Subsection IWL (as applicable for the type of containment) by September 9, 2001. Subsequent, NRC amendments to 10 CFR 50.55a have incorporated by reference later editions of Subsection IWL, with modifications and limitations which continue to address issues addressed by RG 1.35.

The guidance provided in RG 1.35 has been incorporated into later revisions of Subsection IWL, or preserved in 10 CFR 50.55a. As a result, RG 1.35 has become redundant and is no longer needed.

Dated at Rockville, Maryland, this 21st day of August, 2015.

For the Nuclear Regulatory Commission.

Thomas H. Boyce,
Chief, Regulatory Guidance and Generic
Issues Branch, Division of Engineering, Office of Nuclear Regulatory Research.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75744; File No. SR–BX–
2015–050]

Self-Regulatory Organizations;
NASDAQ OMX BX, Inc.; Notice of Filing
of Proposed Rule Change To Adopt a
Kill Switch

August 20, 2015.

Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934
(“Act”),1 and Rule 19b–4 thereunder,2
notice is hereby given that on August 7,
2015, NASDAQ OMX BX, Inc. (“BX” or
“Exchange”) filed with the Securities
and Exchange Commission (“SEC” or
“Commission”) the proposed rule
change as described in Items I, II, and
III, below, which Items have been
prepared by the Exchange. The
Commission is publishing this notice to
solicit comments on the proposed rule
change from interested persons.

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

The Exchange proposes to amend
Chapter VI, Section 6, entitled
“Acceptance of Quotes and Orders,” to
add new section (d) to adopt the Kill
Switch. The BX Options Kill Switch will
be an optional tool that enables
Participants to initiate a message(s) to
the System to: (i) Promptly remove
quotes; and/or (ii) promptly cancel
orders. Participants may submit a
request to the System to remove/cancel
quotes and/or orders for the
affected Identifier(s) until re-entry has been
enabled pursuant to section (d)(iii).

If the Participant selects orders to be
cancelled utilizing the Kill Switch, the
BX Participant will be unable to enter
additional orders for the affected
Identifier(s) until re-entry has been
enabled pursuant to proposed section
d(iii).3

Proposed section (d)(iii) stipulates
that after quotes and/or orders are
removed/cancelled by the BX
Participant utilizing the Kill Switch, the
BX Participant will be unable to enter
additional quotes and/or orders for the
affected Identifier(s) until the BX
Participant has made a request to the
Exchange and Exchange staff has set a
re-entry indicator to enable re-entry.4

Once enabled for re-entry, the System
will send a Re-entry Notification
Message to the BX Participant. The
applicable Clearing Participant for that
BX Participant also will be notified of the
re-entry into the System after quotes
and/or orders are removed/cancelled as
a result of the Kill Switch, provided the
Clearing Participant has requested to
receive such notification.

The Exchange offers many risk
mitigation and management tools today
including, but not limited to, certain
rapid fire risk controls,5 15c3–5 risk
controls, Order Price Protections,6 and
cancel on disconnect and purge
functionality for Specialized Quote Feed
(SQF) and FIX. The Kill Switch offers
Participants a means to control their
exposure, through an interface which is
not dependent on the integrity of the
Participant’s own systems, should the
Participant experience a failure.

The Exchange proposes to implement
this rule within ninety (90) days of the
implementation date. The Exchange will
issue an Options Trader Alert in
advance to inform market participants
of such date.

27AUN11miljett on DSK2VPTVN1PROD with NOTICES
II. Discussion

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. It is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general to protect investors and the public interest, by enhancing the risk protections available to Exchange members. The proposal promotes policy goals of the Commission which has encouraged execution venues, exchange and non-exchange alike, to enhance risk protection tools and other mechanisms to decrease risk and increase stability. The individual firm benefits of enhanced risk protections flow downstream to counter-parties both at the Exchange and at other options exchanges, thereby increasing systemic protections as well. Additionally, because the Exchange offers risk protection tools to all BX Participants, the Exchange believes it will encourage liquidity generally and remove impediments to and perfect the mechanism of a free and open market and a national market system and protect investors and the public interest.

This optional risk tool as noted above will be offered to all BX Participants. The Exchange further represents that its proposal will operate consistently with the firm quote obligations of a broker-dealer pursuant to Rule 602 of Regulation NMS and that the functionality is not mandatory. Specifically, any interest that is executable against a BX Participant’s quotes and orders that are received by the Exchange prior to the time the Kill Switch is processed by the System will automatically execute at the price up to the BX Participant’s size. The Kill Switch message will be accepted by the System in the order of receipt in the queue and will be processed in that order so that interest that is already accepted into the System will be processed prior to the Kill Switch message.

A BX Market Makers’ obligation to provide continuous two-sided quotes on a daily basis is not diminished by the removal of such quotes and/or orders by utilizing the Kill Switch. BX Market Makers will be required to provide continuous two-sided quotes on a daily basis. BX Market Makers that utilize the Kill Switch will not be relieved of the obligation to provide continuous two-sided quotes on a daily basis, nor will it prohibit the Exchange from taking disciplinary action against a BX Market Maker for failing to meet the continuous quoting obligation each trading day.

