

they would use to create the proposed NLS Plus feed is the same as the source available to competing vendors.

With respect to latency, the Exchange represents that a competing vendor could obtain the underlying data feeds on the same latency basis as the system that would be performing the aggregation and consolidation of the proposed NLS Plus feed and could provide the same kind of product to its customers with the same latency they could achieve by purchasing the NLS Plus feed from NASDAQ.<sup>18</sup> The Exchange also represents that it has designed the NLS Plus feed so that it will have no advantages over a competing vendor with respect to the speed of access to the underlying feeds.

With respect to pricing, although specific fees to be charged for NLS Plus are not part of the proposed rule change, the Exchange represents that the pricing will reflect the incremental cost of the aggregation and consolidation function for NLS Plus, and would not be lower than the cost to a vendor creating a competing product, including the cost of receiving the underlying data feeds. The Exchange further represents that the pricing it would charge clients for NLS Plus would enable a vendor to receive the underlying data feeds and offer a similar product on a competitive basis and with no greater cost than the Exchange.

Based on the Exchange's representations with respect to the content, latency, and pricing of NLS Plus—which are central to the Commission's analysis of the proposal—the Commission finds that the proposal is consistent with the Act and the rules and regulations thereunder applicable to national securities exchanges. The Commission believes that these representations are designed to ensure

<sup>18</sup> The Exchange represents that, in order to create NLS Plus, the system creating and supporting NLS Plus receives the individual data feeds from each of the NASDAQ OMX equity markets and, in turn, aggregates and summarizes that data to create NLS Plus and then distribute it to end users. The Exchange further represents that this is the same process that a competing market data vendor would undergo should it want to create a market data product similar to NLS Plus to distribute to its end users. The Exchange also represents that a competing market data vendor could receive the individual data feeds from each of the NASDAQ OMX equity markets at the same time the system creating and supporting NLS Plus would for it to create NLS Plus. Therefore, a competing market data vendor could obtain the underlying data elements from the NASDAQ OMX equity markets on the same latency basis as the system that would be performing the aggregation and consolidation of proposed NLS Plus, and provide a similar product to its customers with the same latency they could achieve by purchasing NLS Plus from the Exchange. The Exchange further represents that it would access the underlying NLS feed from the same point as would a market data vendor.

that the NASDAQ OMX equity markets, which are separate self-regulatory organizations, do not, because of their relationship as affiliates, offer one another products or services on a more favorable basis than that available to other competing market participants.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with section 11A(c)(1)(C) of the Act and Rule 603(a)(2) of Regulation NMS thereunder,<sup>19</sup> and sections 6(b)(5) and (b)(8) of the Act.<sup>20</sup>

#### IV. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>21</sup> that the proposed rule change (SR–NASDAQ–2015–055) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015–15690 Filed 6–25–15; 8:45 am]

**BILLING CODE 8011–01–P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75252; File No. SR–NASDAQ–2015–024]

#### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of Proposed Rule Change, as Modified by Amendment No. 1, To Amend and Restate Certain Nasdaq Rules That Govern the Nasdaq Market Center

June 22, 2015.

#### I. Introduction

On March 16, 2015, The NASDAQ Stock Market LLC (“Nasdaq” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”), 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> a proposed rule change to amend and restate certain Nasdaq rules that govern the Nasdaq Market Center in order to provide a clearer and more detailed description of certain aspects of its functionality. The proposed rule change was published for comment in the **Federal Register** on March 26,

<sup>19</sup> 15 U.S.C. 78k–1(c)(1)(C) and 17 CFR 242.603(a)(2).

<sup>20</sup> 15 U.S.C. 78f(b)(5) and (b)(8).

<sup>21</sup> 15 U.S.C. 78s(b)(2).

<sup>22</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.

2015.<sup>3</sup> The Commission received no comment letters regarding the proposed rule change. On May 6, 2015, the Commission extended to June 24, 2015, the time period in which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved.<sup>4</sup> On June 15, 2015, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>5</sup> This order approves the proposed rule change.

#### II. Description of the Amended Proposal

The Exchange proposes to amend and restate certain rules governing the Nasdaq Market Center in order to provide additional detail and clarity regarding its order type functionality.<sup>6</sup> This proposed rule change is a response to Chair White's request that each self-regulatory organization (“SRO”) conduct a comprehensive review of the operation of each of the order types that it offers to members.<sup>7</sup>

While the Exchange believes that its current rules and other public disclosures provide a comprehensive description of the operation of the Nasdaq Market Center and are sufficient for members and the investing public to have an accurate understanding of its market structure,<sup>8</sup> it also acknowledges that a restatement of certain rules will further clarify the operation of its system.<sup>9</sup> For instance, Nasdaq believes that adding examples of order type operation to its rules will promote greater understanding of Nasdaq's market structure.<sup>10</sup> In addition, Nasdaq asserts that certain functionality previously described as an “order type” is more precisely characterized as an attribute that may be added to a particular order.<sup>11</sup> Accordingly, this proposed rule change distinguishes between “Order Types” and “Order Attributes,” and provides descriptions

<sup>3</sup> See Securities Exchange Act Release No. 74558 (March 20, 2015), 80 FR 16050 (“Notice”).

