

Order, the Applicant informed the advisory client of the capacity in which it may act with respect to the transaction and that it received the advisory client's consent (if the Applicant informs the client orally of the capacity in which it may act with respect to such transaction or obtains oral consent, such records may, for example, include recordings of telephone conversations or contemporaneous written notations); and (c) documentation sufficient to enable assessment of compliance by the Applicant with sections 206(1) and (2) of the Advisers Act in connection with its reliance on this Order.<sup>3</sup> In each case, such records will be maintained and preserved in an easily accessible place for a period of not less than five years, the first two years in an appropriate office of the Applicant, and be available for inspection by the staff of the Commission.

11. The Applicant will adopt written compliance policies and procedures reasonably designed to ensure, and the Applicant's chief compliance officer will monitor, the Applicant's compliance with the conditions of this Order. The Applicant's chief compliance officer will, on at least a quarterly basis, conduct testing reasonably sufficient to verify such compliance. Such written policies and procedures, monitoring and testing will address, *without limitation*: (a) Compliance by the Applicant with its disclosure and consent requirements under this Order; (b) the integrity and operation of electronic systems employed by the Applicant in connection with its reliance on this Order; (c) compliance by the Applicant with its recordkeeping obligations under this Order; and (d) whether there is any evidence of the Applicant engaging in "dumping" in connection with its reliance on this Order.<sup>4</sup> The Applicant's chief compliance officer will document the frequency and results of such monitoring and testing, and the Applicant will maintain and preserve such documentation in an easily accessible place for a period of not less

<sup>3</sup> For example, under sections 206(1) and (2), an adviser may not engage in any transaction on a principal basis with a client that is not consistent with the best interests of the client or that subrogates the client's interests to the adviser's own. *Cf.* Investment Advisers Act Release No. 2106 (Jan. 31, 2003) (adopting Rule 206(4)–6).

<sup>4</sup> See Report of the Securities and Exchange Commission, Investment Trusts and Investment Companies, H.R. Doc. No. 279, 76th Cong., 2d Sess., pt. 3, at 2581, 2589 (1939); Hearings on S.3580 Before a Subcommittee of the Commission on Banking and Currency, 76th Cong., 3d Sess. 209, 212–23 (1940); Hearings on S. 3580 Before the Subcomm. of the Comm. on Banking and Currency, 76th Cong., 3d Sess. 322 (1940).

than five years, the first two years in an appropriate office of the Applicant, and be available for inspection by the staff of the Commission.

By the Commission.

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2016–29298 Filed 12–6–16; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–79447; File No. SR–NASDAQ–2016–163]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Change the Titles of Equities Rule 7015 and Options Chapter XV, Section 3, and To Make Related Changes

December 1, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on November 28, 2016, The NASDAQ Stock Market LLC ("Nasdaq" or "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 comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The Exchange proposes to rename the title of rules that assess fees for connectivity to systems operated by the Exchange or FINRA under Equities Rule 7015 and Options Chapter XV, Section 3, and to make related changes to other rules that reference the renamed rules.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaq.cchwallstreet.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 aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The purpose of the proposed rule change is to rename related text in Rule 7015 and Chapter XV, Section 3, to more accurately reflect the services being provided and eliminate an outdated term. Both Rule 7015 and Chapter XV, Section 3, include connectivity to services that are not related to connecting to the Exchange trading system, such as TradeInfo,<sup>3</sup> Specialized Services Related to FINRA/NASDAQ Trade Reporting Facility,<sup>4</sup> and the NASDAQ IPO Workstation.<sup>5</sup> As a consequence, the Exchange believes that it is appropriate to rename the title of Rule 7015 as "Ports and other Services" and rename the title of Chapter XV, Section 3, as "NASDAQ Options Market—Ports and other Services," which the Exchange believes more accurately describe the depth and breadth of services provided to members under those rules.

The Exchange is also proposing to amend reference to the title of Rule 7015 in Rule 7007(a), which is titled "Collection of Exchange Fees and Other Claims and Billing Policy," and is also amending reference to the title of Chapter XV, Section 3, found under Section 7(c)(2) of Chapter XV to reflect the amended titles of Rule 7015 and Chapter XV, Section 3.

##### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>7</sup>

<sup>3</sup> TradeInfo is an Internet-based tool that, among other things, allows users to view all of the NASDAQ order and execution information for their entire firm for both equities and options through a single interface. TradeInfo may be subscribed to under both Rule 7015 and Chapter XV Section 3.

<sup>4</sup> Specialized Services Related to FINRA/NASDAQ Trade Reporting Facility includes WebLink ACT or Nasdaq Workstation Post Trade, and ACT Workstation. See Rule 7015(e).

<sup>5</sup> The NASDAQ IPO Workstation provides subscribing member firms with the IPO Indicator service, which provides information on order execution that would be received in an IPO during the launch process.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

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

<sup>2</sup> 17 CFR 240.19b–4.

in particular, in that it is designed 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, by clarifying applicability of rules whose current titles could confuse market participants. Specifically, the Exchange is eliminating the term "Access" and replacing it with the phrase "Ports and other" because the new titles will more accurately describe the depth and breadth of services provided to members under Rule 7015 and Chapter XV, Section 3. As explained above, the various connectivity and services offered under Rule 7015 and Chapter XV, Section 3, include services listed that are not related to connecting to the Exchange such as TradeInfo, Specialized Services Related to FINRA/NASDAQ Trade Reporting Facility, or the NASDAQ IPO Workstation. These services allow members to view information and are not related to connecting to the Exchange. Thus, the changes proposed herein do not impact the fees, connectivity or services described under Rule 7015 and Chapter XV, Section 3, but rather merely clarify and harmonize the terminology used to better align it with what is provided under the 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 Exchange believes that, to the extent it has any impact on competition, the proposed change will promote competition by making it clear to all market participants and exchange competitors what is provided under Rule 7015 and Chapter XV, Section 3.

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

No written comments were either solicited or received.

### **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)(iii) of the Act<sup>8</sup> and subparagraph (f)(6) of Rule 19b-4 thereunder.<sup>9</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii)<sup>10</sup> 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 requested that the Commission waive the 30-day operative delay so that the proposed rule change will become operative on filing. The Exchange stated that the proposed rule change promotes the protection of investors and the public interest by clarifying and harmonizing the terminology used in the Exchange's rules. Waiver of the operative delay would allow the Exchange, without delay, to rename the rules to make clear what the rules cover, therefore, the Commission believes that waiver of the 30-day operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposed rule change to be operative upon filing.<sup>11</sup>

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 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

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

<sup>10</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>11</sup> For purposes only of waiving the 30-day operative delay, the Commission also has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2016-163 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-NASDAQ-2016-163. This file number should be included on the subject line if email 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 Web site (<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 Web site 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 such 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-NASDAQ-2016-163, and should be submitted on or before December 28, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2016-29292 Filed 12-6-16; 8:45 am]

**BILLING CODE 8011-01-P**

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