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 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–C2–2013–033, and should be submitted on or before October 8, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–22510 Filed 9–16–13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70373; File No. SR–NYSEMKT–2013–73]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Certain of Its Rules Pertaining to the Trading of Options in Order To Change the Expiration Date for Most Option Contracts to the Third Friday of the Expiration Month Instead of the Saturday Following the Third Friday

September 11, 2013.

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 September 5, 2013, NYSE MKT LLC ("NYSE MKT" or "Exchange") filed with the Securities and Exchange Commission ("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 amend certain of its rules pertaining to the trading of options in order to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday. 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend certain of its rules pertaining to the trading of options in order to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday. This proposed rule change is based on a recent proposal of The Options Clearing Corporation ("OCC") and is designed to conform the Exchange's rules to the changes implemented by the OCC.[3] As discussed in greater detail below, during a transition period that began on June 21, 2013, expiration processing will be conducted on Friday, although supplementary exercises could still be submitted prior to the Saturday expiration time. Saturday expirations will be eliminated for all option contracts expiring on or after February 1, 2015, with a limited exception for certain "grandfathered" contracts.

Most option contracts ("monthly expiration contracts") currently expire at the "expiration time" (11:59 p.m. Eastern Time ("ET")) on the *Saturday* following the third Friday of the specified expiration month (the "expiration date").[4] As a result of this proposed rule change, the expiration date for monthly expiration contracts would be changed to the third *Friday* of the expiration month. The expiration time would continue to be 11:59 p.m. ET on the expiration date. The proposed rule change would apply only to monthly expiration contracts expiring after February 1, 2015, and, in this regard, the Exchange does not propose to change the expiration date for any outstanding option contract.

The proposed rule change would apply only to series of option contracts opened for trading after the effective date of this proposed rule change and having expiration dates later than February 1, 2015. Option contracts having non-monthly expiration dates ("non-monthly expiration contracts") would be unaffected by this proposed rule change except that flexibly structured ("FLEX") options having expiration dates later than February 1, 2015 could not expire on a Saturday unless they are specified by the OCC as grandfathered. Non-monthly expiration contracts are discussed further below.

In order to provide a smooth transition to the proposed Friday expiration, the Exchange, together with other option exchanges and the OCC, began moving the expiration exercise procedures to Friday for all monthly expiration contracts on June 21, 2013, even though the contracts will continue to expire on Saturday. After February 1, 2015, virtually all monthly expiration contracts would actually expire on Friday. The only monthly expiration contracts that would expire on a Saturday after February 1, 2015 would be certain options that were listed prior to the effectiveness of the OCC's proposal, and a limited number of options that may be listed prior to necessary systems changes of the Exchange and the other options exchanges, which are expected to be completed in August 2013. The Exchange, along with other option exchanges, has agreed that, once these systems changes are made, it will not list any additional options with Saturday expiration dates falling after February 1, 2015.

Background

Saturday was established as the monthly expiration date for OCC-cleared options primarily in order to allow sufficient time for processing of option exercises, including correction of errors, while the markets were closed and positions remained fixed. However, improvements in technology and long experience have rendered Saturday expiration processing inefficient. Indeed, many non-monthly expiration contracts are currently traded with business day expiration dates. These

[16] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C.78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 69772 (June 17, 2013), 78 FR 37645 (June 21, 2013) (SR–OCC–2013–04).

[4] *See, e.g.,* the definition of "expiration time" in Article I of the OCC By-Laws.

include FLEX options and quarterly, monthly, and weekly options. Expiration exercise processing for these non-monthly expiration contracts occurs on a more compressed timeframe and with somewhat different procedures than Saturday expiration processing for monthly expiration contracts.

It has been a long-term goal of OCC and its clearing members to move the expiration process for all monthly expiration contracts from Saturday to Friday night. Eliminating Saturday expirations will allow OCC to streamline the expiration process for all monthly expiration contracts and increase operational efficiencies for OCC and its clearing members. Furthermore, it will compress the operational timeframe for processing the options expirations such that clearing members will be required to reconcile options trades on the trade date, which will enhance intra-day risk management of cleared trades by the clearing member and promote real-time trade date reconciliation and position balancing by clearing members.

