

securities registered under Section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) (“Exchange Act”); or (2) filed a registration statement pursuant to Section 12 of the Exchange Act for a class of equity securities. The Commission has adopted Form N-54A (17 CFR 274.53) as the form for notification of election to be regulated as business development companies.

The purpose of Form N-54A is to notify the Commission that the investment company making the notification elects to be subject to Sections 55 through 65 of the Investment Company Act, enabling the Commission to administer those provisions of the Investment Company Act to such companies.

The Commission estimates that on average approximately 12 business development companies file these notifications each year. Each of those business development companies need only make a single filing of Form N-54A. The Commission further estimates that this information collection imposes a burden of 0.5 hours, resulting in a total annual PRA burden of 6 hours. Based on the estimated wage rate, the total cost to the business development company industry of the hour burden for complying with Form N-54A would be approximately \$2,070.

The collection of information under Form N-54A is mandatory. The information provided by the form is not kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

The public may view the background documentation for this information collection at the following Web site, [www.reginfo.gov](http://www.reginfo.gov). Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: [ShaguftaAhmed@omb.eop.gov](mailto:ShaguftaAhmed@omb.eop.gov); and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov). Comments must be submitted to OMB within 30 days of this notice.

Dated: October 26, 2017.

**Eduardo A. Aleman,**  
Assistant Secretary.

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**BILLING CODE P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81944; File No. SR-NYSEArca-2017-99]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of the Hartford Schroders Tax-Aware Bond ETF Under NYSE Arca Rule 8.600-E

October 25, 2017.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (“Act”) <sup>2</sup> and Rule 19b-4 thereunder, <sup>3</sup> notice is hereby given that, on October 11, 2017, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“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 list and trade shares of the Hartford Schroders Tax-Aware Bond ETF under NYSE Arca Rule 8.600-E (“Managed Fund Shares”). The proposed rule change is available on the Exchange’s Web site 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 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 list and trade shares (“Shares”) of the Hartford

Schroders Tax-Aware Bond ETF (“Fund”) under NYSE Arca Rule 8.600-E, which governs the listing and trading of Managed Fund Shares.<sup>4</sup> The Shares will be offered by the Hartford Funds Exchange-Traded Trust (the “Trust”), which is registered with the Commission as an open-end management investment company.<sup>5</sup> The Fund is a series of the Trust.

Hartford Funds Management Company, LLC (“HFMC” or “Manager”) will be the investment manager to the Fund. ALPS Distributors, Inc. (“ALPS” or the “Distributor”) will be the principal underwriter to the Fund. HFMC is an indirect subsidiary of The Hartford Financial Services Group, Inc. Schroder Investment Management North America Inc. (“Sub-Adviser”) will be the sub-adviser to the Fund and performs the daily investment of the assets for the Fund.

Commentary .06 to Rule 8.600-E provides that, if the investment adviser to the investment company issuing Managed Fund Shares is affiliated with a broker-dealer, such investment adviser shall erect a “fire wall” between the investment adviser and the broker-dealer with respect to access to information concerning the composition and/or changes to such investment company portfolio.<sup>6</sup> In addition,

<sup>4</sup> A Managed Fund Share is a security that represents an interest in an investment company registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1) (“1940 Act”) organized as an open-end investment company or similar entity that invests in a portfolio of securities selected by its investment adviser consistent with its investment objectives and policies. In contrast, an open-end investment company that issues Investment Company 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 Trust is registered under the 1940 Act. On June 26, 2017, the Trust filed with the Commission 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 Funds [sic] (File Nos. 333-215165 and 811-23222) (“Registration Statement”). The description of the operation of the Trust and the Funds [sic] herein is based, in part, on the Registration Statement. 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. 32454 (January 27, 2017) (File No. 812-13828-01) (“Exemptive Order”).

<sup>6</sup> An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the “Advisers Act”). As a result, the Manager and Sub-Adviser and their related personnel are subject to the provisions of Rule 204A-1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public

Continued

<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.

Commentary .06 further requires that personnel who make decisions on the open-end fund's portfolio composition must be subject to procedures designed to prevent the use and dissemination of material nonpublic information regarding the open-end fund's portfolio. Neither the Manager nor Sub-Adviser is registered as a broker-dealer but each is affiliated with a broker-dealer. The Manager and Sub-Adviser each has implemented and will maintain a "fire wall" with respect to such broker-dealer affiliate regarding access to information concerning the composition of and/or changes to the Fund's portfolio.<sup>7</sup> In the event (a) the Manager or Sub-Adviser becomes registered as a broker-dealer or newly affiliated with a broker-dealer, or (b) any new adviser or sub-adviser to the Fund is a registered broker-dealer or becomes affiliated with a broker-dealer, the applicable adviser or sub-adviser will implement and maintain a "fire wall" with respect to its relevant personnel or broker-dealer affiliate regarding access to information concerning the composition and/or changes to the Fund's portfolio.

