
The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange has stated that updating the existing rule text to reflect the correct citations sooner, rather than later, will avoid confusion for Participants. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because this waiver will enable the Exchange to provide the correct citations to the applicable allocation rules for its PRISM rule in a timely manner, and thereby avoid confusion for the Exchange’s Participants with respect to how PRISM executions would be allocated.7 For this reason, the Commission hereby waives the 30-day operative delay requirement and designates the proposed rule change as operative upon filing.8

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)9 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–BX–2015–068 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–BX–2015–068. 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 such filing also will be available for inspection and copying at the principal offices 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–2015–068, and should be submitted on or before December 18, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.10

Robert W. Errett,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations;
NASDAQ OMX BX, Inc.; Order Granting an Extension To Limited Exemption From Rule 612(c) of Regulation NMS in Connection With the Exchange’s Retail Price Improvement Program Until December 1, 2016

November 20, 2015.

On November 28, 2014, the Commission issued an order pursuant to its authority under Rule 612(c) of Regulation NMS 1 (“Sub-Penny Rule”) that granted the NASDAQ OMX BX, Inc. (“BX” or “Exchange”) a limited exemption from the Sub-Penny Rule in connection with the operation of the Exchange’s Retail Price Improvement Program (“RPI Program”).2 The limited exemption was granted concurrently with the Commission’s approval of the Exchange’s proposal to adopt the RPI Program on a one-year pilot term. The Commission granted the exemption coterminous with the effectiveness of the RPI Program—both the RPI Program and the exemption are scheduled to expire on December 1, 2015.

The Exchange now seeks to extend the exemption until December 1, 2016.3 The Exchange’s request was made in conjunction with an immediately effectively filing that extends the operation of the RPI Program until December 1, 2016.4 In its request to extend the exemption, the Exchange notes that given the gradual implementation of the RPI Program and the preliminary participation and results, extending the exemption would provide additional opportunities for greater participation and assessment of the results. Accordingly, the Exchange has asked additional time to allow it and the Commission to analyze data concerning the RPI Program, which the Exchange committed to provide to the Commission.5 For this reason and the reasons stated in the RPI Approval Order originally granting the limited exemption, the Commission, pursuant to its authority under Rule 612(c) of Regulation NMS, finds that pursuant to its authority under Rule 612(c) of

7 17 CFR 242.612(c).
9 See Letter from Jeffrey S. Davis, Vice President & Deputy General Counsel, Exchange, to Brent J. Fields, Secretary, Commission, dated November 12, 2015.
Regulation NMS, extending the exemption is appropriate in the public interest and consistent with the protection of investors.

Therefore, it is hereby ordered that, pursuant to Rule 612(c) of Regulation NMS, the Exchange is granted an extension of the limited exemption from Rule 612 of Regulation NMS that allows the Exchange to accept and rank orders priced equal to or greater than $1.00 per share in increments of $0.001, in connection with the operation of its RPI Program, until December 1, 2016.

The limited and temporary exemption extended by this Order is subject to modification or revocation if at any time the Commission determines that such action is necessary or appropriate in furtherance of the purposes of the Act. Responsibility for compliance with any applicable provisions of the Federal securities laws must rest with the persons relying on the exemption that are the subject of this Order.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.6

Robert W. Errett, Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Technical Disconnect Mechanism

November 20, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),1 and Rule 19b–4 thereunder,2 notice is hereby given that on November 9, 2015, C2 Options Exchange, Incorporated (the “Exchange”) 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 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 Rule 6.48 related to the Exchange’s Technical Disconnect Mechanism. The text of the proposed rule change is provided below. (additions are italicized; deletions are [bracketed])

C2 Options Exchange, Incorporated

Rules

* * * * *

Rule 6.48. Technical Disconnect

(a) When a CBOE Application Server (“CAS”) loses communication with a Client Application such that a CAS does not receive an appropriate response to a Heartbeat Request within “x” period of time, the Technical Disconnect Mechanism will automatically logoff the Permit Holder’s affected Client Application and (if applicable, will) automatically cancel all the Permit Holder’s Market-Maker quotes, if applicable, and open orders with a time-in-force of “day” (“day orders”), if the Permit Holder enables that optional service, posted through the affected Client Application. The following describes how the Technical Disconnect Mechanism works for each of the Exchange’s application programming interfaces (“APIs”):

(i) CBOE Market Interface 2.0 (“CMi 2”) API. A CAS shall generate a Heartbeat Request to a Client Application (i) after the CAS does not receive any messages from a particular Client Application for “n” period of time or (ii) after every “n” period of time. A Permit Holder shall determine the value of “n.” In no event shall “n” be less than five (5) seconds. The value of “x” shall be equal to the value of “n.”

(b) The Technical Disconnect Mechanism is enabled for all Permit Holders and may not be disabled by Permit Holders, except the automatic cancellation of a Permit Holder’s day orders is an optional service that the Permit Holder may enable or disable through the API.

(c) The trigger of the Technical Disconnect Mechanism is event- and Client Application-specific. The automatic cancellation of a Market-Maker’s quotes (if applicable) or a Permit Holder’s day orders (if enabled by the Permit Holder) entered into a CAS via a particular Client Application will neither impact nor determine the treatment of the quotes of the same or other Market-Makers or orders of the same Permit Holder entered into the CAS via a separate and distinct Client Application. Except for day orders the Technical Disconnect Mechanism automatically cancels if a Permit Holder enables that optional service. [T]he Technical Disconnect Mechanism will not impact or determine the treatment of orders a Permit Holder previously entered into the CAS.

. . . Interpretations and Policies:

* * * * *

The text of the proposed rule change is also available on the Exchange’s Web site (http://www.c2exchange.com/Legal/), at the Exchange’s Office of the Secretary, 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 Exchange 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. The Exchange 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

The Exchange proposes to amend Rule 6.48 related to the Exchange’s Technical Disconnect Mechanism. Rule 6.48(a) provides that when a CBOE