III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)9 of the Act and subparagraph (f)(2) of Rule 19b–410 thereunder, because it establishes a fee, or other charge imposed by the Exchange.

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 under Section 19(b)(2)(B)11 of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml) or
- Send an email to rule-comments@sec.gov. Please include File Number SR–NYSEARCA–2015–10 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–2015–10. 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 will also be available for inspection and copying at the NYSE’s principal office and on its Internet Web site at www.nyse.com. All comments received will be posted without change; however, 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–NYSEARCA–2015–10, and should be submitted on or before March 25, 2015.

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

Jill M. Peterson,
Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 11.11, Routing to Away Trading Centers, To Delete References to the ROLF Routing Option, Which Routed Orders to LavaFlow ECN

February 26, 2015.

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 February 23, 2015, EDGX Exchange, Inc. (the “Exchange”) 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 Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act3 and Rule 19b–4(f)(6)(iii)4 thereunder,5 which renders it effective upon filing with the Commission. 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 filed a proposal to amend Rule 11.11, Routing to Away Trading Centers, to delete references to the ROLF routing option, which routed orders to LavaFlow ECN.

The text of the proposed rule change is available at the Exchange’s Web site at www.batstrading.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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend Rule 11.11, Routing to Away Trading Centers, to delete references under subparagraph (7) to the ROLF routing option, which routed to LavaFlow ECN. These changes are being proposed in response to LavaFlow ECN ceasing market operations on Friday, January 30, 2015. Under Rule 11.11(g)(7), an order utilizing the ROLF routing option first checked the System5 for available shares and was then routed to the LavaFlow ECN. If shares remained unexecuted after being routed, they were cancelled, unless otherwise instructed by the User.6 As of February

5 Exchange Rule 1.5(1)(c) defines “System” as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.”
6 The term “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.” See Exchange Rule 1.5(e).

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2, 2015, the Exchange, via BATS Trading, the Exchange’s affiliated routing broker-dealer, was no longer able to route orders to LavaFlow ECN because it ceased operations. As a result, the Exchange no longer offers the ROLF routing option. Therefore, the Exchange proposes to delete the ROLF Routing Option under Rule 11.11(g)(7).

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act 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. The Exchange does not believe that this proposal will permit unfair discrimination among customers, brokers, or dealers because the ROLF routing option will no longer be available to all Users. The proposed change is in response to LavaFlow ECN ceasing market operations on Friday, January 30, 2015. As of February 2, 2015, the Exchange, via BATS Trading, was no longer able to route orders to LavaFlow ECN and, therefore, proposes to delete the ROLF routing option under Rule 11.11(g)(7). The proposal is intended to make the Exchange’s rules clearer and less confusing for investors by eliminating a routing option that is no longer available; thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system and, in general, protecting investors and the public interest.

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

The Exchange does not believe that the proposal will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather avoid investor confusion by eliminating a routing option that is no longer made available by the Exchange.

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 written 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: (1) Significantly affect the protection of investors or the public interest; (2) impose any significant burden on competition; and (3) by its terms does not become operative for 30 days after the date of this filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative for 30 days after the date of filing. However, Rule 19b–4(f)(6)(iii) 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 immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest as it will allow the Exchange to avoid potential investor confusion during the operative delay period by immediately eliminating an exchange rule that accounts for a routing option that the Exchange can no longer provide due to LavaFlow ECN’s cessation of operations. Accordingly, the Commission hereby grants the Exchange’s request and designates the proposal operative upon filing.

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.

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);

• Send an email to rule-comments@sec.gov. Please include File Number SR–EDGX–2015–11 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–EDGX–2015–11. This file number should be included in the subject line of email or on the filing itself. 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 communications relating to the proposed rule change that are filed with the Commission, and all written communications received 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; 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–EDGX–2015–11, and should be submitted on or before March 25, 2015.

