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
filings also will be available for
inspection and copying at the principal
office of ICE Clear Credit and on ICE
Clear Credit’s Web site at https://
www.theice.com/clear-credit/regulation.
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–ICC–2015–008 and should
be submitted on or before May 5, 2015.

For the Commission, by the Division
of Trading and Markets, pursuant to delegated
authority.8

Brent J. Fields,
Secretary.
[FR Doc. 2015–08630 Filed 4–10–15; 4:15 pm]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE
COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to
the provisions of the Government in the
Sunshine Act, Public Law 94–409, that
the Securities and Exchange
Commission will hold a Closed Meeting
on Thursday, April 16, 2015 at 2:00 p.m.

Commissioners, Counsel to the
Commissioners, the Secretary to the
Commission, and recording secretaries
will attend the Closed Meeting. Certain
staff members who have an interest in
the matters also may be present.

The General Counsel of the
Commission, or her designee, has
certified that, in her opinion, one or
more of the exemptions set forth in 5
U.S.C. 552b(c)(3), (5), (7), 9(b) and (10)
and 17 CFR 200.402(a)(3), (5), (7), (9(ii)
and (10), permit consideration of the
scheduled matter at the Closed Meeting.

Commissioner Stein, as duty officer,
voted to consider the items listed for the
scheduled matter at the Closed Meeting.

The subject matter of the Closed
Meeting will be:

I. Other matters relating to enforcement
proceedings.
At times, changes in Commission
priorities require alterations in the
scheduling of meeting items.
For further information and to
ascertain what, if any, matters have been
added, deleted or postponed, please
contact the Office of the Secretary at
(202) 551–5400.
Dated: April 9, 2015.
Brent J. Fields,
Secretary.

II. Self-Regulatory Organization’s
Statement of the Purpose of, and
Statutory Basis for, the Proposed Rule
Change

In resubmittal with the Commission, the
self-regulatory organization included
statements concerning the purpose of,
and basis for, the proposed rule change
discussed and 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

The Exchange proposes to adopt a
principles-based approach to prohibit
the misuse of material nonpublic
information by Specialists and e-
Specialists by deleting Rule 927.3NY
and section (f) of Rule 927.5NY. In so
doing, the Exchange would harmonize
its rules governing Specialists, e-
Specialists and Market Makers relating
to protecting against the misuse of
material, non-public information. The
Exchange believes that Rules 927.3NY
and 927.5NY(f) are no longer necessary
because all ATP Holders, including
Specialists and e-Specialists, are subject
to the Exchange’s general principles-
based requirements governing the
protection against the misuse of
material, non-public information.

Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934 (the
“Act”) and Rule 19b–4 thereunder, notice
is hereby given that, on March 26, 2015,
NYSE MKT LLC (the “Exchange” or “NYSE MKT”) filed with
the Securities and Exchange
Commission (the “Commission”) the
proposed rule change as described in
Items I, II, and III 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 adopt a
principles-based approach to prohibit
the misuse of material nonpublic
information by Specialists and e-
Specialists by deleting Rule 927.3NY
and section (f) of Rule 927.5NY. The
text of the proposed rule change is
available on the Exchange’s Web site at
www.nyse.com, at the principal office of
the Exchange, and at the Commission’s
Public Reference Room.

__________________________________________________________________________________________

Rule 927NY(c) specifies the obligations of Specialists, which, in addition to the Market Maker obligations of Rule 925NY, must also honor guaranteed markets. Rules 927.4NY and 927.5NY specify the obligations of e-Specialists, which is a form of Specialist that operates remotely only. The quoting obligations of all Market Makers, including Specialists/e-Specialists, are set forth in Rule 925.1NY. That rule sets forth the main difference between Market Makers and Specialists/e-Specialists, namely that Specialists/e-Specialists have a heightened quoting obligation as compared to Market Makers. In addition to a heightened quoting obligation, pursuant to Rule 964NY, Specialists/e-Specialists that are participants in the Specialist Pool are eligible to receive a guaranteed participation of incoming bids and offers.5

Importantly, whether operating on the Trading Floor or remotely, all Market Makers, including Specialists/e-Specialists, have access to the same information in the Consolidated Book that is available to all other market participants. Moreover, none of the Exchange’s Market Makers, including Specialists/e-Specialists, have agency obligations to the Exchange’s Consolidated Book. As such, the distinctions between Market Makers and Specialists/e-Specialists are the quoting requirements set forth in Rule 925.1NY and allocation guarantee for the Specialist Pool set forth in Rule 964NY.

