

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-77872; File No. SR-NYSEArca-2015-110)

May 20, 2016

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 4 Thereto, Amending NYSE Arca Equities Rule 8.600 to Adopt Generic Listing Standards for Managed Fund Shares

On November 6, 2015, NYSE Arca, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend NYSE Arca Equities Rule 8.600 and to adopt generic listing standards for Managed Fund Shares.³ The proposed rule change was published for comment in the Federal Register on November 27, 2015.⁴

On November 23, 2015, the Exchange filed Amendment No. 1 to the proposed rule change, which amended and replaced the original proposal in its entirety. On January 4, 2016, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁶ On January 21, 2016, the Exchange withdrew Amendment No. 1 and filed Amendment No. 2 to the proposed rule

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See NYSE Arca Equities Rule 8.600(c)(1) (defining Managed Fund Shares).

⁴ See Securities Exchange Act Release No. 76486 (Nov. 20, 2015), 80 FR 74169 (“Notice”).

⁵ 15 U.S.C. 78s(b)(2).

⁶ See Securities Exchange Act Release No. 76819, 81 FR 987 (Jan. 8, 2016). The Commission designated February 25, 2016 as the date by which the Commission shall either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change. See id.

change.⁷ The proposed rule change, as modified by Amendment No. 2 thereto, was published for comment in the Federal Register on February 1, 2016.⁸ On February 11, 2016, the Exchange filed Amendment No. 3 to the proposed rule change.⁹ On February 16, 2016, the Exchange filed Amendment No. 4 to the proposed rule change.¹⁰

On February 22, 2016, the Commission issued notice of filing of Amendment No. 4 to the proposed rule change and instituted proceedings under Section 19(b)(2)(B) of the Act¹¹ to determine whether to approve or disapprove the proposed rule change, as modified by

⁷ In Amendment No. 2 to the proposed rule change, the Exchange added provisions to the proposed generic listing criteria relating to non-U.S. Component Stocks, convertible securities, and listed swaps, among other changes. Amendment No. 2, which amended and replaced the original proposal in its entirety, is available on the Commission's website at: <http://www.sec.gov/comments/sr-nysearca-2015-110/nysearca2015110-3.pdf>.

⁸ See Securities Exchange Act Release No. 76974 (Jan. 26, 2016), 81 FR 5149.

⁹ In Amendment No. 3 to the proposed rule change, the Exchange (a) revised the provisions relating to convertible securities, (b) clarified the limitations on non-exchange-traded American Depositary Receipts, (c) eliminated redundant provisions relating to limitations on leveraged and inverse-leveraged Derivative Securities Products, (d) revised the provision relating to limitations on listed derivatives, (e) clarified that, for purposes of the limitations relating to listed and over-the-counter derivatives, a portfolio's investment in listed and over-the-counter derivatives will be calculated as the total absolute notional value of these derivatives, and (f) provided additional information regarding the statutory basis of the proposal. Amendment No. 3, which amended and replaced the proposed rule change, as modified by Amendment No. 2 thereto, in its entirety, is available on the Commission's website at: <http://www.sec.gov/comments/sr-nysearca-2015-110/nysearca2015110-4.pdf>.

¹⁰ In Amendment No. 4 to the proposed rule change, the Exchange (a) modified the proposed generic listing rules to require compliance of the standards applicable to underlying equity securities, fixed income securities, and over-the-counter derivatives on an initial and continuing basis; and (b) clarified that the limitations on listed derivatives would apply to all listed derivatives, including listed swaps. Amendment No. 4, which amended and replaced the proposed rule change, as modified by Amendment No. 3 thereto, in its entirety, is available on the Commission's website at: <http://www.sec.gov/comments/sr-nysearca-2015-110/nysearca2015110-5.pdf>.

¹¹ 15 U.S.C. 78s(b)(2)(B).

Amendment No. 4 thereto.¹² In the Order Instituting Proceedings, the Commission solicited comments to specified matters related to the proposal.¹³ The Commission has received one comment letter on the proposal.¹⁴

Section 19(b)(2) of the Act¹⁵ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of the filing of the proposed rule change. The Commission may, however, extend the period for issuing an order approving or disapproving the proposed rule change by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on November 27, 2015.¹⁶ The 180th day after publication of the notice of the filing of the proposed rule change in the Federal Register is May 25, 2016.

¹² See Securities Exchange Act Release No. 77203, 81 FR 9900 (Feb. 26, 2016) (“Order Instituting Proceedings”). Specifically, the Commission instituted proceedings to allow for additional analysis of the proposed rule change’s consistency with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be “designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade,” and “to protect investors and the public interest.” See id., 81 FR at 9908.

¹³ See id., 81 FR at 9908-09.

¹⁴ See Letter from Rob Ivanoff to the Commission dated Nov. 22, 2015 (commenting that the format of the Exchange’s proposed rule change was unclear and difficult to read, and suggesting a new format that would be easier to understand). All comments on the proposed rule change are available on the Commission’s website at: <http://www.sec.gov/comments/sr-nysearca-2015-110/nysearca2015110-1.htm>.

¹⁵ 15 U.S.C. 78s(b)(2).

¹⁶ See supra note 4 and accompanying text.

The Commission finds that it is appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change, as modified by Amendment No. 4 thereto.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹⁷ designates July 22, 2016, as the date by which the Commission shall either approve or disapprove the proposed rule change, as modified by Amendment No. 4 thereto (File No. SR-NYSEArca-2015-110).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Robert W. Errett
Deputy Secretary

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 17 CFR 200.30-3(a)(57).