

NASDAQ-2012-103 and should be submitted on or before October 10, 2012.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67851; File No. SR-OCC-2012-15]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to Financial Reporting by Canadian Clearing Members

September 13, 2012.

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 September 5, 2012, 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 primarily by OCC. 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 proposed rule would make technical “housekeeping” changes to OCC’s By-Laws and Rules relating to financial reporting by Canadian clearing members to reflect the Investment Industry Regulatory Organization of Canada’s (“IIROC”) adoption of the International Financial Reporting Standards.

#### 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 these statements may be examined at the places specified in Item IV below.

The self-regulatory organization 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

The purpose of this proposed rule change is to make technical “housekeeping” changes to OCC’s By-Laws and Rules relating to financial reporting by Canadian clearing members to reflect the Investment Industry Regulatory Organization of Canada’s (“IIROC”) adoption of the International Financial Reporting Standards.

OCC Rule 310, through cross-references to interpretive provisions of OCC Rule 306—Financial Reports and OCC Rule 308—Audits, allows Canadian clearing members to elect to file their Joint Regulatory Financial Questionnaire and Reports (“JRFQR”) with OCC, instead of filing SEC Form X-17A-5, to discharge their financial reporting requirements to OCC. In addition, other provisions of OCC’s rules (Rules 301, 302, 303, 304, 306 and 308) reference information Canadian clearing members report on their JRFQR. IIROC, the primary regulator of Canada’s securities industry, replaced the JRFQR with “Form 1” of the International Financial Reporting Standards. OCC proposes to replace references to the JRFQR within its By-Laws and Rules with references to “Form 1.”<sup>3</sup> OCC also proposes to add an Interpretation and Policy to Rule 304 in response to a change in how IIROC requires regulated entities to report capital withdrawals.

OCC, as part of its financial surveillance program, requires Canadian clearing members to submit their JRFQR, a financial report similar to SEC Form X-17A-5, to OCC at the end of each month. OCC also monitors the financial health of such clearing members using the capital levels reported on their JRFQRs. In 2011, IIROC replaced the JRFQR with Form 1. Among other things, Form 1 aligns the reporting of certain financial liabilities to U.S. Generally Accepted Accounting Principles. Canadian clearing members that use Form 1 report the same, and in some cases more conservative, amounts of regulatory capital to OCC as they had using the JRFQR. Moreover, OCC believes that the change does not impair OCC’s ability to conduct diligent financial surveillance of Canadian

clearing members. Accordingly, OCC proposes to replace references to the “JRFQR” within its By-Laws and Rules with references to “Form 1.”

The IIROC also altered how its regulated entities report capital withdrawals. IIROC previously required capital withdrawals to be reported on monthly financial reports; however, IIROC amended its standards and now requires firms to obtain approval for withdrawals of capital following notice thereof. OCC had, when applicable, adjusted Canadian clearing member’s reported capital levels in light of withdrawals reflected in financial reports in order to determine if the firm’s capital falls within OCC’s standards. With the change implemented by IIROC, that information is no longer available to OCC via monthly financial reports submitted by Canadian clearing members. To ensure it is aware of such capital withdrawals, OCC proposes to add an Interpretation and Policy to Rule 304 which would require Canadian clearing members to submit capital withdrawal notifications to OCC when such requests are submitted to IIROC.

OCC believes that the proposed rule change is consistent with Section 17A of the Securities Exchange Act of 1934, as amended (the “Act”), because it promotes the prompt and accurate clearance and settlement of securities transactions, and protects investors and the public interest by allowing OCC to efficiently monitor the financial health of its clearing members. The change is intended to facilitate Canadian clearing members’ compliance with OCC’s By-Laws and Rules by aligning OCC’s financial reporting requirements, as they pertain to Canadian clearing members, with those of the IIROC. It is also intended to ensure OCC has appropriate information about Canadian clearing members’ capital withdrawals, which will no longer be reported to OCC on a monthly basis. The proposed rule change is not inconsistent with any rules of OCC, including any other rules proposed to be amended.

#### (B) Self-Regulatory Organization's Statement on Burden on Competition

OCC does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

#### (C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments were not and are not intended to be solicited with respect

<sup>18</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.

<sup>3</sup> OCC does not propose to amend Rule 310 since it does not specifically use the term, “Joint Regulatory Financial Questionnaire and Reports.”

to the proposed rule change and none have been 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 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 self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the 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](mailto:rule-comments@sec.gov). Please include File Number SR-OCC-2012-15 on the subject line.

#### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2012-15. 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 Section, 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 filings will also be available for inspection and copying at the principal office of OCC and on OCC's Web site at [http://www.optionsclearing.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_12\\_15.pdf](http://www.optionsclearing.com/components/docs/legal/rules_and_bylaws/sr_occ_12_15.pdf).

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-OCC-2012-15 and should be submitted on or before October 10, 2012.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.<sup>4</sup>

Kevin M. O'Neill,

Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67855; File No. SR-BATS-2012-037]

### Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Exchange, Inc.

September 13, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 31, 2012, BATS Exchange, Inc. (the "Exchange" or "BATS") 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 the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>4</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.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

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

The Exchange proposes to amend the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on September 4, 2012.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.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 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 parts 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 modify the "Equities Pricing" section of its fee schedule effective September 4, 2012, in order to modify pricing related to executions that occur on EDGA EXCHANGE, Inc. ("EDGA") through the Exchange's TRIM routing strategies.<sup>6</sup> EDGA is implementing certain pricing changes effective September 4, 2012, including modification from a fee to remove liquidity of \$0.0007 per share to a rebate of \$0.0004 per share when removing liquidity. To maintain a direct pass through of the applicable economics for executions at EDGA, the Exchange proposes to rebate \$0.0004 per share for an order routed through its TRIM routing strategies and executed on EDGA.

##### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the

<sup>5</sup> A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

<sup>6</sup> As defined in BATS Rule 11.13(a)(3)(C).