Hartford Schroders Tax-Aware Bond ETF

#### Principal Investments

According to the Registration Statement, the Fund will seek total return on an after-tax basis. The Fund will seek to achieve its investment objective by investing in a diversified portfolio of fixed income debt instruments of varying maturities. Under normal market conditions,<sup>8</sup> the

information by an investment adviser must be consistent with Rule 204A-1 under the Advisers Act. In addition, Rule 206(4)-7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

<sup>7</sup> While the Sub-Adviser is not registered as a broker-dealer, it has a wholly-owned broker-dealer subsidiary. This broker-dealer is limited purpose and exists solely to serve as the distributor of pooled investment vehicles for which the Sub-Adviser acts as an investment adviser. This broker-dealer does not execute securities transactions or accept customer funds. For purposes of this filing, the term "firewall" shall mean that personnel of such broker-dealer are subject to procedures designed to prevent the use and dissemination of material non-public information, including information regarding the Fund's portfolio.

<sup>8</sup> The term "normal market conditions" is defined in NYSE Arca Rule 8.600-E(c)(5).

Fund will invest principally (that is, more than 50% of its assets) in the U.S. dollar-denominated, fixed income debt instruments described below.

The fixed income debt instruments in which the Fund may invest as part of its principal investment strategy are securities issued or guaranteed by the U.S. government and its agencies, government-sponsored enterprise securities, corporate bonds, agency mortgage-backed securities (including "to be announced" or "TBA" transactions), agency asset-backed securities ("ABS"), "Municipal Securities" (as described below), sovereign debt and debt securities issued by supranational organizations. They may pay fixed, variable, or floating interest rates. The Fund may invest in U.S. dollar denominated foreign securities. The Fund may also invest in cash and cash equivalents.<sup>9</sup>

According to the Registration Statement, in seeking to achieve the Fund's investment objective, the Sub-Adviser will employ a tax-aware investing strategy that attempts to realize total return for shareholders, primarily in the form of current income and price appreciation, by balancing investment considerations and tax considerations.

According to the Registration Statement, the Fund may invest in the following Municipal Securities: General obligation bonds; revenue (or limited obligation) bonds; private activity (or industrial development) bonds; bonds that are collateralized with agency and/or treasury securities, municipal notes; municipal lease obligations; and municipal inverse floaters.<sup>10</sup> The Fund's investments in Municipal Securities will be diversified among issuers in at least 10 states and U.S. territories. The Fund may invest up to 40% of the Fund's total assets in Municipal Securities of issuers in each of California, New York and Texas. The Fund will limit its investments in Municipal Securities of any one state

<sup>9</sup> For purposes of this filing, cash equivalents are money market funds and the following short-term instruments with maturities of less than three months: (i) Certificates of deposit issued against funds deposited in a bank or savings and loan association; (ii) bankers' acceptances, which are short-term credit instruments used to finance commercial transactions; (iii) U.S. Government obligations or corporate debt obligations (including those subject to repurchase agreements); (iv) bank time deposits; and (v) commercial paper.

<sup>10</sup> Municipal inverse floaters are a type of inverse floater in which a municipal bond is deposited with a special purpose vehicle (SPV), which issues, in return, the municipal inverse floater (which is comprised of a residual interest in the cash flows and assets of the SPV) plus proceeds from the issuance by the SPV of floating rate certificates to third parties.

(except California, New York and Texas) or U.S. territory to 25% of the Fund's total assets.

The Fund may hold restricted securities, which are securities that cannot be offered for public resale unless registered under the applicable securities laws or that have a contractual restriction that prohibits or limits their resale. Restricted securities include private placement securities that have not been registered under the applicable securities laws, such as Rule 144A securities, and securities of U.S. and non-U.S. issuers that are issued pursuant to Regulation S.

#### Other Investments

While the Fund, under normal market conditions, will invest principally in the securities and financial instruments described above, the Fund may invest its remaining assets in the securities and financial instruments described below.

The Fund may invest in non-agency ABS, which are securities backed by a pool of some underlying asset, including but not limited to home equity loans, installment sale contracts, credit card receivables or other assets.

The Fund may invest in collateralized debt obligations ("CDOs"), which include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities.

The Fund may invest in non-agency mortgage-related securities.

The Fund may invest in the securities of other registered investment companies, including exchange-traded funds ("ETFs").<sup>11</sup>

The Fund may engage actively in transactions in derivatives (futures, options, swaps and forward rate agreements), as described below. The Fund will normally use derivatives to supplement the effective management of its duration profile, to gain exposure to particular securities or markets, in connection with hedging transactions, or for purposes of efficient portfolio management, including managing cash flows or as part of the Fund's risk management process.

