

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-ISEGemini-2015-06, and should be submitted on or before April 9, 2015.

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

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-06263 Filed 3-18-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74507; File Nos. SR-NYSE-2011-55; SR-NYSEAmex-2011-84]

### Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE MKT LLC; Order Granting an Extension to Limited Exemptions From Rule 612(c) of Regulation NMS in Connection With the Exchanges' Retail Liquidity Programs Until September 30, 2015

March 13, 2015.

On July 3, 2012, the Securities and Exchange Commission ("Commission") issued an order pursuant to its authority under Rule 612(c) of Regulation NMS ("Sub-Penny Rule")<sup>1</sup> that granted the New York Stock Exchange LLC

("NYSE") and NYSE MKT LLC<sup>2</sup> ("NYSE MKT" and, together with NYSE, the "Exchanges") limited exemptions from the Sub-Penny Rule in connection with the operation of the Exchanges' respective Retail Liquidity Programs (the "Programs").<sup>3</sup> The limited exemptions were granted concurrently with the Commission's approval of the Exchanges' proposals to adopt their respective Programs for one-year pilot terms.<sup>4</sup> The exemptions were granted coterminous with the effectiveness of the pilot Programs; both the pilot Programs and exemptions are scheduled to expire on March 31, 2015.<sup>5</sup>

The Exchanges now seek to extend the exemptions until September 30, 2015.<sup>6</sup> The Exchanges' request was made in conjunction with immediately effective filings that extend the operation of the Programs through the same date.<sup>7</sup> In their request to extend the exemptions, the Exchanges note that the participation in the Programs has increased more recently. Accordingly, the Exchanges have asked for additional time to allow themselves and the Commission to analyze more robust data concerning the Programs, which the Exchanges committed to provide to the

<sup>2</sup> At the time it filed the original proposal to adopt the Retail Liquidity Program, NYSE MKT went by the name NYSE Amex LLC. On May 14, 2012, the Exchange filed a proposed rule change, immediately effective upon filing, to change its name from NYSE Amex LLC to NYSE MKT LLC. See Securities Exchange Act Release No. 67037 (May 21, 2012), 77 FR 31415 (May 25, 2012) (SR-NYSEAmex-2012-32).

<sup>3</sup> See Securities Exchange Act Release No. 67347 (July 3, 2012), 77 FR 40673 (July 10, 2012) (SR-NYSE-2011-55; SR-NYSEAmex-2011-84) ("Order").

<sup>4</sup> See *id.*

<sup>5</sup> The pilot term of the Programs was originally scheduled to end on July 31, 2013, but the Exchanges initially extended the term for an additional year, through July 31, 2014, see Securities Exchange Act Release Nos. 70096 (August 2, 2013), 78 FR 48520 (August 8, 2013) (SR-NYSE-2013-48), and 70100 (August 2, 2013), 78 FR 48535 (August 8, 2013) (SR-NYSEMKT-2013-60), and then subsequently extended the term again through March 31, 2015, see Securities Exchange Act Release Nos. 72629 (July 16, 2014), 79 FR 42564 (July 22, 2014) (SR-NYSE-2014-35), and 72625 (July 16, 2014), 79 FR 42566 (July 22, 2014) (SR-NYSEMKT-2014-60). Each time the pilot term of the Programs was extended, the Commission granted the Exchanges' requests to also extend the Sub-Penny Exemption through July 31, 2014, see Securities Exchange Act Release No. 70085 (July 31, 2013), 78 FR 47807 (August 6, 2013), and March 31, 2015, see Securities Exchange Act Release No. 72732 (July 31, 2014), 79 FR 45851 (August 6, 2014), respectively.

<sup>6</sup> See Letter from Martha Redding, Senior Counsel, NYSE, to Brent J. Fields, Secretary, Securities and Exchange Commission, dated February 27, 2015.

