

help members control their quote and order activity on NOM.⁴ Referred to as a “Kill Switch,” the functionality will allow NOM Participants to remove quotes and cancel open orders, and will prevent the submission of new quotes and orders until the Exchange re-enables access to the NOM System for the Participant.⁵

To use the Kill Switch, a Participant will send a message⁶ to the NOM System to: (i) Promptly remove quotes; and/or (ii) promptly cancel orders for certain specified Identifiers (e.g., a particular Exchange account, port, or badge or mnemonic, or for a group of Identifiers).⁷ The Exchange’s proposal does not allow Participants to remove quotes or cancel orders by symbol. The NOM System will send an automated message to the Participant when it has processed a Kill Switch request.

The NOM Participant will be unable to enter any new quotes or orders using the affected Identifier(s) until the Participant makes a verbal request to the Exchange and Exchange staff enables re-entry. Once enabled for re-entry, the Exchange will send a message to the Participant and, if it requests to receive such notifications, to the Participant’s clearing firm as well.

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,⁸ and, in particular, the requirements of Section 6 of the Act.⁹ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ 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 that the rules are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

According to the Exchange, the proposed rule change is designed to protect Participants in the event that the Participant encounters a situation, like a systems issue, for which they would like to withdraw temporarily from the market.¹¹ The Exchange further notes that the proposed Kill Switch is designed to increase systemic protections and, in so doing, should encourage liquidity generally while removing impediments to market participation.¹² To the extent that the Exchange’s proposal provides member firms with greater control over their quotes and orders, and allows firms to remove quotes and cancel orders in an appropriate manner, then the proposal may encourage firms to provide liquidity on NOM and thus contribute to fair and orderly markets in a manner that protects the public interest, protects investors, and is not designed to permit unfair discrimination.

Further, the Commission agrees that it would be appropriate to notify a Participant’s clearing member, at the clearing member’s request, once a Participant’s selected Identifiers are re-enabled following the Participant’s use of the Kill Switch. Because the clearing member accepts financial responsibility for clearing the Participant’s trades, notifying the applicable clearing member of a Participant’s re-enabled Identifiers following use of the Kill Switch may be appropriate and help the clearing member manage the risk associated with the Participant’s trading activity.

The Commission notes that the Exchange represented in its proposal that the Kill Switch will operate consistently with a broker-dealer’s firm quote obligations pursuant to Rule 602 of Regulation NMS,¹³ and that the proposal does not diminish a market-maker’s obligation to provide continuous two-sided quotes on a daily basis under NOM rules.¹⁴ Specifically, the Exchange represents that “any interest that is executable against a

NOM 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 NOM Participant’s size.”¹⁵ In that respect, the Exchange further represented that “[t]he 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.”¹⁶ Based on these representations, the Commission believes that the proposal is designed to promote just and equitable principles of trade and perfect the mechanism of a free and open market.

Accordingly, the Commission finds that the Exchange’s proposal is consistent with the Act, including Section 6(b)(5) thereof, in that it is designed to promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁷ that the proposed rule change (SR-NASDAQ-2015-096) be, and hereby is, approved.

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

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015-26327 Filed 10-15-15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76063A; File No. SR-NYSEARCA-2015-81]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change Amending Several Rules To Address Certain Order Handling Obligations on the Part of Its Floor Brokers

October 9, 2015.

AGENCY: Securities and Exchange Commission.

ACTION: Notice; correction.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ 15 U.S.C. 78s(b)(2).

¹⁸ 17 CFR 200.30-3(a)(12).

⁴ See *id.*

⁵ Orders submitted by NOM Market Makers over Ouch to Trade Options (“OTTO”) interface will be treated as quotes for purposes of this rule. See Notice, *supra* note 3, at 51850.

⁶ NOM Participants will be able to utilize an interface to send a message to the Exchange to initiate the Kill Switch, or they may contact the Exchange directly. See Notice, *supra* note 3, at note 3.

⁷ Permissible groups could be formed only within a single broker-dealer. For example, a group could include, but would not be limited to, all market maker accounts or all order entry ports. See Notice, *supra* note 3, at 51850.

⁸ 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).

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ See Notice, *supra* note 3, at 51851.