Industry groups, clearing members and the option exchanges have been active participants in planning for the transition to the Friday expiration. In March 2012, OCC began to discuss moving monthly expiration contracts to Friday expiration dates with industry groups, including two Securities Industry and Financial Markets Association (''SIFMA'') committees, the Operations and Technology Steering Committee and the Options Committee, and at two major industry conferences, the SIFMA Operations Conference and the Options Industry Conference. OCC also discussed the project with the Intermarket Surveillance Group and at an OCC Operations Roundtable. In each case, the initiative received broad support.

Friday expiration processing is also consistent with the long-standing rules and procedures of the options exchanges and the Financial Industry Regulatory Authority (''FINRA''), which generally provide that exercise decisions with respect to expiring monthly expiration contracts must be made by, and exercise instructions may not be accepted from customers after, 5:30 p.m. ET on the business day preceding expiration (usually Friday).[5] Brokerage firms may set earlier cutoff times for customers submitting exercise notices. Clearing members of OCC are permitted to submit exercise instructions after the cutoff time (''supplementary exercises'') only in case of errors or other unusual situations, and may be subject to fines or disciplinary actions.[6] The Exchange believes that the extended period between cutoff time and expiration of options is no longer necessary given modern technology.

Transition Period

Based on significant dialogue between the Exchange, other option exchanges, the OCC and its clearing members regarding the move to Friday expiration, the Exchange believes that the adoption of Friday expiration for monthly expiration contracts is best accomplished through an appropriate transition period, during which processing activity for all options, whether expiring on Friday or Saturday, has moved to Friday, followed by a change in the expiration day for new series of options. In May 2012, it was determined that Friday, June 21, 2013, would be an appropriate date on which to move expiration processing from Saturday to Friday night.

Accordingly, and based on the OCC's related proposal, beginning June 21, 2013, Friday expiration processing is in effect for all expiring monthly expiration contracts, regardless of whether the contract's actual expiration date is Friday or Saturday. However, for contracts having a Saturday expiration date, exercise requests received after Friday expiration processing is complete, but before the Saturday contract expiration time, will continue to be processed, without fines or penalties, so long as they are submitted in accordance with OCC's procedures governing such requests. After the transition period and the expiration of all existing Saturday-expiring options, expiration processing would be a single operational process and would run on Friday night for all monthly expiration contracts.

Friday Expiration Processing Schedule

Previously, expiration processing for monthly expiration contracts began on Saturday morning at 6:00 a.m. Central Time (''CT'') and was completed at approximately noon CT when margin and settlement reports are available. The window for submission of instructions in accordance with OCC's exercise-by-exception procedures under OCC Rule 805(d) was open from 6:00 a.m. to 9:00 a.m. CT on Saturday morning.[7] As proposed by OCC, the window for submission of exercise-by-exception instructions is now open from 6:00 p.m. to 9:15 p.m. CT on Friday evening.[8] Friday expiration processing for monthly expiration contracts therefore now begins at 6:00 p.m. CT on Friday evening and ends at approximately 2:00 a.m. CT on Saturday morning when margin and settlement reports would be available.[9]

Exercises for monthly expiration contracts with Saturday expirations must be allowed under the terms of the contracts. However, in order to accommodate the proposed new expiration schedule, the OCC also proposed to shorten the period of time in which clearing members may submit a supplementary exercise notice under OCC Rule 805(b). In addition, OCC amended Rule 801 to eliminate the ability of clearing members to revoke or modify exercise notices submitted to OCC. This change, along with the change in the processing timeline discussed above, more closely aligns OCC's expiration processing procedures with self-regulatory organization rules, including those of the Exchange, under which exchange members must submit exercise instructions by 5:30 p.m. ET on Friday and may not accept exercise instructions from customers after 5:30 p.m. ET on Friday. Accordingly, this change does not represent a departure from current practices for clearing members or their customers.

Grandfathering of Certain Options Series

Certain option contracts have already been listed on participant exchanges, including the Exchange, with Saturday expiration dates as distant as December 2016. Additionally, until participant exchanges, including the Exchange, complete certain systems enhancements in August 2013, it is possible that additional option contracts may be listed with Saturday expiration dates

[5] *See, e.g.,* FINRA Rule 2360(b)(23)(A)(iii), which provides that ''[o]ption holders have until 5:30 p.m. Eastern Time ('ET') on the business day immediately prior to the expiration date to make a final exercise decision to exercise or not exercise an expiring option. Members may not accept exercise instructions for customer or noncustomer accounts after 5:30 p.m. ET.''

