SEHK and trade a large volume with respect to ETFs and options on those ETFs, the Exchange believes that the initial listing requirements are appropriate to trade options on the index. In addition, similar to other broad-based indexes, the Exchange proposes to adopt various maintenance criteria, which would require continual compliance and periodic compliance.

China 50 options would be subject to the same rules that currently govern other CBOE index options, including sales practice rules, margin requirements and trading rules. The Exchange would apply the same default position limits for broad-based index options to China 50 options. Specifically, the applicable position limits would be 25,000 contracts (standard limit/on the same side of the market) and 15,000 contracts (near-term limit). The exercise limit for China 50 options would be equivalent to the position limit for China 50 options. These same position and exercise limits would apply to FLEX trading. All position limit hedge exemptions would apply. The Exchange would apply existing index option margin requirements for the purchase and sale of China 50 options.

The Exchange represents that it has an adequate surveillance program in place for China 50 options. The Exchange also represents that it has the necessary systems capacity to support the new option series.

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

CBOE 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. Specifically, CBOE believes that the introduction of new cash index options will enhance competition among market participants and will provide a new type of options to compete with domestic products such as FXI options, E-Mini FTSE China 50 Index Future and European-traded derivatives on the FTSE China 50 Index to the benefit of investors and the marketplace.

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 within such longer period 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 Exchange consents, the Commission will:

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-CBOE–2015–099 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-CBOE–2015–099. 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-CBOE–2015–099 and should be submitted on or before December 1, 2015.

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

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Requiring Certain ETP Holders To Participate in Business Continuity and Disaster Recovery Plans Testing in Connection With Regulation Systems Compliance and Integrity

November 4, 2015.

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 October 26, 2015, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 require certain ETP Holders to participate in business continuity and disaster recovery plans (“BC/DR Plans”) testing in connection with Regulation Systems Compliance and Integrity (“Regulation SCI”). 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.

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

1. Purpose

As adopted by the Commission, Regulation SCI applies to certain self-regulatory organizations (including the Exchange), alternative trading systems (“ATSs”), plan processors, and exempt clearing agencies (collectively, “SCI entities”), and will require these SCI entities to comply with requirements with respect to the automated systems central to the performance of their regulated activities. Among the requirements of Regulation SCI is Rule 1001(a)(2)(v), which requires the Exchange and other SCI entities to maintain “[b]usiness continuity and disaster recovery plans that include maintaining backup and recovery capabilities sufficiently resilient and geographically diverse and that are reasonably designed to achieve next business day resumption of trading and two-hour resumption of critical SCI systems following a wide-scale disruption.” As a matter of course, the Exchange has put extensive time and resources toward planning for system failures and already maintains robust BC/DR plans consistent with the proposed rule. As set forth below, in connection with Regulation SCI, the Exchange is proposing to require certain ETP Holders to participate in testing of the operation of the Exchange’s BC/DR plans.

With respect to an SCI entity’s BC/DR plans, including its backup systems, paragraph (a) of Rule 1004 of Regulation SCI requires each SCI entity to: “[e]stablish standards for the designation of those members or participants that the SCI entity reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of such plans.” Paragraph (b) of Rule 1004 further requires each SCI entity to “[d]esignate members or participants pursuant to the standards established in paragraph (a) of [Rule 1004] and require participation in testing by such designated members or participants in scheduled functional and performance testing of the operation of such plans, in the manner and frequency specified by the SCI entity, provided that such frequency shall not be less than once every 12 months.”

To comply with Rule 1004 of Regulation SCI, the Exchange proposes to amend current Rule 2.2, governing mandatory testing of Exchange backup systems as described below. The requirements of revised Rule 2.2 would apply to ETP Holders that transact on the Exchange’s equities market.

First, in paragraph (a) of revised Rule 2.2, the Exchange proposes to establish standards for the designation of ETP Holders that the Exchange reasonably determines are, taken as a whole, the minimum necessary for the maintenance of fair and orderly markets in the event of the activation of the Exchange’s business continuity and disaster recovery plans.

Second, in paragraph (b) of revised Rule 2.2, the Exchange proposes to specify that ETP Holders that are designated pursuant to paragraph (a) of revised Rule 2.2 would be required to participate in scheduled functional and performance testing of the Exchange’s business continuity and disaster recovery plans, which shall not be less than once every 12 months.

Third, in paragraph (c) of revised Rule 2.2, the Exchange proposes to make clear that Lead Market Makers that have been determined by the Exchange to contribute a meaningful percentage of the Exchange’s overall volume, measured on a quarterly or monthly basis, will be required to participate in scheduled functional and performance testing. The Exchange further proposes that it may also consider other factors in determining the ETP Holders that will be required to participate in scheduled functional and performance testing, including average daily volume traded on the Exchange measured on a quarterly or monthly basis, or ETP Holders who collectively account for a certain percentage of market share on the Exchange.

Fourth, in paragraph (d) of revised Rule 2.2, the Exchange proposes that at least three (3) months prior to a scheduled functional and performance testing of the Exchange’s business continuity and disaster recovery plans, the Exchange will publish the criteria to be used by the Exchange to determine which ETP Holders will be required to participate in such testing and notify those ETP Holders that are required to participate based on such criteria. The Exchange believes that the proposed notice requirements are necessary to provide ETP Holders with proper advance notice in the event they become subject to the proposed rule. The proposed timeframes would also provide ETP Holders with adequate time to prepare for the testing, including any systems changes needed, to connect to the Exchange’s backup systems.

