

competition to sell proprietary data products and for order flow, as well as numerous alternatives to the Exchange's products, including proprietary data from other sources, ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, when vendors and subscribers can elect these alternatives or choose not to purchase a specific proprietary data product if the attendant fees are not justified by the returns that any particular vendor or data recipient would achieve through the purchase (the returns on use being a particularly important aspect of non-display uses of proprietary data).

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 foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A) ¹⁰ of the Act and subparagraph (f)(2) of Rule 19b-4 ¹¹ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

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) ¹² 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-2015-37 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-2015-37. 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 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-2015-37 and should be submitted on or before June 1, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2015-11276 Filed 5-8-15; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that

the Securities and Exchange Commission Equity Market Structure Advisory Committee will hold a public meeting on Wednesday, May 13, 2015, in the Multipurpose Room, LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC.

The meeting will begin at 9:30 a.m. (EDT) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will be open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission's Web site at www.sec.gov.

On April 23, 2015, the Commission published notice of the Committee meeting (Release No. 34-74793), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

The agenda for the meeting will focus on Rule 611 of SEC Regulation NMS.

For further information, please contact the Office of the Secretary at (202) 551-5400.

Dated: May 6, 2015.

Brent J. Fields,
Secretary.

[FR Doc. 2015-11365 Filed 5-7-15; 11:15 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74876; File No. SR-BOX-2015-06]

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change To Establish a Pilot Program, as Modified by Amendment No. 1, To List and Trade Options Settling to the RealVol™ SPY Index

May 5, 2015.

I. Introduction

On January 21, 2015, the BOX Options Exchange LLC (the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") ¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade P.M.-settled options settling to the RealVol™ SPY Index ("Index"). The proposed rule change was published for comment in the **Federal Register** on February 5,

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(2).

¹² 15 U.S.C. 78s(b)(2)(B).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

2015.³ On March 18, 2015, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.⁵ On April 9, 2015, the Exchange filed Amendment No. 1 to the proposed rule change.⁶ The Commission received one comment letter on the proposed rule change.⁷ This Order grants approval of the proposed rule change, as modified by Amendment No. 1, on an accelerated basis for a twelve-month pilot period.

II. Description of the Proposed Rule Change

The Exchange proposes to list and trade, on a pilot basis, P.M.-settled, cash-settled, European-style options settling to the Index (proposed symbol VOLS⁸), for a pilot period of twelve months (“Pilot Program”). The Index measures the daily realized volatility⁹ of the SPDR S&P 500 Exchange-Traded Fund (“SPY”),¹⁰ based on a 21-trading day rolling realized volatility of the daily closing price of SPY.

The Index is calculated using a methodology developed by The VolX Group Corporation (“VolX”),¹¹ and will be calculated and maintained by a third party calculation agent acting on behalf of VolX. The Index will be updated on each trading day after the close of trading of SPY.¹² Although the Index is

based only on daily closing values of SPY, a real-time version of the Index that is based on the current SPY price will be calculated during the trading day and disseminated at least every 15 seconds during the trading day to market data vendors. This real-time version will provide an estimate of the Index at the close.¹³ The Exchange states that values of the Index also will be disseminated to market information vendors such as Bloomberg and Thomson Reuters. In the event the Index ceases to be maintained or calculated, the Exchange will not list any additional series for trading and will limit all transactions in such options to closing transactions only for the purpose of maintaining a fair and orderly market and protecting investors.

The Exchange proposes that its standard trading hours for index options (9:30 a.m. to 4:15 p.m., Eastern time) will apply to VOLS. Standard VOLS will expire on the third Friday of each month. Trading in expiring VOLS will normally cease at 4:15 p.m. (Eastern time) on the business day of expiration, or, in the case of an option contract expiring on a day that is not a business day, on the last business day before its expiration. The exercise and settlement value will be calculated based on the Index value at the close of the last business day of trading, which is ultimately based on the closing price of SPY on the last business day of trading, for its final input value. The exercise-settlement amount is equal to the difference between the settlement value and the exercise price of the option, multiplied by \$100. Exercise will result in the delivery of cash on the business day following expiration.