Notwithstanding that Market Makers, Specialists, and e-Specialists have access to the same Exchange trading information as all other market participants on the Exchange, the Exchange has distinct, prescriptive rules governing how Specialists and e-Specialists may operate. Rule 927.3NY prohibits ATP Holders affiliated with a Specialist from purchasing or selling any option to which the Specialist is appointed, except to reduce or liquidate positions after appropriate identification and floor official approval of the transaction. The rule further provides an exemption from the prohibition for affiliated firms that implement specified Exchange-approved procedures to restrict the flow of material, non-public information. Rules 927.3NY(e)–(j) outline the “Exemption Guidelines” with which an affiliated firm must comply to obtain an exemption from the restriction in Rule 927.3NY. These specified “Exemption Guidelines” are meant to ensure that a Specialist will not have access to material, non-public information possessed by its affiliated ATP Holder, and that a firm will not misuse its affiliated Specialist’s material, non-public information. The Exchange notes that the current rule is based on requirements from when specialists on the American Stock Exchange had agency obligations to the Exchange’s book.

Rule 927.5NY(f) requires e-Specialists to maintain information barriers that are reasonably designed to prevent the misuse of material, non-public information with any affiliates that may conduct a brokerage business in option classes allocated to the e-Specialist or act as specialist or Market Maker in any security underlying options allocated to the e-Specialist (but does not require prior Exchange approval and does not set forth prescribed “Exemption Guidelines”).

Proposed Rule Change

The Exchange believes that the particularized guidelines in Rule 927.3NY and 927.5NY(f) for Specialists and e-Specialists, respectively, are no longer necessary and proposes to delete them. Rather, the Exchange believes that Rule 3(j) governing the misuse of material, non-public information provides for an appropriate, principles-based approach to prevent the market abuses Rules 927.3NY and 927.5(f) are designed to address. Specifically, Rule 3(j) requires every Exchange member to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, non-public information by such member or associated persons. For purposes of this requirement, the misuse of material, non-public information includes, but is not limited to, the following:

(a) Trading in any securities issued by a corporation, or in any related securities or related options or other derivative securities, while in possession of material, non-public information concerning that issuer;
(b) trading in a security or related options or other derivative securities, while in possession of material, non-public information concerning imminent transactions in the security or related securities; or
(c) disclosing to another person or entity any material, non-public information involving a corporation whose shares are publicly traded or an imminent transaction in an underlying security or related securities for the purpose of facilitating the possible misuse of such material, non-public information.

Because Specialists and e-Specialists are already subject to the requirements of Rule 3(j), the Exchange does not believe that it is necessary to separately require specific limitations on dealings between Specialists/e-Specialists and their affiliates. Deleting Rule 927.3NY and 927.5NY(f) and requirements for specific procedures would provide Specialists/e-Specialists and ATP Holders with the flexibility to adapt their policies and procedures as appropriate to reflect changes to their business model, business activities, or the securities market in a manner similar to how Market Makers on the Exchange currently operate and consistent with Rule 3(j).

As noted above, Exchange Specialists and e-Specialists are distinguished under Exchange rules from other types of Market Makers only to the extent that Specialists and e-Specialists have heightened obligations and allocation guarantees. However, none of these heightened obligations provides [sic] different or greater access to nonpublic information than any other market participant on the Exchange.6 Specifically, whether on the Trading Floor or remotely, neither Specialists nor e-Specialists on the Exchange have access to trading information provided by the Exchange, either at, or prior to, the point of execution, that is not made available to all other market participants on the Exchange in a similar manner. Further, as noted above, Specialists/e-Specialists on the Exchange do not have any agency responsibilities for orders in the Consolidated Book. Accordingly, because Specialists, e-Specialists, and Market Makers do not have any trading advantages at the Exchange due to their market role, the Exchange believes that they should be subject to the same rules regarding the protection against the misuse of material non-public information, which in this case, is existing Rule 3(j).7

4 Compare Rule 925.1NY(b) (“Specialists must provide continuous two-sided quotations throughout the trading day in its appointed issues [sic] 90% of the time the Exchange is open for trading in each issue.”) with Rule 925.1NY(c) (“A Market Maker must provide continuous two-sided quotations throughout the trading day in its appointed issues for 60% of the time the Exchange is open for trading in each issue.”)
5 See Rule 964NY(b)(2)(C).
6 See Rules 927NY(c) and 927.5NY.
7 The Exchange notes that by deleting Rule 927.3NY, the Exchange would no longer require specific information barriers for Specialists or require pre-approval of any information barriers that a Specialist would erect for purposes of protecting against the misuse of material non-public information. However, as is the case today with Market Makers, information barriers of new entrants, including new Specialists, would be subject to review as part of a new firm application. Moreover, the policies and procedures of Specialists and e-Specialists, including those relating to information barriers, would be subject to
The Exchange notes that its proposed approach to use a principles-based approach to protecting against the misuse of material non-public information for all of its registered market makers is consistent with recent approved rule changes for NYSE Arca Equities, Inc. (“NYSE Arca”), BATS Exchange, Inc.’s (“BATS”), and New York Stock Exchange LLC (“NYSE”) rules governing cash equity market makers on those respective exchanges.8 Except for prescribed rules relating to floor-based designated market makers on the NYSE, who have access to specified non-public trading information, each of these exchanges have moved to a principles-based approach to protecting against the misuse of material non-public information. In connection with approving those rule changes, the Commission found that eliminating prescriptive information barrier requirements should not reduce the effectiveness of exchange rules requiring its members to establish and maintain systems to supervise the activities of its members, including written procedures reasonably designed to ensure compliance with applicable federal securities law and regulations, and with the rules of the applicable exchange.9

