

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-84786; File No. SR-NYSEArca-2018-88)

December 11, 2018

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Reflect a Change to the Benchmark Index of the SPDR Nuveen Bloomberg Barclays Municipal Bond ETF

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on November 28, 2018, 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 and II below, which Items 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 reflect a change to the benchmark index for the SPDR Nuveen Bloomberg Barclays Municipal Bond ETF, shares of which are currently listed and traded on the Exchange pursuant to NYSE Arca Rule 5.2-E(j)(3), Commentary .02. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://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

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

received on the proposed rule change. The text of those 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to reflect a change to the benchmark index for the SPDR Nuveen Bloomberg Barclays Municipal Bond ETF (the “Fund”), shares (“Shares”) of which are currently listed and traded on the Exchange pursuant to NYSE Arca Rule 5.2-E(j)(3), Commentary .02, which governs the listing and trading of Investment Company Units (“Units”)<sup>4</sup> based on fixed income securities indexes.<sup>5</sup> The Fund is a series of the SPDR Series Trust (“Trust”).

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<sup>4</sup> An open-end investment company that issues Units, listed and traded on the Exchange under NYSE Arca Rule 5.2-E(j)(3), seeks to provide investment results that correspond generally to the price and yield performance of a specific foreign or domestic stock index, fixed income securities index or combination thereof.

<sup>5</sup> The Commission previously has approved a proposed rule change to facilitate listing and trading of Shares of the Fund on the Exchange in Securities Exchange Act Release No. 82295 (December 12, 2017), 82 FR 60056 (December 18, 2017) (SR-NYSEArca-2017-56) (Notice of Filing of Amendment No. 3 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 3, to List and Trade Shares of Twelve Series of Investment Company Units Pursuant to NYSE Arca Rule 5.2-E(j)(3)) (“Approval Order”). See also, Amendment 3 to SR-NYSEArca-2017-56 at <https://www.sec.gov/comments/sr-nysearca-2017-56/nysearca201756-2714674-161523.pdf>. In addition, the Commission also has approved other proposed rule changes relating to listing and trading of funds based on municipal bond indexes. See, e.g., Securities Exchange Act Release Nos. 67985 (October 4, 2012), 77 FR 61804 (October 11, 2012) (SR-NYSEArca-2012-92) (order approving proposed rule change to list and trade the iShares 2018 S&P AMT-Free Municipal Series and iShares 2019 S&P AMT-Free Municipal Series under NYSE Arca Rule 5.2(j)(3), Commentary .02); 72523 (July 2, 2014), 79 FR 39016 (July 9, 2014) (SR-NYSEArca-2014-37) (order approving proposed rule change to list and trade iShares 2020 S&P AMT-Free Municipal Series under NYSE Arca Rule 5.2(j)(3), Commentary .02); and 75468 (July 16, 2015), 80 FR 43500 (July 22, 2015) (SR-NYSEArca-2015-25) (order approving proposed rule change to list and trade the iShares iBonds Dec 2021 AMT-Free Muni Bond ETF and iShares iBonds Dec 2022 AMT-Free Muni Bond ETF under NYSE Arca Rule 5.2(j)(3), Commentary .02); 63881

As discussed below, the Exchange is submitting this proposed rule change to change the listing requirements applicable to the Fund as set forth in the Approval Order. Specifically, the Exchange proposes to change the benchmark index for the Fund to the “New Index” (as defined below).

#### Description of the Shares and the Fund

As stated in the Approval Order, the Fund seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the Bloomberg Barclays Municipal Managed Money Index (“Current Index”) which tracks the U.S. municipal bond market. The Trust, in a November 6, 2018 supplement to the Fund’s prospectus (“Prospectus Supplement”), stated that, effective December 3, 2018, the new benchmark index for the Fund will be the Bloomberg Barclays Municipal Managed Money 1-25 Years Index