*17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with written notice of its intent to file the proposed rule change, along with a brief description and 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. The Exchange has met this requirement.
*17 For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).
SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Granting Accelerated Approval of a Proposed Rule Change To Amend Exchange Rules Related To Order Tickets

February 26, 2015.

I. Introduction

On January 23, 2015, the Chicago Board Options Exchange, Incorporated (the “Exchange”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)
and Rule 19b–4 thereunder, proposed a rule change to amend its rules related to use of order tickets. This proposal was published for comment in the Federal Register on February 4, 2015. The Commission received no comments regarding the proposal. This order approves the proposed rule change on an accelerated basis.

II. Description of the Proposed Rule Change

The Exchange proposes to amend CBOE Rule 6.53 to require that complex orders of twelve (12) legs or less (one leg of which may be for an underlying security or security future, as applicable) must be entered on a single order ticket at time of systemization to provide consistency in processing, and to enhance the Exchange’s audit trail.

If permitted by the Exchange via Regulatory Circular, complex orders of more than twelve (12) legs (one leg of which may be for an underlying security or security future, as applicable) may be split across multiple order tickets, if the Trading Permit Holder (“TPH”) representing the complex order includes twelve (12) legs on one of the order tickets and identifies for the Exchange the order tickets that are part of the same complex order (in a form and manner prescribed by the Exchange).

The Exchange also proposes to add Interpretation and Policy .01 to CBOE Rule 24.20 (pertaining to SPX Combo Orders) to require that an SPX Combo Order for twelve (12) legs or less be entered on a single order ticket at time of systemization.

An SPX Combo Order that contains more than twelve (12) legs may be represented and executed as a single SPX Combo Order in accordance with CBOE Rule 24.20 if it is split across multiple order tickets and the TPH representing the SPX Combo Order includes twelve (12) legs on one of the order tickets and identifies for the Exchange the order tickets that are part of the same SPX Combo Order (in a manner and form prescribed by the Exchange). The Exchange will announce by Regulatory Circular whether it will permit SPX Combo Orders with more than 12 legs and, if so permitted, the form and manner in which the TPH must link the multiple order tickets.

The Exchanges notes that a TPH may submit an order that does not satisfy these ticket requirements, but such order may not be represented or executed as a single SPX Combo Order in accordance with Rule 24.20. The Exchange also notes that Rules 24.20 already specifies an applicable ratio, and it is proposing no changes to the ratio through this rule filing.

III. Discussion and Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.

In particular, the Commission finds that the proposed rule change is consistent 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, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission also finds that the proposed rule change is consistent with Section 6(b)(1) of the Act, which provides that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act and to enforce compliance by the Exchange’s members, with the Act, the rules and regulations thereunder and the rules of the Exchange.

The Commission notes that CBOE’s proposal is designed to help enhance the Exchange’s audit trail with respect to open outcry complex order processing and SPX Combo Orders. The Commission believes that the proposal will help to protect investors and the public interest because the Commission believes an audit trail serves to provides regulators with information that aids them in surveilling activity on their market.

In addition, the Commission finds good cause, pursuant to Section 19(b)(2) of the Act, for approving the proposed rule change prior to the 45th day after publication of notice in the Federal Register. The Commission notes that the substance of this proposal was noticed for comment as part of changes proposed in a prior CBOE proposed rule change, which CBOE withdrew.

13 In approving this proposal, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).


17 See Securities Exchange Act Release No. 72957 (September 2, 2014), 79 FR 53230 (September 8, 2014) (“SR–CBOE–2014–015 Notice”). CBOE withdrew SR–CBOE–2014–015 on November 21, 2014. The Exchange notes that, unlike the instant filing, SR–CBOE–2014–015 did not impose requirements on how a complex order with more than 12 legs should be split across multiple tickets. While the instant filing imposes such a requirement, the Exchange does not believe TPHs will be adversely affected by the proposed requirement specifying how a complex order with more than 12 legs should be split across multiple tickets.