<sup>7</sup> See Securities Exchange Act Release Nos. 34-74454 (March 6, 2015), 80 FR 13054 (March 12, 2015) (SR-NYSE-2015-10), and 34-74455 (March 6, 2015), 80 FR 13047 (March 12, 2015) (SR-NYSEMKT-2015-14).

Commission.<sup>8</sup> For this reason and the reasons stated in the Order originally granting the limited exemptions, the Commission finds that extending the exemptions, pursuant to its authority under Rule 612(c) of Regulation NMS, is appropriate in the public interest and consistent with the protection of investors.

Therefore, it is hereby ordered that, pursuant to Rule 612(c) of Regulation NMS, each Exchange is granted a limited exemption from Rule 612 of Regulation NMS that allows it to accept and rank orders priced equal to or greater than \$1.00 per share in increments of \$0.001, in connection with the operation of its Retail Liquidity Program, until September 30, 2015.

The limited and temporary exemptions extended by this Order are subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Securities Exchange Act of 1934. Responsibility for compliance with any applicable provisions of the Federal securities laws must rest with the persons relying on the exemptions that are the subject of this Order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2015-06265 Filed 3-18-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74496; File No. SR-MIAX-2015-03]

### Self-Regulatory Organizations; Miami International Securities Exchange LLC; Order Granting Approval to Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To Adopt a "Risk Protection Monitor" Functionality Under Proposed MIAX Rule 519A and Amend the "Aggregate Risk Monitor" Functionality Under MIAX Rule 612

March 13, 2015.

#### I. Introduction

On January 8, 2015, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act

<sup>8</sup> See Order, *supra* note 3, 77 FR at 40681.

<sup>9</sup> 17 CFR 200.30-3(a)(83).

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 17 CFR 242.612(c).

of 1934 (“Act”)<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to establish a voluntary Risk Protection Monitor functionality for orders (the “RPM”) and codify existing functionality regarding the Exchange’s Aggregate Risk Manager for quotes (the “ARM”). On January 20, 2105, the Exchange filed Amendment No.1 to the proposal.<sup>3</sup> The proposed rule change, as modified by Amendment No. 1, was published for comment in the **Federal Register** on January 28, 2015.<sup>4</sup> The Commission did not receive any comments on the proposed rule change. This order approves the proposed rule change, as modified by Amendment No. 1.

## II. Description of the Proposal

The Exchange proposes new MIA X Rule 519A to establish a voluntary RPM that will be available to all MIA X members. The Exchange also proposes clarifying amendments to current MIA X Rule 612, which describes the Exchange’s ARM functionality that is applicable to quoting activity by MIA X Market Makers.

### A. Risk Protection Monitor

According to the Exchange, the RPM is intended to provide new risk protection functionality for orders entered by members. Under new MIA X Rule 519A, MIA X’s automated trading system (the “System”) will maintain a counting program (the “counting program”) for each participating member. Member participation in the counting program will be voluntary. The counting program will count (i) the number of orders entered by the member on the Exchange within a specified time period that has been established by the member (the “specified time period”), and (ii) the number of contracts traded via an order entered by the member on the Exchange within the specified time period.<sup>5</sup> The Exchange will establish a maximum duration for any specified time period and announce that maximum duration

via a Regulatory Circular. To use the RPM functionality, members must establish an Allowable Order Rate and/or an Allowable Contract Execution Rate. The Allowable Order Rate is the maximum number of permissible orders (as specified by the member) entered during the specified time period designated by the member. The Allowable Contract Execution Rate is the maximum number of permissible contracts (as specified by the member) executed during the specified time period designated by the member.