[6] *See* OCC Rule 805(g).

[7] OCC's exercise-by-exception procedures are described in OCC Rule 805(d), which generally provides that each clearing member will automatically be deemed to have submitted an exercise notice immediately prior to the expiration time for all in-the-money option contracts unless the clearing member has instructed OCC otherwise in a written exercise notice.

[8] *See supra* note 4. The exercise-by-exception window for weekly and quarterly expiration options is from 6:00 p.m. to 7:00 p.m. CT.

[9] The new expiration schedule for Friday expiration processing is similar to the expiration schedule for weekly options, which begins at 6:00 p.m. CT on Friday evening and ends at 11:30 p.m. CT on Friday evening. All timeframes would be set forth in OCC's procedures and subject to change based on OCC's experience with Friday expiration processing.

beyond February 1, 2015. For these contracts, transitioning to a Friday expiration for newly-listed option contracts expiring after February 1, 2015 would create a situation under which certain option open interest would expire on a Saturday while other option open interest would expire on a Friday in the same expiration month. OCC clearing members have expressed a clear preference to not have a mix of option open interest in any particular month. Accordingly, the Exchange and other option exchanges have agreed not to permit the listing of, and OCC will not accept for clearance, any new option contracts with a Friday expiration if existing option contracts of the same series expire on the Saturday following the third Friday of the same month. However, Friday expiration processing will be in effect for these Saturday expiration contracts. As with monthly expiration contracts during the transition period, exercise requests received after Friday expiration processing is complete, but before the Saturday contract expiration time, will continue to be processed without fines or penalties.

Proposed Amendments to the Exchange's Rules

In order to implement the change to Friday expiration processing and eventual transition to Friday expiration for all monthly expiration contracts, the Exchange proposes to amend certain of its rules, as described below. The Exchange is also proposing, with this filing, to replace any historic reference in the purpose section of any past Exchange rule filings or previously released circulars, notices or bulletins to any expiration date other than Friday for a monthly expiration contract with the new Friday standard.

First, the Exchange proposes to amend Rule 903 (Series of Options Open for Trading) to differentiate between Friday and Saturday expirations. Specifically, the Exchange would specify that, on the business day of expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the business day prior to the expiration date of particular series of options, a closing rotation for such series shall commence. The Exchange also proposes to amend Commentary .04 to Rule 903 to specify that, due to unusual market conditions, the Exchange, in its discretion, may add new series of options on an individual stock or Exchange-Traded Fund Share until the close of trading on the business day prior to the business day of expiration (i.e., Thursday for a Friday expiration), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, until the close of trading on the second business day prior to expiration (i.e., until the close of trading on Thursday for Saturday expirations).

Second, the Exchange proposes to amend Rule 909 (Other Restrictions on Exchange Option Transactions and Exercises) with respect to certain timing for restrictions on the exercise of option contracts. Specifically, the Exchange proposes to specify that the 10-business-day period referenced in Rule 909 includes the expiration date for an option contract that expires on a business day.

Third, the Exchange proposes to amend Rule 980 (Exercise of Option Contracts) in several areas, each of which is designed to differentiate between Friday and Saturday expirations. First, the Exchange proposes to specify in Rule 980(b) that special procedures apply to the exercise of equity options on the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the last business day before their expiration. Second, the Exchange proposes to specify in Rule 980(c) that, regarding exercise cut-off times, option holders have until 5:30 p.m. ET on the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the business day immediately prior to the expiration date. Third, the Exchange proposes to specify in Rule 980(g) that the advance notice described therein is applicable if provided by the Exchange on or before 5:30 p.m. ET on the business day (i.e., on Thursday) immediately prior to the business day of expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the business day immediately prior to the last business day before the expiration date (i.e., Thursday for Saturday expirations). Fourth, the Exchange proposes to amend Commentary .03 of Rule 980 to specify that the reference therein to "unusual circumstances" includes, but is not limited to, a significant news announcement concerning the underlying security of an option contract that is scheduled to be released just after the close on the business day the option contract expires (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the business day immediately prior to expiration.

