

March 1, 2016

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Exchange Rule 7.21, Obligations of Market Maker Authorized Traders

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on February 22, 2016, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, of which Items I and II have been prepared by the self-regulatory organization. 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 proposes to amend Exchange Rule 7.21, Obligations of Market Maker Authorized Traders. The proposed rule change is available on the Exchange’s website at www.nyse.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 self-regulatory organization 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 those statements may be examined at the places

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange recently amended its rules to prescribe the Securities Traders examination (Series 57) (the “Series 57 Examination”) as the qualifying examination for employees of ETP Holders (“Member”) engaged solely in proprietary trading.⁴ Under current rules, Securities Traders and Market Maker Authorized Traders (“MMATs”) essentially perform similar functions. In the Series 57 Filing, which, among other things, amended Exchange rules regarding the registration requirements for Securities Traders, the Exchange also intended to amend Rule 7.21 to amend the registration requirements for MMATs but inadvertently failed to do so. The Exchange is now proposing to amend Rule 7.21 so that the registration requirements applicable to MMATs are the same as those imposed on Securities Traders. Specifically, Rule 7.21(b)(2) states that to be eligible for registration as a MMAT, a person must successfully complete the General Securities Representative Examination (Series 7) and complete a training and certification program sponsored by the Corporation.⁵ The rule further provides that the examination requirement may be waived if an applicant MMAT has served as a dealer-specialist or market maker on a registered national securities exchange for at least two consecutive years within three years of the date of the application.⁶ The Exchange does not intend to impose different registration requirements on MMATs than are required of Securities Traders. In order

⁴ See Securities Exchange Act Release No. 76578 (December 8, 2015), 80 FR 77068 (December 11, 2015) (SR-NYSEArca-2015-117) (“Series 57 Filing”).

⁵ See Rule 7.21(b).

⁶ Id.

to satisfy the registration requirement, Securities Traders are required to successfully complete the Series 57 Examination.⁷ The proposed amendment to Rule 7.21(b) would ensure that MMATs would also be required to successfully complete the Series 57 Examination in order to satisfy the Exchange's registration requirement.

The Exchange intends to announce the implementation date of the Series 57 registration requirement in a notice to members to be issued no later than 30 days after the effective date of the proposed rule change.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Securities Exchange Act of 1934 ("Act"),⁸ in general, and furthers the objectives of Section 6(c)(3)(B)⁹ of the Act, pursuant to which a national securities exchange prescribes standards of training, experience and competence for members and their associated persons, and Section 6(b)(5)¹⁰ of the Act, in particular, in that it is designed, among other things, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The proposed rule change, which would ensure that Securities Traders and MMATs are not subject to different registration requirements, is designed to maintain consistency in the Exchange's rules, which would promote just and equitable principles of trade and remove impediments to a free and open market. The Exchange believes that the proposed rule change to make the Series 57 Examination the qualifying exam for registration as a MMAT is appropriate

⁷ See Rule 2.21.

⁸ 15 U.S.C. § 78f(b).

⁹ 15 U.S.C. 78f(c)(3)(B).

¹⁰ 15 U.S.C. § 78f(b)(5).

because the Series 57 Examination addresses industry topics that establish the foundation for the regulatory and procedural knowledge necessary for MMATs to appropriately register under Exchange rules.

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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change does not impose any additional examination burdens on persons who are already registered. There is no obligation to take the Series 57 examination in order to continue in their present duties, so the proposed rule change is not expected to disadvantage current registered persons relative to new entrants in this regard.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹¹ and Rule 19b-4(f)(6) thereunder.¹² 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 prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

¹¹ 15 U.S.C. 78s(b)(3)(A)(iii).

¹² 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under Rule 19b-4(f)(6)¹³ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),¹⁴ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative upon filing. The Exchange has stated that the proposed rule change promotes uniformity in registration requirements on the Exchange and that waiver of the operative delay would allow the Exchange to immediately create consistency in its rules. Waiving the operative delay would enable the Exchange to have and enforce the same examination requirement for MMATs as for securities traders, which the Exchange represents engage in the same activity, therefore the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission hereby waives the thirty-day operative delay.¹⁵

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)¹⁶ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ 17 CFR 240.19b-4(f)(6)(iii).

¹⁵ For purposes of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹⁶ 15 U.S.C. 78s(b)(2)(B).

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. Please include File Number SR-NYSEARCA-2016-36 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.

All submissions should refer to File Number SR-NYSEARCA-2016-36. 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 10:00 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-NYSEARCA-2016-36 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.¹⁷

Robert W. Errett
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).