



8011-01
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-79174; File No. SR-NSX-2016-14)

October 27, 2016

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing of a Proposed Rule Change to Amend Exchange Rule 11.26 to Correct Defective Numbering in the Interpretations and Policies of the Rule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)¹ and Rule 19b-4 thereunder,² notice is hereby given that on October 13, 2016, National Stock Exchange, Inc. (“NSX” or the “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change, as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comment 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 is proposing to amend Exchange Rule 11.26, Compliance with Regulation NMS Plan to Implement a Tick Size Pilot to correct defective numbering under the Interpretations and Policies of the rule. The Exchange is not proposing any substantive amendments to the rule text.

The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁴

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

The text of the proposed rule change is available on the Exchange's website at <http://www.nsx.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 Exchange 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. 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to make ministerial non-substantive changes to the numbering of the Interpretations and Policies sections of Rule 11.26. The changes are intended to address incorrect numbering that resulted from two recent amendments [sic] the rule filed by the Exchange. On September 28, 2016 the Commission noticed a proposed rule change filed by the Exchange to amend Rule 11.26, including certain sections of the Interpretations and Policies.⁵ As part of these amendments, the Exchange proposed new text for section .09, which resulted a renumbering of former section .09 as .10. Section .10, with certain text proposed to be amended, was renumbered to .11; former .11 was renumbered as section .12, with no changes proposed to the text.

⁵ See Securities Exchange Act Release No. 78960 (September 28, 2016), 81 FR 68476 (October 4, 2016) (SR-NSX-2016-12).

On September 29, 2016, the SEC noticed a proposed rule change filed by the Exchange to make further rule changes in connection with the Regulation NMS Plan to Implement a Tick Size Pilot, including an amendment to Rule 11.26, Interpretations and Policies.⁶ The filing should have reflected that the language of Interpretations and Policies .12 was being replaced and that the former language of Interpretations and Policies .12 was being added as Interpretations and Policies .13. However, the Exchange, in its filing incorrectly assigned the number .11 where it should have used .12 and incorrectly assigned the number .12 where it should have used .13. As a result, two separate sections of the Interpretations and Policies are designated as number .11. The Exchange proposes to correct this error by amending the numbering associated with these sections. The section that was incorrectly numbered .11 will become .12 and the section previously incorrectly numbered .12 will become .13.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁷ in general, and furthers the objectives of Section 6(b)(5) of the Act⁸ in particular, in that it is designed 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.

Specifically, the proposal is designed to correct an administrative error from a previous filing that resulted in incorrect numbering of certain sections of Rule 11.26, Interpretations and

⁶ See Securities Exchange Act Release No. 78987 (September 29, 2016), 81 FR 69123 (October 5, 2016) (SR-NSX-2016-13).

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

Policies. Correcting these errors will avoid confusion and will promote clarity and ease of reference in the Exchange's rules and is consistent with Section 6(b)(5) of the Act in that it will promote just and equitable principles of trade and the protection of investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is intended to correct defective numbering in the Interpretations and Policies of Rule 11.26 and raises no competitive issues.

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

The Exchange has neither solicited nor received comments on 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)⁹ of the Act and Rule 19b-4(f)(6) thereunder.¹⁰

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹¹ normally does

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 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 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.

¹¹ 17 CFR 240.19b-4(f)(6).

not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)¹² permits the Commission to 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 believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed changes are ministerial and the Commission granted a similar waiver of the 30-day operative delay in its notice of the rule changes that contained the original incorrect numbering.¹³ The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because the proposed changes are non-substantive and will provide clarity to the Exchange's rules. Therefore, the Commission hereby waives the operative delay and designates the proposed rule change operative upon filing.¹⁴

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.

¹² 17 CFR 240.19b-4(f)(6)(iii).

¹³ See supra notes 5 and 6.

¹⁴ 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).

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. Please include File Number SR-NSX-2016-14 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090.

All submissions should refer to File No. SR-NSX-2016-14. This file number should be included in the subject line if e-mail is used. To help the Commission process and review 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 a.m. and 3 p.m. eastern time. Copies of such filings 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-NSX-2016-14 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 the delegated authority.¹⁵

Brent J. Fields
Secretary

¹⁵ 17 CFR 200.30-3(a)(12).