The Fund may invest in U.S. and foreign exchange-traded and over-the-counter ("OTC") put and call options. The Fund may engage in options transactions on any security, index or instrument in which it may invest.

<sup>11</sup> For purposes of this filing, ETFs include Investment Company Units (as described in NYSE Arca Rule 5.2-E(j)(3)); Portfolio Depositary Receipts (as described in NYSE Arca Rule 8.100-E); and Managed Fund Shares (as described in NYSE Arca Rule 8.600-E). The ETFs all will be listed and traded in the U.S. on registered exchanges. The Fund will not invest in inverse or leveraged (e.g., +2x, -2x) index ETFs.

The Fund may invest in U.S and foreign exchange-traded and OTC currency options.

The Fund may invest in U.S. and foreign exchange-traded futures contracts and options on futures contracts with respect to equity and debt securities, foreign currencies, aggregates of equity and debt securities (aggregates are composites of equity or debt securities that are not tied to a commonly known index), interest rates, indices, commodities and other financial instruments.

The Fund may enter into commodity swaps, total return swaps, currency swaps, credit default swaps, asset swaps, inflation swaps, event-linked swaps, interest rate swaps, swaps on specific securities or indices, swaps on rates (such as mortgage prepayment rates), municipal credit default swaps, municipal market data derivatives rate locks, caps, collars, and floors. The Fund may also enter into options on swap agreements ("swaptions"). The Fund may also invest in the Dow Jones CDX ("CDX"), which is a family of indices that track credit derivative indices in various countries around the world. Swaps and swaptions can be both exchange traded and OTC.

The Fund may enter into forward rate agreements.

The Fund may invest in inflation-protected debt securities.

The Fund may invest in OTC and exchange-traded convertible and nonconvertible preferred stock.

The Fund may invest in when-issued and delayed delivery securities and forward commitments.

#### Disclosure of Portfolio Holdings

On each day the NYSE Arca is open (a "Business Day"), before commencement of trading in Shares on the Exchange, HFMC will disclose the Fund's iNAV Basket.<sup>12</sup> Additionally, on each Business Day, before commencement of trading in Shares on the Exchange, the Fund will disclose on its Web site the identities and quantities of the Fund's portfolio holdings that will form the basis for the Fund's calculation of NAV at the end of the Business Day.

#### Creation and Redemption of Shares

According to the Registration Statement, the Trust will issue and sell Shares of the Fund only in Creation Units at the NAV next determined after

receipt of an order in proper form on any Business Day. The number of Shares of the Fund that will constitute a Creation Unit is 50,000. The size of a Creation Unit is subject to change.

#### Creation of Shares

The consideration for purchase of Creation Units will generally consist of "Deposit Securities" and the "Cash Component", which will generally correspond pro rata, to the extent practicable, to the Fund's securities, or, as permitted or required by the Fund, of cash. Together, the Deposit Securities and Cash Component constitute the "Fund Deposit," which represents the minimum initial and subsequent investment amount for a Creation Unit of the Fund. Creation Units of Shares of the Fund may be issued partially for cash.

The Transfer Agent, through the National Securities Clearing Corporation ("NSCC"), will make available on each Business Day, prior to the Core Trading Session (subject to amendments) on the Exchange (currently 9:30 a.m., Eastern time), the identity and the required number of each Deposit Security and the amount of the Cash Component to be included in the current Fund Deposit (based on information at the end of the previous Business Day).

To be eligible to place orders with the Distributor and to create a Creation Unit of the Fund, an entity must be: (i) A "Participating Party," *i.e.* a broker-dealer or other participant in the clearing process through the Continuous Net Settlement System of the NSCC (the "Clearing Process"); or (ii) a participant of Depository Trust Company ("DTC") ("DTC Participant") and must have executed an agreement with the Distributor (and accepted by the Transfer Agent), with respect to creations and redemptions of Creation Units ("Participant Agreement") (discussed below). A Participating Party or DTC Participant who has executed a Participant Agreement is referred to as an "Authorized Participant."

Except as described below, and in all cases subject to the terms of the applicable Participant Agreement, all orders to create Creation Units of the Fund must be received by the Transfer Agent no later than 1:00 p.m., Eastern time) in each case on the date such order is placed for creation of Creation Units to be effected based on the NAV of shares of the Fund as next determined after receipt of an order in proper form. Orders requesting substitution of a "cash-in-lieu" amount or a cash creation, must be received by the Transfer Agent no later than 1:00 p.m., Eastern time. The date on which

an order to create Creation Units (or an order to redeem Creation Units, as discussed below) is placed is referred to as the "Transmittal Date".

Fund Deposits created through the Clearing Process, if available, must be delivered through a Participating Party that has executed a Participant Agreement.