If the RPM functionality is elected by a member, the System will trigger the RPM whenever the counting program determines that the member has entered a number of orders that exceeds the member’s specified Allowable Order Rate during the specified time period, or executed a number of contracts that exceeds the member’s specified Allowable Contract Execution Rate during the specified time period.<sup>6</sup>

Under new MIA X Rule 519A, a member may establish whether the RPM, once triggered, will: (i) Prevent the System from receiving any new orders in all series in all classes from the member; (ii) prevent the System from receiving any new orders in all series in all classes from the member and cancel all existing Day orders in all series in all classes from the member; or (iii) send a notification that the RPM has been triggered without any further preventative actions or cancellations by the System. Once engaged, the RPM will automatically take whatever action has been specified in advance by the member. However, PRIME Orders, PRIME Solicitation Orders, Auction or Cancel Orders (“AOC Order”), Opening Orders (“OPG Order”), or Good ‘til Cancel Orders (“GTC Order”) will not participate in the RPM.<sup>7</sup> When engaged, the RPM will allow the member to interact with existing orders that were entered prior to the member exceeding the Allowable Order Rate or the Allowable Contract Execution Rate,

including sending cancel order messages and receiving trade executions from those orders. The RPM will remain engaged until the member communicates with the Exchange’s help desk (the “Help Desk”) to re-enable the System to accept new orders from the member. The Exchange noted that this communication from the member to the Help Desk may be sent either via email or phone.<sup>8</sup>

In addition, the Exchange also proposes to allow members to group with other members so that the RPM would apply collectively to the group. The members in such a group must designate a group owner and may form a group together if: (i) There is at least 75% common ownership between the group’s members, as reflected on each firm’s Form BD, Schedule A; or (ii) there is written authorization signed by all members in the group, and the group owner maintains exclusive control of all orders sent to the Exchange from each MPID within the group. A clearing firm also may elect to group together with several members so that the RPM applies collectively to that group of members, provided that: (i) The clearing firm must be designated as the group owner; (ii) the clearing firm must serve as the clearing firm for all the MPIDs of the group; and (iii) there must be written authorization signed by the clearing firm and each member of the group.

In general, the RPM for groups will operate in the same manner as it does for individual members, except that that the counting program and RPM protections will apply to the group as a whole. Thus, the counting program will count the number of orders entered and the number of contracts traded resulting from orders entered by all MPIDs in the group collectively, and the System will trigger the RPM when the group collectively exceeds either the Allowable Order Rate or Allowable Contract Execution Rate for the group.<sup>9</sup> Once engaged, pursuant to the group owner’s instructions, the RPM will automatically either: (i) Prevent the System from receiving any new orders in all series in all classes from each MPID in the group; (ii) prevent the System from receiving any new orders in all series in all classes from each MPID in the group and cancel all existing Day orders in all series in all classes from the group, or (iii) send a notification without any further

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

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> In Amendment No. 1, the Exchange proposed changes to the Form 19b–4, Exhibit 1, and Exhibit 5 to clarify that once triggered, the Risk Protection Monitor described therein will apply to orders in all series in all classes of options from the Exchange Member.

<sup>4</sup> See Securities Exchange Act Release No. 74118 (January 22, 2015), 80 FR 4605 (“Notice”).

<sup>5</sup> In its filing, the Exchange noted that members may establish different specified time periods for the purpose of counting orders and the purpose of counting contracts traded via an order entered by the member under the RPM, and thus, the length of the specified time period for each purpose need not be the same. See Notice, *supra* note 4, at 4605 n.7.

<sup>6</sup> In the Notice, the Exchange provided examples demonstrating how the System will determine when the Allowable Order Rate or Allowable Contract Execution Rate for an individual member is exceeded. See Notice, *supra* note 4, at 4606–07.

<sup>7</sup> Interpretation and Policy .02 to new MIA X Rule 519A provides that PRIME Orders, PRIME Solicitation Orders, and GTC Orders will not participate in the RPM. The System will include PRIME Orders, PRIME Solicitation Orders, and GTC Orders in the counting program for purposes determining when the RPM is triggered. PRIME Orders, PRIME Solicitation Orders and Customer-to-Customer Orders will each be counted as two orders for the purpose of calculating the Allowable Order Rate. Once engaged, however, the RPM will not cancel any existing PRIME Orders, PRIME Solicitation Orders, AOC Orders, OPG Orders, or GTC Orders that are marked as Day orders.