Finally, in paragraph (e) of revised Rule 2.2, the Exchange proposes to make clear that ETP Holders not designated pursuant to standards established in paragraph (a) of revised Rule 2.2 are permitted to connect to the Exchange’s backup systems and may participate in testing of such systems. Proposed paragraph (e) is consistent with Regulation SCI, which encourages

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4 Pursuant to NYSE Arca Equities Rule 1.1(n), the term “ETP Holder” refers to a sole proprietorship, partnership, corporation, limited liability company or other organization in good standing that has been issued an ETP. An ETP Holder must be a registered broker or dealer pursuant to Section 15 of the Act. NYSE Arca Equities Rule 1.1(n) defines “ETP” as an Equity Trading Permit issued by the Exchange for effecting approved securities transactions on the Exchange.


7 17 CFR 242.1004(a).

8 17 CFR 242.1004(b).

9 Current Rule 2.2 requires each ETP Holder that has an electronic interface with the Exchange to participate in industry testing of computer systems designed to ascertain decimal pricing conversion compatibility of such computer systems for the implementation of decimal trading. The Exchange proposes to delete the text of the current rule as it is obsolete and no longer applicable.

10 The term “Lead Market Maker” means a registered Market Maker that is the exclusive Designated Market Maker in listings for which the Corporation is the primary market. See Rule 1.1(ccc).

11 The Exchange will publish the initial notice to ETP Holders no later than November 3, 2015.
“SCI entities to permit non-designated members or participants to participate in the testing of the SCE entity’s BC/DR plans if they request to do so.”

The Exchange notes that it encourages all ETP Holders to connect to the Exchange’s backup systems and to participate in testing of such systems. However, in adopting the requirements in revised Rule 2.2, the rule will subject only those ETP Holders to mandatory testing that the Exchange believes are, taken as a whole, the minimum necessary to maintain fair and orderly markets. The Exchange believes that designating ETP Holders to participate in mandatory testing because they, for example, account for a significant portion of the Exchange’s overall volume or maintain exclusive responsibilities with respect to Exchange-listed securities is a reasonable means to ensure the maintenance of a fair and orderly market on the Exchange.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Sections 6(b)(5) of the Act, in particular, because it is 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 mechanisms of, a free and open market and a national market system, and, in general, to protect investors and the public interest.

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 proposal is not a competitive proposal but rather is necessary for the Exchange’s compliance with Regulation SCI.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii)(I) of the Act and Rule 19b–4(f)(6) thereunder. Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) normally does not become operative prior to 30 days after the date of filing. However, pursuant to Rule 19b4(f)(6)(iii), the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest as it will allow the Exchange to incorporate changes required under Regulation SCI, such as establishing standards for designating BCP/DR participants, prior to the November 3, 2015 compliance date. Accordingly, the Commission designates the proposed rule change to be operative upon filing.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B) of the Act to determine whether the proposed rule change should be approved or 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–NYSEARCA–2015–96 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–NYSEARCA–2015–96. This file number should be included on the

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12 See SCI Adopting Release, supra note 5 at 72350.
15 See SCI Adopting Release, supra note 5 at 72350.
20 For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78s(b)(2)(B).
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 Section, 100 F Street NE., Washington, DC 20549–1090. Copies of the filing will also be available for inspection and copying at the NYSE’s principal office and on its Internet Web site at www.nyse.com. 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– NYSEARCA–2015–96 and should be submitted on or before December 1, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.22
Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Specifying in Exchange Rules the Exchange’s Use of Data Feeds From National Stock Exchange, Inc. for Order Handling and Execution, Order Routing, and Regulatory Compliance

November 4, 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 October 20, 2015, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II 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 specify in Exchange rules the Exchange’s use of data feeds from National Stock Exchange, Inc. for order handling and execution, order routing, and regulatory compliance. 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.

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

1. Purpose

The Exchange proposes to amend NYSE Arca Equities Rule 7.37 (“Rule 7.37”) and NYSE Arca Equities Rule 7.37P (“Rule 7.37P”) to specify in Exchange rules which data feeds from National Stock Exchange, Inc. (“NSX”) that the Exchange would use for order handling and execution, order routing, and regulatory compliance.3 On July 18, 2014, the Exchange filed a proposed rule change that clarified the Exchange’s use of certain data feeds for order handling and execution, order routing, and regulatory compliance.4 As noted in that filing, the data feeds available for the purposes of order handling and execution, order routing, and regulatory compliance at the Exchange include the exclusive securities information processor (“SIP”) data feeds 4 or proprietary data feeds from individual market centers (“Direct Feed”). On February 24, 2015, the Exchange adopted Commentary .01 to Rule 7.37 to specify which data feeds that the Exchange uses for the handling, execution, and routing of orders, as well as for regulatory compliance.5

To reflect that, subject to regulatory approval, NSX intends to reopen trading and has reactivated its connections to the SIPs, the Exchange proposes to amend Commentary .01 to Rule 7.37 and Rule 7.37P(d) to specify which data feeds the Exchange would use for NSX. As proposed, the Exchange would use the SIP Data Feed for NSX and would not have a secondary source.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),6 in general, and further the objectives of Section 6(b)(5),7 in particular, because it is 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. The Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market because it provides enhanced transparency to better assess the quality


4 The SIP feeds are disseminated pursuant to effective joint-industry plans as required by Rule 603(b) of Regulation NMS. 17 CFR 242.603(b). The three joint-industry plans are: (1) The CTA Plan, which is operated by the Consolidated Tape Association and disseminates transaction information for securities with the primary listing on exchanges other than NASDAQ Stock Market LLC (“NASDAQ”); (2) The CQ Plan, which disseminates consolidated quotation information for securities with their primary listing on exchanges other than Nasdaq; and (3) the Nasdaq UTP Plan, which disseminates consolidated transaction and quotation information for securities with their primary listing on Nasdaq.