The Participant Agreement authorizes the Transfer Agent to transmit to NSCC on behalf of the Participating Party such trade instructions as are necessary to effect the Participating Party's creation order. Pursuant to such trade instructions from the Transfer Agent to NSCC, the Participating Party agrees to transfer the requisite Deposit Securities (or contracts to purchase such Deposit Securities that are expected to be delivered in a "regular way" manner by the second Business Day) and the Cash Component to the Trust, together with such additional information as may be required by the Transfer Agent and the Distributor as set forth in the Participant Agreement. An order to create Creation Units of the Fund through the Clearing Process is deemed received by the Transfer Agent on the Transmittal Date if (i) such order is received by the Transfer Agent not later than the Order Cutoff Time on such Transmittal Date and (ii) all other procedures set forth in the Participant Agreement are properly followed.

Fund Deposits created outside the Clearing Process must be delivered through a DTC Participant that has executed a Participant Agreement.

#### Redemption of Shares

Shares may be redeemed only in Creation Units at their NAV next determined after receipt of a redemption request in proper form on a Business Day and only through a Participating Party or DTC Participant who has executed a Participant Agreement.

With respect to the Fund, the Transfer Agent, through the NSCC, makes available immediately prior to the opening of business on the Exchange (currently 9:30 a.m., Eastern time) on each Business Day, the identity of the Fund's securities and/or an amount of cash that will be applicable (subject to possible amendment or correction) to redemption requests received in proper form (as described below) on that day. All orders are subject to acceptance by the Distributor. The Fund's securities received on redemption will generally correspond pro rata, to the extent practicable, to the Fund's securities. The Fund's securities received on redemption ("Fund Securities") may not be identical to Deposit Securities that

<sup>12</sup> An iNAV will be based on the current market value of the Fund's portfolio holdings that will form the basis for the Fund's calculation of NAV at the end of the Business Day, as disclosed on the Fund's Web site prior to that Business Day's commencement of trading (the "iNAV Basket").

are applicable to creations of Creation Units.

Unless cash only redemptions are available or specified for the Fund, the redemption proceeds for a Creation Unit will generally consist of Fund Securities—as announced on the Business Day of the request for a redemption order received in proper form—plus cash in an amount equal to the difference between the NAV of the Shares being redeemed, as next determined after a receipt of a request in proper form, and the value of the Fund Securities, less the redemption transaction fee and variable fees described below. Notwithstanding the foregoing, the Trust will substitute a “cash-in-lieu” amount to replace any Fund Security that is a non-deliverable instrument.

Orders to redeem Creation Units of the Fund through the Clearing Process, if available, must be delivered through a Participating Party that has executed the Participant Agreement. An order to redeem Creation Units of the Fund through the Clearing Process will be deemed received by the Transfer Agent on the Transmittal Date if such order is received by the Transfer Agent not later than 1:00 p.m. Eastern time on such Transmittal Date and other applicable procedures are properly followed.

Orders to redeem Creation Units of the Fund outside the Clearing Process must be delivered through a DTC Participant that has executed the Participant Agreement. An order to redeem Creation Units of the Fund outside the Clearing Process will be deemed received by the Transfer Agent on the Transmittal Date if such order is received by the Transfer Agent not later than 1:00 p.m. Eastern time on such Transmittal Date and other applicable procedures are properly followed.

#### Availability of Information

The Fund will disclose on the Fund's Web site ([www.hartfordfunds.com](http://www.hartfordfunds.com)) at the start of each Business Day the identities and quantities of the securities and other assets held by the Fund that will form the basis of the Fund's calculation of its NAV on that Business Day. The portfolio holdings so disclosed will be based on information as of the close of business on the prior Business Day and/or trades that have been completed prior to the opening of business on that Business Day and that are expected to settle on the Business Day.

The Web site for the Fund will contain the following information, on a per-Share basis, for the Fund: (1) The prior Business Day's NAV; (2) the reported midpoint of the bid-ask spread

at the time of NAV calculation (the “Bid-Ask Price”); (3) a calculation of the premium or discount of the Bid-Ask Price against such NAV; and (4) data in chart format displaying the frequency distribution of discounts and premiums of the Bid-Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters (or for the life of the Fund if, shorter).

The Fund's portfolio holdings will be disclosed on the Fund's Web site daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. On a daily basis, the Fund will disclose the information required under NYSE Arca Rule 8.600–E(c)(2) to the extent applicable. The Fund's prospectus and Statement of Additional Information (“SAI”) will be available on the Fund's Web site. The Web site information will be publicly available at no charge.

Investors can also obtain the Fund's SAI, shareholder reports, Form N–CSR and Form N–SAR, filed twice a year. The Fund's SAI and shareholder reports will be 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 Web site 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 publicly available and will be published daily in the financial section of newspapers.

Quotation and last sale information for the Shares and ETFs will be available via the Consolidated Tape Association (“CTA”) high-speed line, and from the national securities exchanges on which they are listed.