<sup>4</sup> See Securities Exchange Act Release No. 74881, 80 FR 27216 (May 12, 2015).

<sup>5</sup> In Amendment No. 1, the Exchange proposed to correct typographical errors in the original filing, further improve the clarity of certain rule language, and include additional explanation with regard to the purpose of the proposed rule change.

<sup>6</sup> See Notice, 80 FR at 16050.

<sup>7</sup> *Id.*; see also Mary Jo White, Chair, Commission, Speech at the Sandler O'Neill & Partners, L.P. Global Exchange and Brokerage Conference (June 5, 2014), available at <http://www.sec.gov/News/Speech/Detail/Speech/1370542004312>.

<sup>8</sup> See Notice, 80 FR at 16050.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

of the Order Attributes that may be attached to particular Order Types.<sup>12</sup>

Currently, Nasdaq Rule 4751 sets forth most of the rules governing Nasdaq's Order Types and Order Attributes, as well as other defined terms that pertain to trading securities on the Exchange.<sup>13</sup> Nasdaq proposes to restate and amend Rule 4751 as new Rule 4701.<sup>14</sup> Nasdaq also proposes to amend the definitions pertaining to Order Types and Order Attributes and to relocate them from Rule 4751 to new Rules 4702 (Order Types) and 4703 (Order Attributes), respectively.<sup>15</sup> In addition, Nasdaq proposes certain conforming and technical changes to Rules 4752, 4754–4758, and 4780.<sup>16</sup>

Nasdaq represents that, except where specifically stated otherwise, all proposed rules are restatements of existing rules and are not intended to reflect substantive changes to the rule text or the operation of the Nasdaq Market Center.<sup>17</sup> Proposed Rule 4702 related to Order Types contains definitions and descriptions of Price to Comply Orders, Price to Display Orders (referred to as "Price to Comply Post Orders" in current Rule 4751),<sup>18</sup> Non-Displayed Orders, Post-Only Orders, Midpoint Peg Post-Only Orders, Supplemental Orders, Market Maker Peg Orders, Market on Open Orders, Limit on Open Orders, Opening Imbalance Only Orders, Market on Close Orders, Limit on Close Orders, and Imbalance Only Orders. Proposed Rule 4703 related to Order Attributes contains definitions and descriptions of time-in-force ("TIF") modifiers, order size, order price, pegging, minimum quantity, routing, discretion, reserve size, attribution, intermarket sweep order ("ISO") designation, display, and participation in the Nasdaq opening cross or closing cross.<sup>19</sup>

In Amendment No. 1, the Exchange proposes to add language further explaining the operation of the following order types: Post-Only Orders; orders with a time-in-force of IOC, including Routable Orders and Post-Only Orders; Market Maker Peg Orders; orders with Midpoint Pegging, Primary Pegging or Market Pegging; Midpoint

Peg Post-Only Orders; orders designated with both Pegging and Routing attributes; Minimum Quantity Orders; and orders designated with a reactive routing strategy.<sup>20</sup> For example, the Exchange states that for Order Types that list both Pegging and Routing as possible Order Attributes, the two Order Attributes may be combined since Pegging serves to establish the price of the order, while Routing establishes the market center(s) to which the system's routing functionality may direct a routed order if liquidity is available at that price.<sup>21</sup> The Exchange also proposes to add further specification regarding the availability of certain order types only through certain communication protocols.<sup>22</sup> For example, the Exchange states that a Post-Only Order with a TIF of IOC may not be entered through the RASH, QIX, or FIX protocols.<sup>23</sup> In addition, the Exchange proposes to add language stating that one or more Order Attributes may be assigned to a single order, but if the use of multiple Order Attributes would result in contradictory instructions, the system will reject the order or remove non-conforming Order Attributes.<sup>24</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 applicable to a national securities exchange.<sup>25</sup> In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,<sup>26</sup> 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 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; and are not designed to

permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission notes that the Exchange believes that the proposal is consistent with section 6(b)(5) of the Act because the reorganized and enhanced descriptions of its Order Types, Order Attributes, and related System functionality should promote just and equitable principles of trade and perfect the mechanisms of a free and open market and the national market system by providing greater clarity concerning certain aspects of the System's operations.<sup>27</sup> In addition, the Commission notes that Nasdaq believes that the proposed rule change should contribute to the protection of investors and the public interest by making Nasdaq's rules easier to understand.<sup>28</sup> Further, Nasdaq believes that additional specificity in its rules will promote a better understanding of Nasdaq's operation, thereby facilitating fair competition among brokers and dealers and among markets.<sup>29</sup>