With respect to providing information regarding the removal of quotes and/or cancellation of orders as a result of the Kill Switch to the Clearing Participant, each Member that transacts through a Clearing Member on the Exchange executes a Letter of Guarantee wherein the Clearing Member accepts financial responsibility for all Exchange transactions made by the BX Participant on whose behalf the Clearing Member submits the letter of guarantee. The Exchange believes that because Clearing Members guarantee all transactions on behalf of a Participant, and therefore bear the risk associated with those transactions, it is appropriate for Clearing Members to have knowledge of the utilization of the Kill Switch, should the Clearing Member request such notification.

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. The proposal does not impose an undue burden on inter-market competition because all BX Participants may avail themselves of the Kill Switch, which functionality will be optional. The proposed rule change is meant to protect BX Participants in the event the BX Participant is suffering from a systems issue or from the occurrence of unusual or unexpected market activity that would require them to withdraw from the market in order to protect investors. The ability to control risk at either the user or group level will permit the BX Participant to protect itself from inadvertent exposure to excessive risk at the each level. Reducing such risk will enable BX Participants to enter quotes and orders without any fear of inadvertent exposure to excessive risk, which in turn will benefit investors through increased liquidity for the execution of their orders. Such increased liquidity benefits investors because they receive better prices and because it lowers volatility in the options market. For these reasons, the Exchange does not believe this proposal imposes an undue burden on inter-market competition; rather, the proposed rule change will have no impact on competition.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

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

Within 45 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

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

Electronic Comments
• Use the Commission’s Internet comment form (http://www.sec.gov/rules/sro.shtml); or
• Send an email to rule-comments@sec.gov. Please include File Number SR–BX–2015–050 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–BX–2015–050. 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

13 The time of receipt for an order or quote is the time such message is processed by the Exchange book.
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 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–BX–2015–050 and should be submitted on or before September 17, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.14

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–21081 Filed 8–26–15; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; CBOE Futures Exchange, LLC; Notice of Proposed Rule Change Regarding Reportable Position and Ownership and Control Reporting Clarifications

August 21, 2015.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (“Act”),1 notice is hereby given that on August 14, 2015 CBOE Futures Exchange, LLC (“CBOE” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change described in Items I, II, and III below, which Items have been prepared by CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. CBOE also has filed this proposed rule change with the Commodity Futures Trading Commission (“CFTC”). CBOE filed a written certification with the CFTC under Section 5(c) of the Commodity Exchange Act (“CEA”)2 on August 14, 2015.

I. Self-Regulatory Organization’s Description of the Proposed Rule Change

The Exchange proposes to amend CBOE rules to clarify the application of CBOE requirements relating to reportable positions and ownership and control reports. The scope of this filing is limited solely to the application of the rule amendments to security futures traded on CBOE. The only security futures that have been traded on CBOE were traded under Chapter 16 of CBOE’s Rulebook which is applicable to Individual Stock Based and Exchange-Traded Fund Based Volatility Index security futures. CBOE does not currently list any security futures for trading. The text of the proposed rule change is attached as Exhibit 4 to the filing but is not attached to the publication of this notice.

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

In its filing with the Commission, CBOE 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. CBOE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

CBOE submitted CBOE Rule Certification Submission Number CBOE–2015–003 (“CBOE–2015–003”) to the CFTC and CBOE Rule Filing Number SR–CBOE–2015–001 (“SR–CBOE–2015–001”)3 to the Commission on January 28, 2015 (collectively, the “Prior Filings”) to amend CBOE Rule 421B (Ownership and Control Reports) on or after February 11, 2015, on a date to be announced by the Exchange through the issuance of a circular. The Exchange has not yet made these changes effective and intends to do so consistent with the compliance dates under the OCR Rule as provided for by the CFTC.5

The purpose of the proposed rule change is to make some clarifying changes with respect to the rule amendments included in the Prior Filings.

First, CBOE proposes to further amend Rule 412B to make clear that TPHs and non-TPHs will continue to be required to concurrently report to the Exchange reportable positions relating to Exchange contracts that they are required to report to the CFTC pursuant to CFTC regulations. This is required under current Rule 412B, and the Exchange believes that it continues to be required by Rule 412B as amended by the Prior Filings. However, in order to eliminate any potential ambiguity in this regard, CBOE is further amending Rule 412B as amended by the Prior Filings to make this explicit and is changing the title of Rule 412B to specifically reference reportable positions.

Second, CBOE proposes to amend CBOE Rule 714 (Imposition of Fines for Minor Rule Violations) to make new paragraph (c) of Rule 412B added by the Prior Filings subject to the same summary fine schedule under Rule 714(f)(vii) that already applies with respect to violations of paragraphs (a) and (b) of Rule 412B. Rule 412B(c) is the provision of Rule 412B that requires each TPH that is not a Clearing Member to report to the Exchange the same information regarding the identification and reporting of special accounts relating to CBOE contracts that the OCR Rule requires each TPH that is a Clearing Member to report to the CFTC. The summary fine schedule under Rule 714(f)(vii) is a Letter of Caution for a first offense, a $7,500 fine for a second offense, a $15,000 fine for a third

16 7 U.S.C. 7a–2(c).
19 See CFTC No-Action Letter No. 15–03 (February 10, 2015) (which provided conditional time-limited no-action relief to extend certain compliance dates under the OCR Rule).