Quotation information from brokers and dealers or pricing services will be available for Municipal Securities. Price information for money market funds will be available from the applicable investment company's Web site and from market data vendors. Pricing information regarding each asset class in which the Fund will invest will generally be available through nationally recognized data service providers through subscription agreements. In addition, the iNAV (which is the Portfolio Indicative Value, as defined in NYSE Arca Rule 8.600–E(c)(3)), will be widely disseminated at least every 15 seconds during the Core Trading Session by one or more major market data vendors or other

information providers.<sup>13</sup> One source of price information for municipal securities is the Electronic Municipal Market Access (“EMMA”), which is administered by the Municipal Securities Rulemaking Board.

#### Investment Restrictions

The Fund's investments will be consistent with its investment goal and will not be used to provide multiple returns of a benchmark or to produce leveraged returns.

With respect to the Fund's investments in Municipal Securities, under normal market conditions, except for periods of high cash inflows or outflows, the Fund will satisfy the following criteria:

i. The Fund will have a minimum of 20 non-affiliated issuers;

ii. No single Municipal Securities issuer will account for more than 10% of the weight of the Fund's portfolio;<sup>14</sup>

iii. No individual bond will account for more than 5% of the weight of the Fund's portfolio;<sup>15</sup>

iv. The Fund will limit its investments in Municipal Securities of any one state to 25% of the Fund's total assets, provided that up to and including 40% of the Fund's total assets may be invested in Municipal Securities of issuers in each of California, New York and Texas;<sup>16</sup>

<sup>13</sup> Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available Portfolio Indicative Values taken from CTA or other data feeds.

<sup>14</sup> The Exchange notes that the Commission has approved the listing and trading of another issue of Managed Fund Shares that principally holds municipal securities for which no single issuer would account for more than 10% of the weight of the fund's portfolio. See Securities Exchange Act Release No. 79293 (November 10, 2016), 81 FR 81189 (November 17, 2016) (SR–NYSEArca–2016–107) (order approving listing and trading of shares of Cumberland Municipal Bond ETF under Rule 8.600).

<sup>15</sup> The Exchange notes that the Commission has approved the listing and trading of another issue of Managed Fund Shares that principally holds municipal securities for which no single bond would exceed 5% of the fund's portfolio. See Securities Exchange Act Release No. 80885 (June 8, 2017), 82 FR 27302 (June 14, 2017) (order approving listing and trading of shares of the IQ Municipal Insured ETF, IQ Municipal Short Duration ETF, and IQ Municipal Intermediate ETF under NYSE Arca Equities Rule 8.600).

<sup>16</sup> The Exchange notes that the Commission has approved the listing and trading of other issues of Managed Fund Shares that principally hold municipal securities for which the applicable fund's assets in municipal securities of any one state would be limited to 25% of such fund's assets. See Securities Exchange Act Release Nos. 80885 (June 8, 2017), 82 FR 27302 (June 14, 2017) (order approving listing and trading of shares of the IQ Municipal Insured ETF, IQ Municipal Short Duration ETF, and IQ Municipal Intermediate ETF under NYSE Arca Equities Rule 8.600); 79293 (November 10, 2016), 81 FR 81189 (November 17, 2016) (SR–NYSEArca–2016–107) (order approving

v. The Fund's investments in Municipal Securities will be diversified among issuers in at least 10 states and U.S. territories;<sup>17</sup>

vi. The Fund will be diversified among a minimum of five different sectors of the Municipal Securities market.<sup>18</sup>

Pre-refunded bonds will be excluded from the above limits given that they have a high level of credit quality and liquidity.<sup>19</sup>

#### Application of Generic Listing Requirements

The Exchange is submitting this proposed rule change because the portfolio for the Fund will not meet all of the "generic" listing requirements of Commentary .01 to NYSE Arca Rule 8.600-E applicable to the listing of Managed Fund Shares. The Fund's portfolio will meet all such requirements except for those set forth in Commentary .01(b)(1).<sup>20</sup>

listing and trading of shares of Cumberland Municipal Bond ETF under Rule 8.600; 78913 (September 23, 2016) (SR-Nasdaq-2016-002) (order approving listing and trading of the First Trust Municipal High Income ETF of First Trust Exchange-Traded Fund III).

<sup>17</sup> The Exchange notes that the Commission has approved the listing and trading of another issue of Managed Fund Shares that principally holds municipal securities and for which the fund's assets would be diversified among issuers in 10 states. *See* Securities Exchange Act Release No. 80865 (June 6, 2017), 82 FR 26970 (June 12, 2017) (order approving listing and trading of shares of the Franklin Liberty Intermediate Municipal Opportunities ETF and Franklin Liberty Municipal Bond ETF under NYSE Arca Equities Rule 8.600).