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(February 9, 2011), 76 FR 9065 (February 16, 2011) (SR-NYSEArca-2010-120) (order approving proposed rule change to list and trade shares of the SPDR Nuveen S&P High Yield Municipal Bond Fund under Commentary .02 of NYSE Arca Rule 5.2-E(j)(3)). The Commission has issued notices of filing and immediate effectiveness of proposed rule changes relating to certain series of Units under NYSE Arca Rule 5.2-E(j)(3) and Managed Fund Shares under NYSE Arca Rule 8.600-E. See, e.g., Securities Exchange Act Release Nos. 83982 (August 29, 2018), 83 FR 45168 (September 5, 2018) (SR-NYSEArca-2018-62) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Listing and Trading of Shares of the American Century Diversified Municipal Bond ETF under NYSE Arca Rule 8.600-E); 84379 (October 5, 2018), 83 FR 51724 (October 12, 2018) (SR-NYSEArca-2018-73) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Listing and Trading of Shares of the First Trust Short Duration Managed Municipal ETF under NYSE Arca Rule 8.600-E); 84381 (October 5, 2018), 83 FR 5111752 (October 12, 2018) (SR-NYSEArca-2018-72) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Listing and Trading of Shares of the First Trust Ultra Short Duration Municipal ETF under NYSE Arca Rule 8.600-E); 84396 (October 10, 2018), 83 FR 52266 (October 16, 2018) (SR-NYSEArca-2018-70) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Listing and Trading of Shares of the iShares iBond Dec 2026 Term Muni Bond ETF Under Commentary .02 to NYSE Arca Rule 5.2-E(j)(3)).

(“New Index”).<sup>6</sup> The New Index is the sub-set of the Current Index with effective maturities of 1-25 years.<sup>7</sup> The Exchange believes it is appropriate to facilitate the continued listing and trading of Shares of the Fund because, as described below, the Fund will be based on a broad-based index of fixed income municipal bond securities that is not readily susceptible to manipulation. As noted in Amendment 3 to SR-NYSEArca-2017-56, the Fund listed on the Exchange prior to 2010.

Pursuant to NYSE Arca Rule 5.2-E(j)(3), the Exchange proposed to facilitate the listing and trading of certain series of Investment Company Units that do not otherwise meet the standards set forth in Commentary.02 to Rule 5.2-E(j)(3). Specifically, the Exchange proposed to facilitate the listing and trading of the certain series of Investment Company Units, including the Fund, based on a multistate index of fixed income municipal bond securities.

According to the Prospectus Supplement, under normal market conditions<sup>8</sup>, the Fund generally will invest substantially all, but at least 80%, of its total assets in the securities comprising the New Index or in securities that the Nuveen Asset Management, LLC (the Fund’s

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<sup>6</sup> The Trust is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) (“1940 Act”). On October 31, 2018, the Trust filed with the Commission an amendment to its registration statement on Form N-1A under the Securities Act of 1933 (15 U.S.C. 77a) (“Securities Act”), and under the 1940 Act relating to the Fund (File Nos. 333-57793 and 811-08839) (“Registration Statement”). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement and the Prospectus Supplement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. See Investment Company Act Release No. 29524 (December 13, 2010) (File No. 812-13487) (“Exemptive Order”).

<sup>7</sup> The Trust represents that it will not implement the proposed change to the index underlying the Fund until this proposed rule change is effective and operative.

<sup>8</sup> The term "normal market conditions" includes, but is not limited to, the absence of trading halts in the applicable financial markets generally; operational issues (e.g., systems failure) causing dissemination of inaccurate market information; or force majeure type events such as natural or manmade disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance.

“Sub-Adviser”) determines have economic characteristics that are substantially identical to the economic characteristics of the securities that comprise the New Index. In addition, in seeking to track the New Index, the Fund may invest in debt securities that are not included in the New Index, cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds (including money market funds advised by SSGA Funds Management, Inc. (“SSGA FM” or the “Adviser”), the investment adviser to the Fund.

With respect to the remaining 20% of its assets, the Fund may invest in debt securities that are not included in the New Index, cash and cash equivalents or money market instruments, such as repurchase agreements and money market funds, commercial paper, foreign currency transactions, reverse repurchase agreements, securities of other investment companies, exchange-traded futures on Treasuries or Eurodollars (all such exchange-traded futures contracts will be traded on an exchange that is a member of the Intermarket Surveillance Group (“ISG”) or with which the Exchange has in place a comprehensive surveillance sharing agreement), U.S exchange-traded or over-the-counter (“OTC”) put and call options contracts and exchange-traded or OTC swap agreements (including interest rate swaps, total return swaps, excess return swaps and credit default swaps) and treasury-inflation protected securities of the U.S. Treasury as well as major governments and emerging market countries.