The Exchange proposes to adopt minimum trading increments for VOLS to be \$0.05 for series trading below \$3, and \$0.10 for series trading at or above \$3. The Exchange also proposes to set the minimum strike price interval at \$0.50 strike price (or greater) intervals for VOLS where the strike price is less than \$75; \$1 strike price (or greater) intervals where the strike price is \$200 or less; and \$5 strike price (or greater) intervals where the strike price is greater than \$200.

Amendment No. 1 corrects an inaccurate statement in the Notice

and disseminated. The calculation of the Index will compensate for the missing day's returns by lowering the value of “n” in the formula by the number of days that there is no closing price for SPY. *See id.*

¹³ The Exchange represents that after the market close, the real-time formula and the formula used calculate to the Index will have exactly the same value. *See id.* at 6559–6560 (describing in more detail the calculation of the real-time version of the Index).

regarding the exercise price range limitations for new series of index options.¹⁴ Under the Exchange's rules, when new series of index options with a new expiration date are opened for trading, or when additional series of index options in an existing expiration date are opened for trading, as the current value of the underlying index moves substantially from the exercise prices of series already opened, the exercise prices of such new or additional series shall be reasonably related to the current value of the underlying index at the time such series are first opened for trading.¹⁵ The term “reasonably related to the current index value of the underlying index” means that the exercise price is within 30% of the current index value, as defined in BOX Rule 6090(c)(4).¹⁶ In the Notice, the Exchange stated that it proposed to eliminate, for VOLS, the range limitation in BOX Rule 6090(c)(3) requiring the exercise prices of new or additional series of index options to be reasonably related to the current value of the underlying index at the time such series are first opened for trading. The Notice erroneously stated that the Exchange's proposal to permit exercise prices without a range limitation would be identical to those adopted by the Chicago Board Options Exchange, Incorporated (“CBOE”) for options on the CBOE Volatility Index (“VIX”).¹⁷ Amendment No. 1 provides that the exercise price ranges for VOLS will be subject to the exercise price range limitations under BOX Rule 6090(c)(3).¹⁸

The Exchange states that its rules provide that index option contracts may expire at three-month intervals or in consecutive months.¹⁹ The Exchange proposes to list VOLS in six consecutive expiration months.²⁰ In addition, long-term option series having up to 180 months to expiration²¹ and Short Term Option Series²² in VOLS may also be

¹⁴ *See* Amendment No. 1.

¹⁵ *See* BOX Rule 6090(c)(3).

¹⁶ *See* Notice, *supra* note 3, at 6560.

¹⁷ *See id.*

¹⁸ Amendment No. 1 also modifies Exhibit 5 by striking from the proposed text of BOX Rule 6090(c)(7) an erroneous reference to BOX Rules 6090(c)(3) and (c)(4). *See* Amendment No. 1.

¹⁹ *See* Notice, *supra*, note 3, at 6560; BOX Rule 6090(a)(3).

²⁰ For example, the Exchange states that six monthly expirations from January through June may be listed. This is consistent with BOX Rule 6090(a)(3), which permits the Exchange to list up to six expiration months at any one time. *See* Notice, *supra* note 3, at 6560.

²¹ *See* BOX Rule 6090(b)(1).

²² *See* IM-6090-2 to BOX Rule 6090. The Exchange states that it may open Short Term Option Series for trading on any Thursday or Friday that

Continued

³ *See* Securities Exchange Act Release No. 74178 (January 30, 2015), 80 FR 6558 (February 5, 2015) (“Notice”).

⁴ 15 U.S.C. 78s(b)(2).

⁵ *See* Securities Exchange Act Release No. 74526 (March 18, 2015), 80 FR 15653 (March 24, 2015). The Commission designated a longer period within which to take action on the proposed rule change and designated May 6, 2015, as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ *See* Amendment No. 1; *see also infra* notes 14–18 and accompanying text.

⁷ *See* letter from John O'Connell, Financial Integration, to Commission, dated February 8, 2015 (“O'Connell Letter”).

⁸ Options settling to the Index are hereafter referred to as VOLS.

⁹ The Exchange states that realized volatility is the “actual volatility,” “statistical volatility,” or “asset volatility” that the underlying asset has displayed over a specific period. *See* Notice, *supra* note 3, at 6559.

¹⁰ According to the Exchange, SPY has historically been the largest and most actively-traded exchange-traded fund in the United States as measured by its assets under management and the value of shares traded. *See id.*

¹¹ *See id.* (describing in more detail the calculation methodology for the Index).