<sup>8</sup> See Notice, *supra* note 4, at 4606 n.10.

<sup>9</sup> In the Notice, the Exchange provided examples demonstrating how the System will determine when the Allowable Order Rate or Allowable Contract Execution Rate is exceeded for a group. See Notice, *supra* note 4, at 4608.

preventative action or cancellations by the System. Only the designated group owner may re-enable the acceptance of new orders for all the members of the group, via a request to the Help Desk. In instances when a clearing firm has grouped several members for the purpose of the RPM, the clearing firm may only elect to receive warning notifications indicating that a specific percentage of an Allowable Order Rate or an Allowable Contract Execution Rate has been met, unless one member of the group maintains exclusive control of all orders routed through all MPIDs within the group.

In addition, members may elect to receive warning notifications from MIAX indicating that a specific percentage of an Allowable Order Rate or an Allowable Contract Execution Rate has been met. The Exchange also proposes that, at the request of a member, or if necessary to maintain a fair and orderly market, the Help Desk may pause and restart the specified time period used by the counting program or clear and reset any calculated Allowable Order Rate or Allowable Contract Execution Rate.

#### B. Aggregate Risk Manager

The Exchange also proposes to codify what it represents is existing functionality regarding the ARM under MIAX Rule 612.<sup>10</sup> Under MIAX Rule 612, the System maintains a counting program for each Market Maker who is required to submit continuous two-sided quotations pursuant to MIAX Rule 604 in each of its assigned option classes. The ARM counting program counts the number of contracts traded by a Market Maker's quotes in an assigned option class within a specified time period that has been established by the Market Maker; MIAX Rule 612 states that the specified time period for the ARM cannot exceed 15 seconds. Under the ARM, a Market Maker also establishes for each option class an Allowable Engagement Percentage. The System engages the ARM in a particular option class when the counting program has determined that a Market Maker has traded during the specified time period a number of contracts equal to or above its Allowable Engagement Percentage.<sup>11</sup>

<sup>10</sup> See Notice, *supra* note 4, at 4609.

<sup>11</sup> The Allowable Engagement Percentage cannot be less than 100%. The System calculates the Allowable Engagement Percentage by first determining the percentage that the number of contracts executed in an individual option in a class represents relative to the Market Maker's disseminated Standard quote and/or Day eQuote in that individual option ("option percentage"). See MIAX Rule 612(b)(2)(i). When the System calculates the option percentage, the number of contracts executed in that option class will be automatically

Once engaged, the ARM automatically removes the Market Maker's quotations on MIAX in all series of that particular option class until the Market Maker submits a new revised quotation.

The Exchange proposes to amend MIAX Rule 612 in two regards. First, the Exchange proposes to codify in its rules an existing requirement for a Market Maker to send a message to MIAX specifically to disengage the ARM and allow quoting before the Market Maker can begin to quote again in that class. As noted above, MIAX Rule 612 currently provides that once engaged, the ARM will automatically remove the Market Maker's quotations from MIAX in all series of that particular option class until the Market Maker submits a new revised quotation. The Exchange proposes to add rule text to MIAX Rule 612(b)(1) requiring a Market Maker also to send a notification to the System of its intent to reengage quoting in order to disengage the ARM. Second, the Exchange proposes to clarify, in new Interpretation and Policy .01 to Rule 612, that eQuotes<sup>12</sup> do not participate in the ARM. The Exchange states that the System does not include contracts traded through the use of an eQuote in the counting program for purposes of Rule 612, and that eQuotes will remain in the System available for trading when the Aggregate Risk Manager is engaged.<sup>13</sup>

#### III. Discussion and Commission 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 that are applicable to a national securities exchange.<sup>14</sup> In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,<sup>15</sup> which

offset by the number of contracts that are executed on the opposite side of the market in the same option class during the specified time period. See MIAX Rule 612(b)(3). The counting program will then combine the individual option percentages to determine the option class percentage ("class percentage"). See MIAX Rule 612(b)(2)(ii). When the class percentage equals or exceeds the Market Maker's Allowable Engagement Percentage, the ARM will be triggered. See *id.*

<sup>12</sup> An eQuote "is a quote with a specific time in force that does not automatically cancel and replace a previous Standard quote or eQuote," and "can be cancelled by the Market Maker at any time, or can be replaced by another eQuote that contains specific instructions to cancel an existing eQuote." See MIAX Rule 517(a)(2).