The New Index is designed to track the U.S. fully tax-exempt bond market. The New Index includes state and local general obligation bonds, revenue bonds, pre-refunded bonds, and insured bonds. The New Index is comprised of tax-exempt municipal securities issued by states, cities, counties, districts and their respective agencies. The New Index also includes municipal lease obligations, which are securities issued by state and local governments and authorities to finance the acquisition of equipment and facilities.

For informational purposes, as of November 1, 2018, there were approximately 21,478 securities in the New Index from issuers in 49 different states or U.S. territories. The most heavily weighted security in the New Index represented less than 0.11% of the total weight of the New Index and the aggregate weight of the top five most heavily weighted securities in the New Index represented approximately 0.48% of the total weight of the New Index. Approximately 10% of the weight of the components in the New Index had a minimum original principal amount outstanding of \$100 million or more. In addition, the total dollar amount outstanding of issues in the New Index was approximately \$505 billion and the average dollar amount outstanding of issues in the New Index was approximately \$23.2 million.

#### Requirement for New Index Constituents

On a continuous basis, (1) at least 90% of the weight of the New Index will be comprised of securities that have an outstanding par value of at least \$7 million and were issued as part of a transaction of at least \$75 million, and (2) the New Index will include at least 500 components.

The Exchange notes that, in the Approval Order, the Commission approved Exchange listing and trading of Units of the Fund for which at least 90% of the weight of Current Index will be comprised of securities that have an outstanding par value of at least \$7 million and were issued as part of a transaction of at least \$75 million, and that included at least 500 components.<sup>9</sup>

In addition, the Exchange represents that: (1) except for Commentary .02(a)(2) to Rule 5.2-E(j)(3)<sup>10</sup>, the New Index currently satisfies all of the generic listing standards under NYSE Arca Rule 5.2-E(j)(3); (2) the continued listing standards under Commentary .02 to NYSE Arca

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<sup>9</sup> See note 5, *supra*.

<sup>10</sup> Commentary .02(a)(2) provides that Fixed Income Security components that in aggregate account for at least 75% of the Fixed Income Securities portion of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of \$100 million or more.

Rule 5.2-E(j)(3), as applicable to Units based on fixed income securities, will apply to the Shares of the Fund; and (3) the issuer of the Fund is required to comply with Rule 10A-3<sup>11</sup> under the Act for the initial and continued listing of the Shares. The Exchange represents that the Fund will comply with all other requirements applicable to Units, including, but not limited to, requirements relating to the dissemination of key information such as the value of the New Index and the Intraday Indicative Value (“IIV”),<sup>12</sup> rules governing the trading of equity securities, trading hours, trading halts, surveillance, information barriers and the Information Bulletin, as set forth in the Exchange rules applicable to Units and prior Commission orders approving the generic listing rules applicable to the listing and trading of Units.<sup>13</sup>

#### Additional Information

The current value of the New Index will be widely disseminated by one or more major market data vendors at least once per day, as required by Commentary .02(b)(ii) to NYSE Arca Rule 5.2-E(j)(3). The portfolio of securities held by the Fund will be disclosed daily on the Fund’s website [www.spdrs.com](http://www.spdrs.com).

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<sup>11</sup> 17 CFR 240.10A-3.

<sup>12</sup> The IIV will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange’s Core Trading Session (normally, 9:30 a.m. to 4:00 p.m., E.T. Currently, it is the Exchange’s understanding that several major market data vendors display and/or make widely available IIV taken from CTA or other data feeds.

<sup>13</sup> See, e.g., Securities Exchange Act Release Nos. 55783 (May 17, 2007), 72 FR 29194 (May 24, 2007) (SR-NYSEArca-2007-36) (order approving NYSE Arca generic listing standards for Units based on a fixed income index); 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR-PCX-2001-14) (order approving generic listing standards for Units and Portfolio Depositary Receipts); 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR-PCX-98-29) (order approving rules for listing and trading of Units).

### Availability of Information

On each business day, the Fund will disclose on its website ([www.spdrs.com](http://www.spdrs.com)) the portfolio that will form the basis for the Fund's calculation of NAV at the end of the business day.