¹² According to the Exchange, if the current published value of SPY is not available, because of a market disruption event where the market cannot open and there is no closing price for SPY, for example, the Index will continue to be calculated

listed and traded.²³ VOLS will be quoted and traded in U.S. dollars.²⁴

The Exchange believes that the Index is a broad-based index, as that term is defined in BOX Rule 6010(j).²⁵ The Exchange proposes that there shall be no position or exercise limits for VOLS, and also proposes to apply margin requirements for the purchase and sale of VOLS that are identical to the margin requirements adopted by CBOE for options on the VIX.²⁶

In addition, the Exchange proposes that the trading of options on the Index will be subject to the same rules that currently govern the trading of Exchange index options, including sales practice rules and trading rules.²⁷ Trading of VOLS will also be subject to the trading halt procedures applicable to other index options traded on the Exchange.²⁸ Further, Section 4000 of the Exchange's rules, which is designed to protect public customer trading, will apply to trading in VOLS.

The Exchange believes that because the Index will settle using published quotes for SPY and there are currently no position limits for SPY options, it is appropriate not to impose position or exercise limits for VOLS. The Exchange notes that because the size of the market underlying SPY options is so large, it should dispel concerns regarding market manipulation. The Exchange believes that the same reasoning applies to VOLS since the value of VOLS is derived from the realized volatility of SPY. The Exchange also notes that VIX options are not subject to any position or exercise limits.²⁹ The Exchange represents that it has an adequate

is a business day and that expire on each of the next five Fridays that are business days and are not Fridays in which monthly options series or quarterly options series expire. See Notice, *supra* note 3, at 6561; see also IM-6090-2(a) to BOX Rule 6090. The Exchange states that the interval between strike prices on Short Term Options Series may be \$0.50 or greater where the strike price is less than \$75, and \$1 or greater where the strike price is between \$75 and \$150. During the month prior to expiration of an index option class that is selected for the Short Term Option Series Program, the strike price intervals for the related non-Short Term Option shall be the same as the strike price intervals for the Short Term Option. See Notice, *supra* note 3, at 6561; see also IM-6090-2(b)(5) to BOX Rule 6090.

²³ See Notice, *supra* note 3, at 6559.

²⁴ See BOX Rule 6090(a)(1).

²⁵ BOX Rule 6010(j) defines the term "broad-based index" as an index designed to be representative of a stock market as a whole or a range of companies in unrelated industries.

²⁶ The Exchange has proposed to amend BOX Rule 10120 (Margin Requirements) to make clear that the margin requirements for VOLS will be identical to those adopted by CBOE for options on the VIX. See CBOE Rule 12.3.

²⁷ See Notice, *supra* note 3, at 6561.

²⁸ *Id.* at 6560; see also BOX Rule 6080(c).

²⁹ See Notice, *supra* note 3, at 6560-6561.

surveillance program in place for the VOLS product and intends to apply to it the same program procedures that it applies to the Exchange's other options products.³⁰ The Exchange states that its surveillance procedures will allow the Exchange to adequately surveil for any potential manipulation in the trading of VOLS. The Exchange states that, in its normal course of surveillance, it will monitor for any potential manipulation of the Index settlement value according to the Exchange's current procedures. In addition, the Exchange notes that it is a member of the Intermarket Surveillance Group, through which it can coordinate surveillance and investigative information sharing in the stock and options markets with all of the U.S. registered stock and options markets. The Exchange also represents that it has the necessary system capacity to support additional quotations and messages that will result from the listing and trading of VOLS.³¹

The Exchange proposes that proposed rule change to list and trade VOLS be approved on a pilot basis for a period of twelve months. As part of the Pilot Program, the Exchange committed to submit a pilot program report to the Commission two months prior to the expiration date of the pilot program (the "annual report").³² The annual report would include an analysis of volume, open interest, and trading patterns. The analysis would examine trading in VOLS as well as trading in SPY. In addition, for series that exceed certain minimum open interest parameters, the annual report would provide an analysis of index price volatility and SPY trading activity. In addition to the annual report, the Exchange committed to provide the Commission with periodic interim reports while the pilot is in effect that would contain some, but not all, of the information contained in the annual report ("interim reports"). In its filing, BOX notes that it would provide the annual and interim reports to the Commission on a confidential basis.³³