<sup>18</sup> The Fund's investments in Municipal Securities will include investments in state and local (e.g., county, city, town) Municipal Securities relating to such sectors as the following: Airports; bridges and highways; hospitals; housing; jails; mass transportation; nursing homes; parks; public buildings; recreational facilities; school facilities; streets; and water and sewer works.

<sup>19</sup> The Exchange notes that the Commission has approved the listing and trading of another issue of Managed Fund Shares that principally holds municipal securities for which pre-refunded bonds were excluded from the specified limits in the fund's municipal bond investments. *See* Securities Exchange Act Release No. 80865 (June 6, 2017), 82 FR 26970 (June 12, 2017) (order approving listing and trading of shares of the Franklin Liberty Intermediate Municipal Opportunities ETF and Franklin Liberty Municipal Bond ETF under NYSE Arca Equities Rule 8.600). Pre-refunded bonds (also known as refunded or escrow-secured bonds) have a high level of credit quality and liquidity because the issuer "pre-refunds" the bond by setting aside in advance all or a portion of the amount to be paid to the bondholders when the bond is called. Generally, an issuer uses the proceeds from a new bond issue to buy high grade, interest bearing debt securities, including direct obligations of the U.S. government, which are then deposited in an irrevocable escrow account held by a trustee bank to secure all future payments of principal and interest on the pre-refunded bonds.

<sup>20</sup> Commentary .01(b)(1) to NYSE Arca Rule 8.600-E provides that components that in the aggregate account for at least 75% of the fixed income weight of the portfolio each shall have a

The Exchange believes that it is appropriate and in the public interest to approve listing and trading of Shares of the Fund on the Exchange notwithstanding that the Fund would not meet the requirements of Commentary .01(b)(1) to Rule 8.600-E in that the Fund's investments in fixed income securities, including Municipal Securities, will be well-diversified.

The Exchange believes that permitting Fund Shares to be listed and traded on the Exchange, notwithstanding that, as a result principally of the Fund's investments in Municipal Securities, less than 75% of the weight of the Fund's portfolio may consist of components with \$100 million minimum or more original principal amount outstanding, would provide the Fund with greater ability to select from a broad range of fixed income securities, including Municipal Securities, as described above, that would support the Fund's investment goal.

The Exchange believes that, notwithstanding that the Fund's portfolio may not satisfy Commentary .01(b)(1) to Rule 8.600-E, the Fund will not be susceptible to manipulation. As noted above, with respect to the Fund's investments in Municipal Securities, such securities will be diversified among a minimum of 20 non-affiliated issuers; no single Municipal Securities issuer will account for more than 10% of the weight of the Fund's portfolio; no individual bond will account for more than 5% of the weight of the Fund's portfolio; the Fund will limit its investments in Municipal Securities of any one state to 25% of the Fund's total assets, provided that up to and including 40% of the Fund's total assets may be invested in Municipal Securities of issuers in each of California, New York and Texas; and the Fund's investments in Municipal Securities will be diversified among issuers in at least 10 states and U.S. territories and will be diversified among a minimum of five different sectors of the Municipal Securities market.

The Exchange notes that, other than Commentary .01(b)(1) to Rule 8.600-E, the Fund's portfolio will meet all other requirements of Rule 8.600-E.

#### Trading Halts

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.<sup>21</sup> Trading in Shares of the Fund will be halted if the circuit breaker

minimum original principal amount outstanding of \$100 million or more.

<sup>21</sup> *See* NYSE Arca Rule 7.12-E.

parameters in NYSE Arca Rule 7.12-E have been reached. 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. Trading in the Fund's Shares also will be subject to Rule 8.600-E(d)(2)(D) ("Trading Halts").

#### Trading Rules

The Exchange deems the Shares to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4 a.m. to 8 p.m., Eastern Time in accordance with NYSE Arca Rule 7.34-E (Early, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Rule 7.6-E, the minimum price variation ("MPV") for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is \$0.01, with the exception of securities that are priced less than \$1.00 for which the MPV for order entry is \$0.0001.

With the exception of the requirements of Commentary .01(b)(1) to Rule 8.600-E as described above in "Application of Generic Listing Requirements", the Shares of the Fund will conform to the initial and continued listing criteria under NYSE Arca Rule 8.600-E. Consistent with NYSE Arca Rule 8.600-E(d)(2)(B)(ii), the Manager will implement and maintain, or be subject to, procedures designed to prevent the use and dissemination of material non-public information regarding the actual components of the Fund's portfolio. The Exchange represents that, for initial and continued listing, the Fund will be in compliance with Rule 10A-3<sup>22</sup> under the Act, as provided by NYSE Arca Rule 5.3-E. A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange. The Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. The Fund's investments will be consistent with its investment goal and will not be used to provide multiple returns of a benchmark or to produce leveraged returns.