Comparable to members of cash equity markets, the Exchange believes that a principles-based rule applicable to members of options markets would be equally effective in protecting against the misuse of material non-public information. Indeed, Exchange Rule 3(j) is currently applicable to Exchange Market Makers other than Specialists and e-Specialists and already requires all ATP Holders to have policies and procedures reasonably designed to protect against the misuse of material nonpublic information, which is similar to the respective NYSE Arca Equities, BATS and NYSE rules governing cash equity market makers. The Exchange believes Rule 3(j) provides appropriate protection against the misuse of material nonpublic information by Specialists and e-Specialists on the Exchange and there is no longer a need for prescriptive information barrier requirements in Rules 927.3NY and 927.5NY(f).

The Exchange notes that even with this proposed rule change, pursuant to Rule 3(j), a Specialist or e-Specialist would still be obligated to ensure that its policies and procedures reflect the current state of its business and continue to be reasonably designed to achieve compliance with applicable federal securities law and regulations, and with applicable Exchange rules, including being reasonably designed to protect against the misuse of material, non-public information. While information barriers would not specifically be required under the proposal, Rule 3(j) already requires that an ATP Holder consider its business model or business activities in structuring its policies and procedures, which may dictate that an information barrier or a functional separation be part of the appropriate set of policies and procedures that would be reasonably designed to achieve compliance with applicable securities law and regulations, and with applicable Exchange rules.

The Exchange further notes that under Rule 3(j), an ATP Holder would be able to structure its firm to provide for its options Specialists, e-Specialists, or Market Makers, as applicable, to be structured with its equities and customer-facing businesses, provided that any such structuring would be done in a manner reasonably designed to protect against the misuse of material, non-public information. For example, pursuant to Rule 3(j), a Specialist on the Exchange could be in the same independent trading unit, as defined in Rule 200(f) of Regulation SHO, as an equities market maker and other trading desks within the firm, including options trading desks, so that the firm could share post-trade information to better manage its risk across related securities.

The Exchange believes it is appropriate, and consistent with Rule 3(j), that any risk management operations, they would be subject to existing rules that prohibit ATP Holders from disadvantaging their customers or other market participants by improperly capitalizing on a member organization’s access to the receipt of material, non-public information. As such, a member organization that integrates its Specialist/e-Specialist operations together with equity market making would need to operate consistent with the requirement to protect against the misuse of material non-public information.

The Exchange further notes that if Specialists or e-Specialists are integrated with other market making operations, they would be subject to existing rules that prohibit ATP Holders from disadvantaging their customers or other market participants by improperly capitalizing on the receipt of material, non-public information. As such, a member organization that integrates its Specialist/e-Specialist operations together with equity market making would need to protect customer information consistent with existing obligations to protect such information. The Exchange has rules prohibiting members from disadvantaging their customers or other market participants by improperly capitalizing on the
members’ [sic] access to or receipt of material, non-public information. For example, Rule 320 requires members to establish, maintain, enforce, and keep current a system of compliance and supervisory controls, reasonably designed to achieve compliance with applicable securities laws and Exchange rules. Additionally, Rule 995NY(c) prevents an ATP Holder or person associated with an ATP Holder, who has knowledge of an originating order, a solicited order, or a facilitation order, to enter, based on such knowledge, an order to buy or sell an option on the underlying securities of any option that is the subject of the order, an order to buy or sell the security underlying any option that is the subject of the order, or any order to buy or sell any related instrument unless certain circumstances are met.