¹² See *id.*

¹³ See *id.*

¹⁴ See *id.*

SUMMARY: The Securities and Exchange Commission published a document in the *Federal Register* of October 9, 2015 concerning a Notice of Filing of Proposed Rule Change Amending Several Rules to Address Certain Order Handling Obligations on the Part of Its Floor Brokers. The document incorrectly indicated that the Commission had waived the operative delay for the proposed rule change.

FOR FURTHER INFORMATION CONTACT: Marc F. McKayle, Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549, (202) 551-5633.

Correction

In the *Federal Register* of October 7, 2015, in FR Doc No: 2015-25463, on page 60723, the sentences from the 24th line through the 42nd line of the third column referring to the operative delay should be deleted.

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015-26330 Filed 10-15-15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76122; File No. SR-ICC-2015-015]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change Related to the ICC Rule Enforcement Process for Missed Submissions

October 9, 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 September 30, 2015, ICE Clear Credit LLC (“ICC”) 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 primarily by ICC. 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 purpose of the proposed changes is to make revisions to the ICC Clearing Rules (the “Rules”) related to the ICC rule enforcement process for Missed Submissions.

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

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

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

As part of ICC’s end-of-day price discovery process, ICC Clearing Participants (“CPs”) are required to submit end-of-day prices for specific instruments related to their open interest at ICC, in accordance with Rule 404(b) and ICC Procedures. Failure of a CP to provide submissions required by ICC pursuant to Rule 404(b) and ICC Procedures constitute a Missed Submission. In order to provide incentive against Missed Submissions, ICC has adopted a summary assessment approach described in Rule 702(e) and Schedule 702 of the Rules.

Currently, under Rule 702(e)(ii)(2), a CP may be eligible for a once-in-a-lifetime conditional waiver from such assessments, if one or more Missed Submissions are the first instance(s) of a Missed Submission for the type of instrument (index or single name) and the CP provides adequate explanation of the cause and plans for remedial actions.

Given the increased automation of price submissions, ICC recognizes that there may be circumstances, due to technological failures, which may result in Missed Submissions. Furthermore, due to the significant length of time since the inception of the end-of-day process, many CPs have utilized their once-in-a-lifetime waiver. As such, ICC believes it is reasonable to provide, under limited circumstances, a conditional once-a-year waiver for such Missed Submissions caused by technical failures, as described below. Such Rule changes will not affect the integrity and effectiveness of the end-of-day price discovery process. ICC believes such Rule changes provide a valuable and practical balance between the technicalities of the price discovery process and appropriate penalization for Missed Submissions.

The proposed Rule text provides for the replacement of ICC’s current once-in-a-lifetime waiver for Missed Submissions with a conditional once-a-year waiver for Missed Submissions caused by technical failures. Under revised Rule 702(e)(ii)(2), a CP would be eligible for one waiver per year for single name Missed Submissions, and one waiver per year for index Missed Submissions. A CP may request such waiver(s) be applied against all Missed Submissions for a given instrument class on a given day. A CP would be required to provide documentation with a waiver request, explaining that the root-cause of the Missed Submission was a technology issue and including a remediation plan to fix the cause of the Missed Submission. ICC would review and evaluate the waiver request and accept unless it had legitimate concerns that the root-cause of the Missed Submission had not been adequately identified, was not due to a technical issue, and/or would not be corrected by the provided remediation plan. ICC would maintain its current ability to provide waivers for Missed Submissions deemed to be due to extraordinary circumstances outside of a CP’s control, as set forth in Rule 702(e)(ii)(3). Pending regulatory approval, ICC plans to implement these changes on January 1, 2016, and apply the once-a-year waiver to the 2016 calendar year, and each calendar year going forward. There are no changes to ICC policies and procedures as a result of the Rule changes.

Section 17A(b)(3)(F) of the Act³ requires, among other things, that the rules of a clearing agency be designed to protect investors and the public interest and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),⁴ because ICC believes that the proposed rule changes will assure the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions, as the proposed revisions enhance ICC’s price discovery process, by ensuring a fair and equitable assessment structure. As such, the proposed changes are designed to promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78q-1(b)(3)(F).

⁴ *Id.*