a-1 thereunder.

Each year, as part of its risk-based examination program, Market Oversight establishes examination priorities to guide the selection of the programs and areas it will examine in the upcoming fiscal year. Market Oversight develops its examination priorities in consultation with the Commissioners, staff from the Commission’s policy-making divisions, and staff from other Commission offices and divisions.

Market Oversight’s examination priorities for Fiscal Year 2016 include the following:

- Examination of certain exchanges’ compliance with undertakings imposed by applicable Commission orders.

- Examination of certain exchanges’ regulatory practices. For example, potential examinations in this area may include reviews of an exchange’s performance of regulatory functions, outsourcing of regulatory functions, internal controls over regulatory programs, funding of regulatory functions, and the governance and oversight over regulatory functions.

- Examination of options exchanges’ listing programs, including assessing compliance with listing requirements and evaluating the policies and procedures regarding listing programs.

- Examination of certain options exchanges’ opening processes for adherence to the rules and procedures governing openings.

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• Examination of certain equities exchanges' listing programs. For example, potential examinations in this area may include reviews of the appellate process for delisting decisions.

• In coordination with OCIE's Technology Controls Program ("TCP"), examination of certain exchanges' compliance with Regulation Systems Compliance and Integrity ("SCI").

• In coordination with TCP, examination of certain exchanges' compliance with obligations under Section 31 of the Exchange Act and Rule 31 thereunder.

The preceding list of Market Oversight examination priorities is not static and remains subject to change due to unexpected events in the market or other factors. Furthermore, subject to the availability of resources and other factors, Market Oversight also may establish additional examination priorities.

Market Oversight looks forward to working with you and your staff during the upcoming year to complete these examination priorities. If you have any questions concerning the matters discussed in this letter, please contact me at (202) 551-4981.

Sincerely,

[Signature]
John Polise
National Associate Director
OCIE Office of Market Oversight