The Exchange proposes to make a conforming amendment to remove the section referencing Rule 927.3NY in Rule 927.6NY.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and further the objectives of Section 6(b)(5) of the Act in particular, in that it is 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 Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market by adopting a principles-based approach to permit an ATP Holder operating a Specialist or e-Specialist to maintain and enforce policies and procedures to, among other things, prohibit the misuse of material non-public information and eliminating restrictions on how an ATP Holder structures it Specialist or e-Specialist operations. The Exchange notes that the proposed rule change is based on an approved rule of the Exchange to which Specialists and e-Specialists are already subject—Rule 3(j)—and harmonizes the rules governing Specialists, e-Specialists, and Market Makers. Moreover, ATP Holders operating Specialists and e-Specialists would continue to be subject to federal and Exchange requirements for protecting material non-public information. The Exchange believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market because it would harmonize the Exchange’s approach to protecting against the misuse of material nonpublic information and no longer subject Specialists/e-Specialists to prescriptive requirements. The Exchange does not believe that the existing prescriptive requirements applicable to Specialists/e-Specialists are narrowly tailored to their respective roles because neither market participant has access to Exchange trading information in a manner different from any other market participant on the Exchange and they do not have agency responsibilities to the Consolidated Book.

The Exchange further believes the proposal is designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade because existing rules make clear to Specialists, e-Specialists and ATP Holders the type of conduct that is prohibited by the Exchange. While the proposal eliminates prescriptive requirements relating to the misuse of material non-public information, Specialists, e-Specialists and ATP Holders would remain subject to existing Exchange rules requiring them to establish and maintain systems to supervise their activities, and to create, implement, and maintain written procedures that are reasonably designed to comply with applicable securities laws and Exchange rules, including the prohibition on the misuse of material, nonpublic information.

The Exchange notes that the proposed rule change would still require that ATP Holders operating Specialists and e-Specialists maintain and enforce policies and procedures reasonably designed to ensure compliance with applicable federal securities laws and regulations and with Exchange rules. Even though there would no longer be pre-approval of Specialist information barriers, any Specialist/e-Specialist written policies and procedures would continue to be subject to oversight by the Exchange and therefore the elimination of prescribed restrictions should not reduce the effectiveness of the Exchange rules to protect against the misuse of material non-public information. Rather, ATP Holders will be able to utilize a flexible, principles-based approach to modify their policies and procedures as appropriate to reflect changes to their business model, business activities, or to the securities market itself. Moreover, while specified information barriers may no longer be required, an ATP Holder’s business model or business activities may dictate that an information barrier or functional separation be part of the appropriate set of policies and procedures that would be reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable Exchange rules. The Exchange therefore believes that the proposed rule change will maintain the existing protection of investors and the public interest that is currently applicable to Specialists and e-Specialists, while at the same time removing impediments to and perfecting a free and open market by moving to a principles-based approach to protect against the misuse of material non-public information.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposal will enhance competition by allowing Specialists, e-Specialists and Market Makers to comply with applicable Exchange rules in a manner best suited to their business models, business activities, and the securities markets, thus reducing regulatory burdens while still ensuring compliance with applicable securities laws and regulations and Exchange rules. The Exchange believes that the proposal will foster a fair and orderly marketplace without being overly burdensome upon Specialists and e-Specialists.

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 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);
- Send an email to rule-comments@sec.gov. Please include File Number SR–NYSEMKT–2015–23 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSEMKT–2015–23. 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 copying at the NYSE's principal office and on its Internet Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

The Exchange proposes to amend Rule 13 and related rules governing order types and modifiers. The text of the proposed rule change is available on the Exchange’s Web site at 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.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; New York Stock Exchange, LLC; Notice of Filing of Proposed Rule Change Amending Rule 13 and Related Rules Governing Order Types and Modifiers

April 8, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (‘‘Act’’) and Rule 19b–4 thereunder, notice is hereby given that on March 24, 2015, New York Stock Exchange LLC (‘‘NYSE’’ or ‘‘Exchange’’) filed with the Securities and Exchange Commission (‘‘Commission’’) the proposed rule change as described in Items I, II, and III 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. Purpose

The Exchange proposes to amend Rule 13 and related rules governing order types and modifiers. The text of the proposed rule change is available on the Exchange’s Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

1. Purpose

On June 5, 2014, in a speech entitled ‘‘Enhancing Our Market Equity Structure,’’ Mary Jo White, Chair of the Securities and Exchange Commission (‘‘SEC’’ or the ‘‘Commission’’) requested the equity exchanges to conduct a comprehensive review of their order types and how they operate in practice, and as part of this review, consider appropriate rule changes to help clarify the nature of their order types. Subsequent to the Chair’s speech, the SEC’s Division of Trading and Markets requested that the equity exchanges complete their reviews and submit any proposed rule changes.

The Exchange notes that it continually assesses its rules governing order types and undertook on its own initiative a review of its rules related to order functionality to assure that its various order types, which have been adopted and amended over the years, accurately describe the functionality associated with those order types, and more specifically, how different order types may interact. As a result of that review, the Exchange submitted a proposed rule change to delete rules relating to functionality that was not available. In addition, over the years, when filing rule changes to adopt new functionality, the Exchange has used those filings as an opportunity to streamline existing rule text for which functionality has not changed. The Exchange is filing this proposed rule change to continue with its efforts to make substantive changes to its rules.