Fourth, the Exchange proposes to amend Rule 903C (Series of Stock Index Options) with respect to the permissible time for trading. Specifically, the Exchange proposes to specify in Rule 903C(c) that, on the business day a particular series of index options expires (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the business day prior to the expiration of a particular series of index options, such options shall freely trade until 4:00 p.m., unless the Board of Directors has established different hours of trading for certain index options. Additionally, the Exchange proposes to specify in Commentary .01 to Rule 903C that transactions in Major Market Index options may be effected on the Exchange until 4:15 p.m. each business day, including the business day the option contract expires (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the business day prior to expiration.

Fifth, the Exchange proposes to amend Rule 909C (Other Restrictions on Stock Option Transactions and Exercises) with respect to certain timing for restrictions on the exercise of option contracts. Specifically, the Exchange proposes to specify that all of the provisions of Rule 909 shall be applicable to stock index options, except that (a) any restriction on the exercise of a particular series of stock index options imposed by the Exchange may remain in effect until (but not including) the business day the option contract expires (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the business day prior to the expiration date of such series of options.

Sixth, the Exchange proposes to amend Rule 980C (Exercise of Stock Index Option Contracts) with respect to certain procedures related to the exercise of stock index option contracts. Specifically, the Exchange proposes to specify in Rule 980C(b) that the provisions of subparagraphs (i) and (ii) of paragraph (a) of Rule 980C are not applicable with respect to any series of stock index options on the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the business day prior to the expiration date of such series of options.[10]

Seventh, the Exchange proposes to amend Rule 900FRO (Applicability; Definitions) with respect to fixed return options (''FROs'') in order to differentiate between Friday and Saturday expirations with respect to the definitions of ''VWAP'' and ''Settlement Price.'' Specifically, the Exchange proposes to specify in Rule 900FRO(b)(4) that the denominator in the equation for determining Volume Weighted Average Price or ''VWAP'' is the total number of shares traded during the entire last day of trading on the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the business day prior to expiration. Additionally, the Exchange proposes to specify in Rule 900FRO(b)(5) that the term ''settlement price'' means the ''all-day'' VWAP of the composite prices of the security underlying the FRO during regular trading hours on the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the last trading day prior to expiration.

Eighth, the Exchange proposes to amend Rule 910FRO (Determination of the Settlement Price) to differentiate between Friday and Saturday expirations. Specifically, the Exchange proposes to specify in Rule 910FRO(a) that, for FROs based on individual stocks and Exchange-Traded Fund Shares, the Exchange will use the ''composite price'' VWAP during regular trading hours for the entire business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, the entire business day immediately preceding the expiration date as reported by industry price vendors.

Ninth, the Exchange proposes to amend Rule 958FRO (Maximum Bid-Ask Differentials) to differentiate between Friday and Saturday expirations. Specifically, the Exchange proposes to specify that a specialist or registered trader is expected to bid and offer so as to create differences of no more than $0.25 between the bid and the offer for each FRO contract except during the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, during the business day prior to expiration, where the maximum permissible price differential for FROs may be $0.50.

Tenth, the Exchange proposes to amend Rule 952BIN (Maximum Bid-Ask Differentials) to differentiate between Friday and Saturday expirations. Specifically, the Exchange proposes to specify that a specialist or registered trader is expected to bid and offer so as to create differences of no more than 25% of the designated exercise settlement value between the bid and offer for each binary option contract or $5.00, whichever amount is wider, except during the business day of their expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, during the business day prior to the expiration, on which the maximum permissible price differential for binary options may be 50% of the designated exercise settlement value or $5.00, whichever amount is wider.

Eleventh, the Exchange proposes to amend Rule 900.2NY (Definitions) in order to amend the definition of ''Expiration Date.'' The proposed amendment would add text to differentiate between option contracts that expire on a non-business day, as is currently the case with monthly expiration contracts, and option contracts that expire on a business day, as would be the case under the proposed new timing of expiration (i.e., Friday instead of Saturday). The amended definition would include a reference to the February 1, 2015 transition date, after which virtually all monthly expiration contracts would actually expire on Friday (rather than, beginning June 21, 2013, only being processed on Friday). The amended definition would also include a reference to long-term option contracts expiring on or after February 1, 2015 that the OCC may designate as ''grandfathered,'' for which the expiration date would continue to be the Saturday immediately following the third Friday of the expiration month.