#### Surveillance

The Exchange represents that trading in the Shares will be subject to the existing trading surveillances,

<sup>22</sup> 17 CFR 240.10A-3.

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 in all trading sessions and to deter and detect violations of Exchange rules and federal securities laws applicable to trading on the Exchange.<sup>23</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.<sup>24</sup>

The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, ETFs, certain exchange-traded options and certain exchange-traded futures 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, ETFs, certain exchange-traded options and certain exchange-traded futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, ETFs, certain exchange-traded options and certain exchange-traded futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA’s Trade Reporting and Compliance Engine (“TRACE”). FINRA also can access data obtained from the Municipal Securities Rulemaking Board (“MSRB”) relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares.

<sup>23</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.

<sup>24</sup> For a list of the current members of ISG, see [www.isgportal.org](http://www.isgportal.org). The Exchange notes that not all components of the Disclosed Portfolio may trade on markets that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement.

In addition, the Exchange also has a general policy prohibiting the distribution of material, non-public information by its employees.

All statements and representations made in this filing regarding (a) the description of the portfolio, (b) limitations on portfolio holdings or reference assets, or (c) the applicability of Exchange listing rules specified in this rule filing shall constitute continued listing requirements for listing the Shares of the Fund on the Exchange.

The issuer has represented to the Exchange that it will advise the Exchange of any failure by the Fund to comply with the continued listing requirements, and, pursuant to its obligations under Section 19(g)(1) of the Act, the Exchange will monitor for compliance with the continued listing requirements. If the Fund is not in compliance with the applicable listing requirements, the Exchange will commence delisting procedures under NYSE Arca Rule 5.5–E(m).

#### Information Bulletin

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin (“Bulletin”) of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (2) NYSE Arca Rule 9.2–E(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Early and Late Trading Sessions when an updated iNAV will not be calculated or publicly disseminated; (4) how information regarding the iNAV and the Disclosed Portfolio is disseminated; (5) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Bulletin will reference that the Fund is subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares will be calculated after 4:00 p.m., Eastern Time each trading day.

## 2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)<sup>25</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market 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 will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Rule 8.600–E. The Exchange has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. The Exchange or FINRA, on behalf of the Exchange, or both, will communicate as needed regarding trading in the Shares, ETFs, certain exchange-traded options and certain exchange-traded futures 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, ETFs, certain exchange-traded options and certain exchange-traded futures from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, ETFs, certain exchange-traded options and certain exchange-traded futures from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. In addition, FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to TRACE. FINRA also can access data obtained from the MSRB relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares. Neither the Manager nor Sub-Adviser is registered as a broker-dealer but each is affiliated with a broker-dealer. The Manager and Sub-Adviser each has implemented a “fire wall” with respect to such broker-dealer affiliate regarding access to information concerning the composition of and/or changes to the Fund’s portfolio.<sup>26</sup>

<sup>25</sup> 15 U.S.C. 78f(b)(5).

<sup>26</sup> See note 7, *supra*.

The Exchange believes that it is appropriate and in the public interest to approve listing and trading of Shares of the Fund on the Exchange notwithstanding that the Fund would not meet the requirements of Commentary .01(b)(1) to Rule 8.600–E in that the Fund’s investments in Municipal Securities will be well-diversified.

The Exchange believes that permitting Fund Shares to be listed and traded on the Exchange notwithstanding that, as a result principally of the Fund’s investments in Municipal Securities, less than 75% of the weight of the Fund’s portfolio may consist of components with \$100 million minimum or more original principal amount outstanding would provide the Fund with greater ability to select from a broad range of Municipal Securities, as described above, that would support the Fund’s investment goal.

The Exchange believes that, notwithstanding that the Fund’s portfolio may not satisfy Commentary .01(b)(1) to Rule 8.600–E, the Fund’s portfolio will not be susceptible to manipulation. As noted above, with respect to the Fund’s investments in Municipal Securities, such securities will be diversified among a minimum of 20 non-affiliated issuers; no single Municipal Securities issuer will account for more than 10% of the weight of the Fund’s portfolio; no individual bond will account for more than 5% of the weight of the Fund’s portfolio; the Fund will limit its investments in Municipal Securities of any one state to 25% of the Fund’s total assets, provided that up to and including 40% of the Fund’s total assets may be invested in Municipal Securities of issuers in each of California, New York and Texas; and the Fund’s investments in Municipal Securities will be diversified among issuers in at least 10 states and will be diversified among a minimum of five different sectors of the Municipal Securities market. The Exchange notes that, other than Commentary .01(b)(1) to Rule 8.600–E, the Fund’s portfolio will meet all other requirements of Rule 8.600–E.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest in that the Exchange will obtain a representation from the issuer of the Shares that the NAV per Share will be calculated daily and that the NAV and the Disclosed Portfolio will be made available to all market participants at the same time. In addition, a large amount of information is publicly available regarding the Fund and the Shares, thereby promoting