The Commission notes that, according to the Exchange, the proposal does not add any new functionality but instead re-organizes the Exchange's order type rules and provides additional detail regarding the order type functionality currently offered by the Exchange. Based on the Exchange's representation, the Commission believes that the proposed rule change does not raise any novel regulatory considerations and should provide greater specificity, clarity and transparency with respect to the order type functionality available on the Exchange. In addition, the Commission notes that the Exchange's proposed rule changes provide additional detail related to functionality for certain order types and the handling of orders during initial entry and after posting to the Nasdaq Book. Accordingly, the Commission believes that this proposed rule change should provide greater transparency with respect to the Exchange's order type functionality. For these reasons, the Commission believes that the proposal should help to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

The Commission finds good cause to approve the filing, as amended by Amendment No. 1 to the proposed rule change, prior to the thirtieth day after

<sup>12</sup> *Id.*

<sup>13</sup> See Rule 4751.

<sup>14</sup> See proposed Rule 4701.

<sup>15</sup> See proposed Rules 4702 and 4703.

<sup>16</sup> Nasdaq states that, in subsequent proposed rule changes, it plans to restate the remainder of its Rules numbered 4752 through 4780 so that they appear sequentially following Rule 4703. See Notice, 80 FR at 16050.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 16054 n.29.

<sup>19</sup> The Notice contains additional details related to proposed Rules 4702 and 4703. See Notice, 80 FR at 16051–69.

<sup>20</sup> See Amendment No. 1.

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>26</sup> 15 U.S.C. 78f(b)(5).

<sup>27</sup> See Notice, 80 FR at 16069.

<sup>28</sup> *Id.*

<sup>29</sup> *Id.*

the date of publication of notice of filing thereof in the **Federal Register**. The proposed amendments should further increase the Exchange's transparency with respect to the operation of various order types and modifiers, and serve to enhance investors' understanding of the tools available with respect to the handling of their orders. Accelerated approval would allow the Exchange to update its rule text immediately, thus providing users with greater clarity with respect to the use and potential use of functionality offered by the Exchange. In addition, the initial proposal was open for comment for twenty-one days after publication and generated no comment. Accordingly, the Commission believes that good cause exists, consistent with sections 6(b)(5) and 19(b) of the Act,<sup>30</sup> to approve the filing, as amended by Amendment No. 1 to the proposed rule change, on an accelerated basis.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, 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-NASDAQ-2015-024 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Robert W. Errett, Deputy Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NASDAQ-2015-024. 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; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NASDAQ-2015-024 and should be submitted on or before July 17, 2015.

#### V. Conclusion

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>31</sup> that the proposed rule change (SR-NASDAQ-2015-024) be, and it hereby is, approved, as amended.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>32</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015-15686 Filed 6-25-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75260; File No. SR-OCC-2015-013]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change To Codify Procedures for Resizing the Options Clearing Corporation's Clearing Fund on a Monthly Basis and Increasing Such Clearing Fund Size on an Intra-Month Basis

June 22, 2015.

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 June 19, 2015, The Options Clearing Corporation ("OCC") 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 OCC. The Commission is publishing this notice to

<sup>31</sup> 15 U.S.C. 78s(b)(2).

<sup>32</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.

solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The Commission recently approved a proposed rule change, and issued a Notice of No-Objection to an Advance Notice Filing, concerning the establishment of procedures to resize OCC's Clearing Fund and the addition of financial resources through intra-day margin calls and/or an intra-month increase of the Clearing Fund.<sup>3</sup> This proposed rule change by OCC would codify the authority granted to OCC through such approval and non-objection by amending the second sentence of Rule 1001(a).

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

OCC is submitting this proposed rule change to amend Rule 1001(a) in order to codify the Commission's recent approval of and non-objection to procedures for resizing the Clearing Fund on a monthly basis and increasing such Clearing Fund size on an intra-month basis to ensure OCC maintains sufficient financial resources consistent with regulatory requirements.<sup>4</sup>

On October 16, 2014, OCC filed a notice reflecting emergency action taken to permit it to increase the size of the Clearing Fund intra-month to ensure that it had sufficient financial resources to cover the potential loss associated with a Clearing Member default that presented the largest exposure to OCC under extreme but plausible market conditions.<sup>5</sup> The Commission since has

<sup>3</sup> See Securities Exchange Act Release No. 74980 (May 15, 2015), 80 FR 29364 (May 21, 2015) (SR-OCC-2015-009). See also Securities Exchange Act Release No. 74981 (May 15, 2015), 80 FR 29367 (May 21, 2015) (SR-OCC-2014-811).

<sup>4</sup> *Id.*

<sup>5</sup> See Securities Exchange Act Release No. 73579 (November 12, 2014), 79 FR 68747 (November 18,

<sup>30</sup> 15 U.S.C. 78f(b)(5); 15 U.S.C. 78s(b).