III. Discussion and Commission Findings

After careful consideration of the proposal, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,³⁴ and, in particular, the

requirements of Section 6 of the Act.³⁵ Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,³⁶ which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to 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. In particular, the Commission believes that the proposed VOLS options product provides investors with an additional trading and hedging mechanism. Further, as noted above, the Commission received one comment letter in support of the proposal and endorsed the usefulness of the VOLS products for these purposes. The comment letter stated, "[t]hese options will be extremely helpful for hedging index option exposure, equity portfolios, and as a risk-management tool for hedge fund managers."³⁷ In addition, the Commission believes that the proposal will allow BOX to conduct a limited and carefully monitored pilot for the listing and trading of VOLS, as proposed.

The Commission believes that the Exchange's proposal to impose no position or exercise limits on VOLS is appropriate and consistent with the Act. The Commission also believes that the proposed strike price intervals are consistent with the Act. \$0.50 or greater strikes for VOLS where the strike price is less than \$75, \$1 or greater strike price intervals for VOLS where the strike price is \$200 or less, and \$5 or greater strike price intervals for VOLS when the strike price is greater than \$200 should provide investors with added flexibility in the trading of VOLS options and will further the public interest by allowing investors to establish positions that are better tailored to meet their investment objectives. Moreover, the Commission notes that, under the Exchange's rules, the strike prices of new or additional series of VOLS shall be reasonably related to—i.e., within 30% of—the current value of the underlying index at the time such series are first opened for trading.³⁸ The Commission also notes that the Exchange has represented that it has the necessary system capacity to

impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁵ 15 U.S.C. 78f.

³⁶ 15 U.S.C. 78f(b)(5).

³⁷ See O'Connell Letter, *supra* note 7, at 1.

³⁸ See BOX Rule 6090(c)(3) and (c)(4).

³⁰ See *id.* at 6561.

³¹ *Id.*

³² *Id.* at 6561-6562.

³³ *Id.* at 6562.

³⁴ In approving this proposed rule change, the Commission has considered the proposed rule's

handle the additional quotations and messages associated with the listing and trading of VOLS.³⁹

The Commission also believes that it is consistent with the Act to apply margin requirements to the proposed VOLS product that are identical to the margin requirements adopted by the CBOE for options on the VIX. The Exchange has represented that BOX options participants and their associated persons are bound by the initial and maintenance margin requirements of either the CBOE or the New York Stock Exchange, pursuant to BOX Rule 10120.⁴⁰ As the CBOE VIX measures the expected volatility of the S&P 500 Index, the Commission believes it is acceptable to apply the same margin requirements applying to VIX options to VOLS, which are options on an index measuring the realized volatility of SPY. The Commission further believes that the Exchange's proposed minimum trading increment, series openings, and other aspects of the proposed rule change are appropriate and consistent with the Act.

In the Commission's order approving the listing and trading of P.M.-settled options on the S&P 500 Index on CBOE,⁴¹ the Commission noted that the potential impact on the market at expiration for the underlying component stocks for a P.M.-settled, cash-settled index option remained unclear, given past experience with the impact of P.M. settlement of cash-settled index derivatives on the underlying cash markets and the enhanced closing procedures that are now in use at the primary equity markets.⁴² To assist the Commission in assessing any potential impact of a P.M.-settled VOLS product on the options markets as well as the underlying cash equities markets, BOX will be required to submit data to the Commission as a condition of Commission approval of the VOLS product on a pilot basis. The Commission believes that BOX's proposed twelve-month pilot, together with the data and analysis that BOX should provide to the Commission, should allow BOX and the Commission to monitor for and assess any potential for adverse market effects. Specifically, the data and analysis should assist the Commission in evaluating the effect of allowing P.M. settlement for VOLS on SPY.

BOX's proposed twelve-month pilot will enable the Commission to collect current data to assess and monitor for any potential for impact on the markets. In particular, the data collected from BOX's Pilot Program will help inform the Commission's consideration of whether the pilot should be modified, discontinued, extended, or permanently approved. The Pilot Program information should help the Commission assess the impact on the markets and determine whether other changes are necessary. Furthermore, the Exchange's ongoing analysis of the pilot should help it monitor any potential risks from large P.M.-settled positions and take appropriate action on a timely basis if warranted.