<sup>13</sup> See Notice, *supra* note 4, at 4609.

<sup>14</sup> 15 U.S.C. 78f. In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

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 foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and 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 Commission believes that the RPM may help members, and member groups, to mitigate the potential risks associated with the execution of an unacceptable level of orders that result from, e.g., technology issues with electronic trading systems. The Commission also notes that other exchanges have established risk protection mechanisms for members and/or market makers that are similar in many respects to MIAX's proposal.<sup>16</sup> While the concept of member groups may be unique to MIAX's proposal, the Commission believes that MIAX has designed that portion of the proposed rule to be consistent with the Act, including section 6(b)(5), as it may foster cooperation and coordination with clearing transactions and protect investors and the public interest by providing a mechanism to reduce the risk of abnormal trading activity across multiple participants under common control or where the group otherwise provides written opt-in consent.

The Commission notes that the RPM is a voluntary mechanism. The Commission reminds members electing to use the RPM to be mindful of their obligations to, among other things, seek best execution of orders they handle on an agency basis. A broker-dealer has a legal duty to seek to obtain best execution of customer orders, and the decision to utilize the RPM, including the parameters set by the member for the RPM, must be consistent with this duty.<sup>17</sup> For instance, under the

<sup>16</sup> See, e.g., BATS Exchange ("BATS") Rule 21.16 (Risk Monitor Mechanism available to all BATS Users); NASDAQ Options Market ("NOM") Rule Chapter VI, Section 19 (Risk Monitor Mechanism available to all NOM Participants); BOX Options Exchange Rule 7280 (Bulk Cancellation of Trading Interest available to Options Participants); and Chicago Board Options Exchange ("CBOE") Rule 8.18 (Quote Risk Monitor Mechanism available to certain CBOE Market-Makers and CBOE Trading Permit Holders associated with certain CBOE Market-Makers).

<sup>17</sup> See Securities Exchange Act Release Nos. 37619A (Sept. 6, 1996), 61 FR 48290 (Sept. 12, 1996) ("Order Handling Rules Release"); 51808

proposal, members have unfettered discretion to set the Allowable Order Rate and Allowable Contract Execution Rate for the RPM. While MIAAX neglected to affirmatively establish minimum and maximum permissible settings for the RPM in its rule, the Commission expects MIAAX periodically to assess whether the RPM functionality is operating in a manner that is consistent with the promotion of fair and orderly markets. In addition, the Commission expects that members will consider their best execution obligations when establishing the minimum and maximum parameters for the RPM.<sup>18</sup> For example, an abnormally low Allowable Order Rate set over an abnormally long specified time period should be carefully scrutinized, particularly if a member's order flow to MIAAX contains agency orders. To the extent that the RPM is set to overly-sensitive parameters, a member should consider the effect of its chosen settings on its ability to receive a timely execution on marketable agency orders that it sends to MIAAX in various market conditions.<sup>19</sup> The Commission cautions that brokers considering their best execution obligations should be aware that the agency orders they represent may be rejected on account of the RPM.

In addition, under the proposal, once the RPM is engaged, PRIME Orders, PRIME Solicitation Orders, GTC Orders, AOC Orders, and OPG Orders will not participate in the RPM.<sup>20</sup> The Commission notes that these are unique order types.<sup>21</sup> The Commission believes that these exceptions appear to be reasonably designed to not interfere with the operation of the PRIME and PRIME Solicitation auctions and also to restrict application of the RPM to specific types of orders, whose terms limit their application to specialized

(June 9, 2005), 70 FR 37496, 37537-8 (June 29, 2005).