On a daily basis, the Fund will disclose for each portfolio security or other financial instrument of the Fund the following information on the Fund's website: ticker symbol (if applicable), name of security and financial instrument, a common identifier such as CUSIP or ISIN (if applicable), number of shares (if applicable), and dollar value of securities and financial instruments held in the portfolio, and percentage weighting of the security and financial instrument in the portfolio. The website information will be publicly available at no charge. The current value of the New Index will be widely disseminated by one or more major market data vendors at least once per day, as required by NYSE Arca Rule 5.2-E(j)(3), Commentary .02 (b)(ii).

The IIV for Shares of the Fund will be disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange's Core Trading Session, as required by NYSE Arca Rule 5.2-E(j)(3), Commentary .02(c). The current value of the New Index would be widely disseminated by one or more major market data vendors at least once per day, as required by NYSE Arca Rule 5.2-(j)(3), Commentary .02 (b)(ii). In addition, the portfolio of securities held by the Fund will be disclosed daily on the Fund's website.

Investors can also obtain the Trust's Statement of Additional Information ("SAI"), the Fund's Shareholder Reports, and its Form N-CSR and Form N-SAR, filed twice a year. The Trust's SAI and Shareholder Reports are available free upon request from the Trust, and those documents and the Form N-CSR and Form N-SAR may be viewed on-screen or downloaded



from the Commission's website at [www.sec.gov](http://www.sec.gov). Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Quotation and last sale information for the Shares of the Fund will be available via the Consolidated Tape Association ("CTA") high speed line. Quotation information for investment company securities may be obtained through nationally recognized pricing services through subscription agreements or from brokers and dealers who make markets in such securities. Price information regarding municipal bonds is available from third party pricing services and major market data vendors. Trade price and other information relating to municipal bonds is available through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system.

Quotation information for OTC swaps agreements may be obtained from brokers and dealers who make markets in such instruments. Quotation information for exchange-traded swaps, futures and options will be available from the applicable exchange and/or major market vendors.

#### Surveillance

The Exchange represents that trading in the Shares of the Fund will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority ("FINRA") on behalf of the Exchange, or by regulatory staff of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws. The Exchange represents that these procedures are adequate to properly monitor Exchange trading of

the Shares of the Fund in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.<sup>14</sup>

The surveillances referred to above generally focus on detecting securities trading outside their normal patterns, which could be indicative of manipulative or other violative activity. When such situations are detected, surveillance analysis follows and investigations are opened, where appropriate, to review the behavior of all relevant parties for all relevant trading violations.

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, certain futures and certain options with other markets and other entities that are members of the ISG, and the Exchange or FINRA, on behalf of the Exchange, or both, may obtain trading information regarding trading in the Shares, certain futures and certain options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, certain futures and certain options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. FINRA also can access data obtained from the Municipal Securities Rulemaking Board relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares.

The Exchange represents that at least 90% of the weight of Fund holdings invested in exchange-traded futures contracts and exchange-traded options will be traded on an exchange that is a member of the ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

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<sup>14</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with Section 6(b) of the Act<sup>15</sup> in general and Section 6(b)(5) of the Act<sup>16</sup> in particular in that it is 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 mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares of the Fund will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 5.2-E(j)(3), except for the requirement in Commentary .02(a)(2) that the component fixed income securities, in the aggregate, account for at least 75% of the weight of the index each shall have a minimum principal amount outstanding of \$100 million or more. The Exchange represents that trading in the Shares will be subject to the existing trading surveillances administered by the Exchange as well as cross-market surveillances administered by FINRA on behalf of the Exchange, which are designed to detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.<sup>17</sup> The Exchange represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding

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<sup>15</sup> 15 U.S.C. 78f.

<sup>16</sup> 15 U.S.C. 78f(b)(5).