Twelfth, the Exchange proposes to amend Rule 953NY (Trading Halts and Suspensions) to differentiate between Friday and Saturday expirations. Specifically, the Exchange proposes to specify in Rule 953NY(d)(7) that, in the event that any of the events described in Rule 953NY(d)(1)—(6) should occur on the business day of expiration (i.e., for Friday expirations), or, in the case of an option contract expiring on a day that is not a business day, and as is currently the case for Saturday expirations, on the business day prior to expiration, it is the preference of the Exchange to allow trading to continue on that date.

Finally, the Exchange proposes to amend Rule 975NY (Obvious Errors and Catastrophic Errors) to add greater specificity regarding the timing surrounding notifying the Exchange of a ''Catastrophic Error.'' Specifically, the Exchange proposes to specify that, for such transactions in an expiring options series that take place on an expiration day that is a business day (i.e., for Friday expirations), an ATP Holder must notify the Exchange by 5:00 p.m. ET that same day. For such transactions in an options series that take place on the business day immediately prior to an expiration day that is not a business day (i.e., for Saturday expirations), an ATP Holder must notify the Exchange by 5:00 p.m. ET on such business day (i.e., on Friday).

The Exchange notes that the proposed rule change is not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ATP Holders would have in complying with the proposed rule change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[11] in general, and Section 6(b)(5) of the Act,[12] in particular. The proposed rule change is consistent with Section 6(b)(5) of the Act in that 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, and to remove

[10] Subparagraphs (i) of paragraph (a) of Rule 980C provides that a memorandum to exercise any American-style stock index option contract issued or to be issued in a customer, market maker or firm account at the OCC must be received or prepared by the member organization no later than five (5) minutes after the close of trading on that day and must be time stamped at the time it is received or prepared. Subparagraphs (ii) of paragraph (a) of Rule 980C provides that any member or member organization that intends to submit an exercise notice for 25 or more American-style stock index option contracts in the same series on the same business day on its own behalf or on behalf of an individual customer must deliver an ''exercise advice'' on a form prescribed by the Exchange to a place designated by the Exchange no later than five (5) minutes after the close of trading on that day.

[11] 15 U.S.C. 78f(b).

[12] 15 U.S.C. 78f(b)(5).

impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange believes that implementing the change to Friday expiration processing and eventually transitioning to Friday expiration for all monthly expiration contracts would foster cooperation and coordination with persons engaged in facilitating transactions in securities. Specifically, and as noted above, it has been a long-term goal of OCC and its clearing members to move the expiration process for all monthly expiration contracts from Saturday to Friday night. Eliminating Saturday expirations would allow OCC to streamline the expiration process for all monthly expiration contracts and increase operational efficiencies for OCC and its clearing members.

The Exchange further believes that the proposed rule change would remove impediments to and perfect the mechanism of a free and open market and a national market system by compressing the operational timeframe for processing the options expirations, such that OCC clearing members would be required to reconcile options trades on the trade date, which would enhance intra-day risk management of cleared trades by the clearing member and promote real-time trade date reconciliation and position balancing by clearing members.

The Exchange further believes that the proposed rule change is consistent with the Act because the extended period between cutoff time and expiration of options is no longer necessary given modern technology. In this regard, and based on significant dialogue between the Exchange, other option exchanges, the OCC and its clearing members regarding the move to Friday expiration, the Exchange believes that the adoption of Friday expiration for monthly expiration contracts is best accomplished through an appropriate transition period during which processing activity for all options, whether expiring on Friday or Saturday, has moved to Friday, followed by a change in the expiration day for new series of options.

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

In accordance with Section 6(b)(8) of the Act,[13] the Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any aspect of competition, whether between the Exchange and its competitors, or among market participants. Instead, the proposed rule change is designed to allow OCC to streamline the expiration process for all monthly expiration contracts and increase operational efficiencies for OCC and its clearing members. The proposed rule change also will allow OCC and its clearing members to reduce operational risk. Moreover, OCC has coordinated moving to a Friday night expiration process with options industry participants, including the Exchange, and has also obtained assurance from all such participants that they are able to adhere to OCC's Friday night expiration implementation schedule. Therefore, the Exchange does not believe the proposed rule change would impose a burden 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 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)(iii) of the Act[14] and Rule 19b–4(f)(6) thereunder.[15] 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.[16]

A proposed rule change filed under Rule 19b–4(f)(6)[17] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),[18] 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 notes that waiver of the operative delay would permit the Exchange to implement the changes proposed herein immediately.