<sup>18</sup> The Commission reminds broker-dealers that they must examine their procedures for seeking to obtain best execution in light of market and technology changes and modify those practices if necessary to enable their customers to obtain the best reasonably available prices. See Order Handling Rules Release, *supra* note 17, at 48323.

<sup>19</sup> For example, a marketable agency order that would have otherwise executed on MIAAX might be prevented from reaching MIAAX on account of other interest from the member that causes it to exceed its Allowable Order Rate and, thus, triggers the RPM, resulting in the System blocking new orders from the member.

<sup>20</sup> See *supra* note 7.

<sup>21</sup> For example, the Exchange argues that PRIME Orders submitted pursuant to MIAAX Rule 515A have been guaranteed an execution at the time of acceptance into the System and, therefore, should not be cancelled when the RPM is engaged, because the execution has effectively already occurred. See Notice, *supra* note 4, at 4609.

purposes for which members may not want or need order protection to apply.

The proposed rule change also codifies existing functionality in the ARM with respect to the procedures for resuming quoting and the non-participation of eQuotes. The Commission notes that the clarification of ARM procedures in Rule 612 could eliminate potential confusion for members regarding the need to affirmatively notify MIAAX that the member wishes to re-start quoting following an ARM event as well as internal inconsistency in the rule about the inapplicability of ARM to eQuotes.

#### IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>22</sup> that the proposed rule change (SR-MIAAX-2015-03), as modified by Amendment No. 1, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-06262 Filed 3-18-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Submission for OMB Review; Comment Request

*Upon Written Request, Copies Available From:* Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

*Extension:* Rule 11a1-1(T).

SEC File No. 270-428, OMB Control No. 3235-0478.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 11a1-1(T) (17 CFR 240.11a1-1(T)), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

On January 27, 1976, the Commission adopted Rule 11a1-1(T), to exempt certain transactions of exchange members for their own accounts that would otherwise be prohibited under Section 11(a) of the Exchange Act. The rule provides that a member's

proprietary order may be executed on the exchange of which the trader is a member, if, among other things: (1) The member discloses that a bid or offer for its account is for its account to any member with whom such bid or offer is placed or to whom it is communicated; (2) any such member through whom that bid or offer is communicated discloses to others participating in effecting the order that it is for the account of a member; and (3) immediately before executing the order, a member (other than a specialist in such security) presenting any order for the account of a member on the exchange clearly announces or otherwise indicates to the specialist and to other members then present that he is presenting an order for the account of a member.

Without these requirements, it would not be possible for the Commission to monitor its mandate under the Exchange Act to promote fair and orderly markets and ensure that exchange members have, as the principal purpose of their exchange memberships, the conduct of a public securities business.

There are approximately 663 respondents that require an aggregate total of 19 hours to comply with this rule. Each of these approximately 663 respondents makes an estimated 20 annual responses, for an aggregate of 13,260 responses per year. Each response takes approximately 5 seconds to complete. Thus, the total compliance burden per year is 19 hours (13,260 × 5 seconds/60 seconds per minute/60 minutes per hour = 19 hours). The approximate cost per hour is \$323, resulting in a total cost of compliance for the annual burden of \$6,137 (19 hours @ \$323).

Compliance with Rule 11a-1(T) is necessary for exchange members to make transactions for their own accounts under a specific exemption from the general prohibition of such transactions under Section 11(a) of the Exchange Act. Compliance with Rule 11a-1(T) does not involve the collection of confidential information. Rule 11a-1(T) does not have a record retention requirement per se. However, responses made pursuant to Rule 11a-1(T) may be subject to the recordkeeping requirements of Rules 17a-3 and 17a-4.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view 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

<sup>22</sup> 15 U.S.C. 78s(b)(2).

<sup>23</sup> 17 CFR 200.30-3(a)(12).