<sup>17</sup> FINRA conducts cross-market surveillances on behalf of the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

trading in the Shares, certain futures and certain options with other markets that are members of the ISG. In addition, the Exchange will communicate as needed regarding trading in the Shares, certain futures and certain options with other markets that are members of the ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. FINRA also can access data obtained from the Municipal Securities Rulemaking Board relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares of the Fund. At least 90% of the weight of Fund holdings invested in exchange-traded futures contracts and exchange-traded options will be traded on an exchange that is a member of the ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

As discussed above, the Exchange believes that the New Index is sufficiently broad-based to deter potential manipulation. For informational purposes, as of November 1, 2018, there were approximately 21,478 securities in the New Index from issuers in 49 different states or U.S. territories. The most heavily weighted security in the New Index represented less than 0.11% of the total weight of the New Index and the aggregate weight of the top five most heavily weighted securities in the New Index represented approximately 0.48% of the total weight of the New index. Approximately 10% of the weight of the components in the New Index had a minimum original principal amount outstanding of \$100 million or more. In addition, the total dollar amount outstanding of issues in the New Index was approximately \$505 billion and the average dollar amount outstanding of issues in the New Index was approximately \$23.2 million.<sup>18</sup>

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<sup>18</sup> Commentary .02(a)(4) to NYSE Arca Rule 5.2-E(j)(3) provides that no component fixed-income security (excluding Treasury Securities and GSE Securities, as defined therein) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component fixed-income securities in the index or portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio.

Therefore, the Exchange believes that the New Index is sufficiently broad-based to deter potential manipulation, given that it is comprised of approximately 21,478 issues.

On a continuous basis, (1) at least 90% of the weight of the New Index will be comprised of securities that have an outstanding par value of at least \$7 million and were issued as part of a transaction of at least \$75 million, and (2) the New Index will include at least 500 components.

The Exchange notes that, in the Approval Order, the Commission approved Exchange listing and trading of Units of the Fund for which at least 90% of the weight of Current Index will be comprised of securities that have an outstanding par value of at least \$7 million and were issued as part of a transaction of at least \$75 million, and that included at least 500 components.<sup>19</sup> In the Approval Order, the Commission stated that the applicable index was sufficiently designed to deter potential manipulation.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that a large amount of information will be publicly available regarding the Fund and the Shares, thereby promoting market transparency. The Fund's portfolio holdings will be disclosed on the Fund's website daily after the close of trading on the Exchange. Moreover, the IIV will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's Core Trading Session. The current value of the New Index will be disseminated by one or more major market data vendors at least once per day. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services, and quotation and last sale information will be available via the CTA high-speed line. The website for the Fund will include the prospectus for the Fund and

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<sup>19</sup> See note 5, *supra*.

additional data relating to NAV and other applicable quantitative information. Moreover, prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares.

If the Exchange becomes aware that the NAV is not being disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants. With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Fund. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. If the IIV or the New Index values are not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the IIV or New Index value occurs. If the interruption to the dissemination of the IIV or New Index value persists past the trading day in which it occurred, the Exchange will halt trading. Trading in Shares of the Fund will be halted if the circuit breaker parameters in NYSE Arca Rule 7.12-E have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NYSE Arca Rule 7.34-E, which sets forth circumstances under which Shares of the Fund may be halted. In addition, investors will have ready access to information regarding the IIV, and quotation and last sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded fund that holds municipal bonds and that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the

Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, investors will have ready access to information regarding the IIV and quotation and last sale information for the Shares.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.<sup>20</sup>

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 that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of an additional type of Units based on a municipal bond index that will enhance competition among market participants, to the benefit of investors and the marketplace.

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

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>21</sup> and Rule 19b-4(f)(6) thereunder.<sup>22</sup>

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<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b-4(f)(6)(iii)<sup>23</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. In its filing with the Commission, the Exchange requests that the Commission waive the 30-day operative delay such that the proposed rule change will become operative on the date the Trust implements the New Index for the Fund.

The Exchange notes that the Commission previously approved a proposed rule change to allow the continued listing and trading of Shares on the Exchange based on the Current Index.<sup>24</sup> The Exchange represents that the New Index is the sub-set of the Current Index with effective maturities of 1-25 years. The Exchange further represents that other than the substitution of the New Index for the Current Index, the continued listing requirements of the Shares will remain the same as those approved by the Commission in the Approval Order. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the continued listing requirements for the Shares will remain the same. Therefore, the Commission hereby waives the 30-day operative delay.<sup>25</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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or

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with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>24</sup> See Approval Order, supra note 5.

<sup>25</sup> For purposes only 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).



(iii) 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 change 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-NYSEArca-2018-88 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-NYSEArca-2018-88. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEArca-2018-88 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>26</sup>

Eduardo A. Aleman  
Deputy Secretary

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<sup>26</sup> 17 CFR 200.30-3(a)(12).