Under the proposal, the Exchange would amend certain of its rules pertaining to the trading of options in order to change the expiration date for most option contracts to the third Friday of the expiration month instead of the Saturday following the third Friday. The Exchange represents that a waiver of the 30-day operative delay is necessary and appropriate to not disrupt the industry scheduled listing of Long Term Equity Options Series (''LEAPS'') expiring in January 2016. Specifically, the Exchange notes that, pursuant to the Options Listing Procedures Plan (an approved national market system plan) and its Rule 903 Commentary .03(b), the Options Clearing Corporation and all national securities exchanges that trade options, including the Exchange, agreed on adding new LEAPS expiring in January 2016 on September 16, 2013, for those issues that are on the January expiration cycle. The Exchange further represents that this date was published in 2012 and has been relied upon across the industry.

Since the Exchange's Rule 900.2NY (26) currently defines ''expiration date'' as the ''Saturday immediately following the third Friday of the expiration month,'' the Exchange will not be able to list monthly option contracts expiring on any day other than a Saturday until this proposal becomes effective. As such, the Exchange represents that it will be at a significant competitive disadvantage, and it requests the waiver to facilitate and coordinate with the listing of the 2016 LEAPS on September 16, 2013. Additionally, the Exchange notes that no other provision of the proposal will have an immediate impact on market participants because no monthly options expiring in the next 30 days have a Friday expiration date. Based on the Exchange representations above, and since the proposal is based, in part, on a proposal submitted by the OCC and approved by the Commission,[19] the Commission waives the 30-day operative delay requirement

[13] 15 U.S.C. 78f(b)(8).

[14] 15 U.S.C. 78s(b)(3)(A)(iii).

[15] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[16] 17 CFR 240.19b–4(f)(6)(iii).

[17] 17 CFR 240.19b–4(f)(6).

[18] 17 CFR 240.19b–4(f)(6)(iii).

[19] *See supra* note 4.

and designates the proposed rule change as operative upon filing.[20]

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) [21] 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–NYSEMKT–2013–73 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–NYSEMKT–2013–73. 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 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 publicly available. All submissions should refer to File Number SR–NYSEMKT–2013–73 and should be submitted on or before October 8, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Kevin M. O'Neill,

Deputy Secretary.

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[20] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[21] 15 U.S.C. 78s(b)(2)(B).

[22] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70371; File No. SR–Phlx–2013–90]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Exchange's Pricing Schedule

September 11, 2013.

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 29, 2013, NASDAQ OMX PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') a 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 the Exchange's Pricing Schedule with respect to certain pricing in Section II entitled ''Multiply Listed Options Fees''.[3] While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated that they become operative on September 3, 2013.

The text of the proposed rule change is also available on the Exchange's Web site at *http://nasdaqomxphlx.cchwallstreet.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 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 purpose of the proposed rule change is to amend the Exchange's Pricing Schedule with respect to certain pricing in Section II entitled ''Multiply Listed Options Fees'' by eliminating a certain fee and rebate for certain floor transactions.

Specifically, the Exchange proposes to eliminate certain pricing, established on May 1, 2013,[4] for Specialists [5] and Market Makers [6] that are contra to a Customer order in Penny Pilot Options on Exchange Traded-Fund (''ETFs'') [7] on the Exchange's floor by eliminating the $0.25 per contract fee that is in addition to the Floor Options Transaction Charges in Section II of the Pricing

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] The pricing in Section II includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed.

[4] *See* Securities Exchange Act Release No. 69548 (May 9, 2013) 78 FR 28681 (May 15, 2013) (SR–PHLX–2013–49).

[5] A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

[6] A Market Maker includes Registered Options Traders (Rule 1014(b)(i) and (ii)), which includes Streaming Quote Traders (*see* Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders (*see* Rule 1014(b)(ii)(B)). Directed Participants are also market makers.

[7] An ETF is an open-ended registered investment company under the Investment Company Act of 1940 that has received certain exemptive relief from the Commission to allow secondary market trading in the ETF shares. ETFs are generally index-based products, in that each ETF holds a portfolio of securities that is intended to provide investment results that, before fees and expenses, generally correspond to the price and yield performance of the underlying benchmark index.