market transparency. Quotation and last sale information for the Shares and ETFs will be available via the CTA high-speed line, and from the national securities exchanges on which they are listed. Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. 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. Trading in the Shares will be subject to NYSE Arca Rule 8.600–E(d)(2)(D), which sets forth circumstances under which Shares of the Funds [sic] may be halted. In addition, as noted above, investors will have ready access to information regarding the Fund’s holdings, the iNAV, the Disclosed Portfolio, 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 actively-managed exchange-traded product that principally will hold fixed income securities 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, as noted above, investors will have ready access to information regarding the Fund’s holdings, iNAV, Disclosed Portfolio, and quotation and last sale information for the Shares.

#### *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 actively-managed exchange-traded product that principally will hold fixed income securities and 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**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR–NYSEArca–2017–99 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–2017–99. 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 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-2017-99 and should be submitted on or before November 21, 2017.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>27</sup>

**Eduardo A. Aleman,**  
Assistant Secretary.

[FR Doc. 2017-23582 Filed 10-30-17; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81948; File No. SR-BX-2017-046]

### Self-Regulatory Organizations; NASDAQ BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Exchange's Name Change

October 25, 2017.

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 October 18, 2017, NASDAQ BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III, 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 Substance of the Proposed Rule Change

The Exchange proposes to amend its rules as well as certain corporate documents of the Exchange to reflect legal name changes.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqbx.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 this filing is to reflect in the Exchange's governing documents (and the governing documents of its parent company)<sup>3</sup> and the Exchange's Rulebook a non-substantive corporate branding change to the Exchange's name.<sup>4</sup> Specifically, current references will be changed as follows:

- References to "NASDAQ" will be changed to "Nasdaq".
- References to "NASDAQ BX, Inc." or "NASDAQ BX" will be changed to "Nasdaq BX, Inc." or "Nasdaq BX".
- References to "The NASDAQ Stock Market LLC" or "NASDAQ Stock Market LLC" will be changed to "The Nasdaq Stock Market LLC".
- References to "NASDAQ PHLX LLC" or "NASDAQ PHLX" will be changed to "Nasdaq PHLX LLC" or "Nasdaq PHLX".
- References to "The NASDAQ OMX Group, Inc." or "NASDAQ OMX Group, Inc." will be changed to "Nasdaq, Inc." <sup>5</sup>
- In addition to the preceding changes, all references to "OMX" will be removed from the Rulebook.<sup>6</sup>

<sup>3</sup> The Exchange proposes to amend: (i) The Certificate of Incorporation; (ii) Second Amended Limited Liability Company Agreement; (iii) By-Laws; and (iv) Rule Book.

<sup>4</sup> NASDAQ PHLX LLC and The NASDAQ Stock Market LLC will also be filing similar rule changes.

<sup>5</sup> See Securities Exchange Act Release No. 75421 (July 10, 2015), 80 FR 42136 (July 16, 2015) (SR-BSECC-2015-001, SR-BX-2015-030, SR-NASDAQ-2015-058, SR-Phlx-2015-46, SR-SCCP-2015-01).

<sup>6</sup> *Id.*

• References to "NASDAQ Execution Services, LLC" will be changed to as "Nasdaq Execution Services, LLC".

• In all instances where the word "the" should have been capitalized, (e.g., By-Law, Section 4.13(c)), the Exchange will make the appropriate correction.

No other changes are being proposed in this filing. The Exchange represents that these changes are concerned solely with the administration of the Exchange and do not affect the meaning, administration, or enforcement of any rules of the Exchange or the rights, obligations, or privileges of Exchange members or their associated persons in any way. Accordingly, this filing is being submitted under Rule 19b-4(f)(3). In lieu of providing a copy of the marked changes, the Exchange represents that it will make the necessary non-substantive revisions to the Certificate of Incorporation, Second Amended Limited Liability Company Agreement, By-Laws and Rulebook and post updated versions of each on the Exchange's Web site pursuant to Rule 19b-4(m)(2).

The Exchange notes that the following references are not being amended in the Exchange's governing documents and the Exchange's Rulebook:

- Any name with a trademark (TM) or service mark (SM) attached to the name.
- Any references in the Certificate of Incorporation which references a prior name of the Exchange and reflects a historical date wherein that name was in effect.

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</sup> 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 avoiding confusion with the name. The Exchange proposes to conform its name to that of its parent, Nasdaq Inc., by changing the capitalization in the word "NASDAQ" to "Nasdaq." The Exchange also proposes to amend the names of affiliated markets in a similar manner, by changing the name "NASDAQ" to "Nasdaq." The name change of the Exchange as well as other name changes to related entities are non-substantive changes. No changes to the ownership

<sup>27</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).