As a national securities exchange, the Exchange is required, under Section 6(b)(1) of the Act,⁴³ to enforce compliance by its members and persons associated with its members with the provisions of the Act, Commission rules and regulations thereunder, and its own rules. In this regard, the Commission notes that trading of VOLS will be subject to the same rules that currently govern the trading of other index options on the Exchange.⁴⁴ In addition, as noted above, the Exchange has asserted that the Index settlement value is not susceptible to manipulation.⁴⁵ Moreover, the Exchange has represented that it has an adequate surveillance program in place for options traded on the Index, and will monitor for any potential manipulation of the Index settlement value according to its current surveillance procedures.⁴⁶ In approving the proposed listing and trading of the Index options, the Commission has also relied on BOX's representation that it has the necessary system capacity to support the new options series that will result from this proposal.⁴⁷

Accordingly, for the reasons stated above, the Commission finds good cause, pursuant to Section 19(b)(2) ⁴⁸ of the Act, for approving the Exchange's proposal, as modified by Amendment No. 1, prior to the 30th day after the date of publication of the notice in the **Federal Register**.

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-BOX-2015-06 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-BOX-2015-06. 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 will also 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-BOX-2015-06 and should be submitted on or before June 1, 2015.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁴⁹ that the proposed rule change (SR-BOX-2015-06), as modified by Amendment No. 1, be, and hereby is, approved on an accelerated basis for a twelve-month pilot period set to expire on May 6, 2016.

³⁹ See Notice, *supra* note 3, at 6561.

⁴⁰ *Id.* at 6560.

⁴¹ See Securities Exchange Act Release No. 68888 (February 8, 2013), 78 FR 10668 (February 14, 2013).

⁴² *Id.* at 10669.

⁴³ 15 U.S.C. 78f(b)(1).

⁴⁴ See *supra* note 27 and accompanying text.

⁴⁵ See Notice, *supra* note 3, at 6561.

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ 15 U.S.C. 78s(b)(2).

⁴⁹ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁰

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 2015-11275 Filed 5-8-15; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74873; File No. SR-NASDAQ-2015-044]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Listing and Trading of the Shares of the First Trust High Income ETF, a Series of First Trust Exchange-Traded Fund VI

May 5, 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 April 24, 2015, The NASDAQ Stock Market LLC (“Nasdaq” or the “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 Nasdaq. The Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b-4(f)(6) under the Act,³ which renders the proposal effective upon filing with the Commission. 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

Nasdaq proposes a rule change with respect to the First Trust High Income ETF (the “Fund”) of First Trust Exchange-Traded Fund VI (the “Trust”), the shares of which have been approved by the Commission for listing and trading under NASDAQ Rule 5735 (“Managed Fund Shares”). The shares of the Fund are collectively referred to herein as the “Shares.”

The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at Nasdaq’s principal office, 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, Nasdaq included statements concerning the purpose of, and basis for, the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. Nasdaq 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 reflect changes to the means of achieving the Fund’s investment objectives. The Commission has approved the listing and trading of Shares under NASDAQ Rule 5735, which governs the listing and trading of Managed Fund Shares on the Exchange.⁴ The Exchange believes the proposed rule change reflects no significant issues not previously addressed in the Prior Release. The Fund is an actively managed exchange-traded fund (“ETF”). The Shares are offered by the Trust, which was organized as a Massachusetts business trust on June 4, 2012. The Trust, which is registered with the Commission as an investment company, has filed a registration statement on Form N-1A (“Registration Statement”) relating to the Fund with the Commission.⁵ First Trust Advisors L.P. (“First Trust

⁴ The Commission approved NASDAQ Rule 5735 (formerly NASDAQ Rule 4420(o)) in Securities Exchange Act Release No. 57962 (June 13, 2008), 73 FR 35175 (June 20, 2008) (SR-NASDAQ-2008-039). The Commission previously approved the listing and trading of the Shares of the Fund. See Securities Exchange Act Release No. 70829 (November 7, 2013), 78 FR 68482 (November 14, 2013) (SR-NASDAQ-2013-122) (“Prior Order”). See also Securities Exchange Act Release No. 70460 (September 20, 2013), 78 FR 59402 (September 26, 2013) (SR-NASDAQ-2013-122) (“Prior Notice,” and together with the Prior Order, the “Prior Release”). The Fund and the Shares are currently in compliance with the requirements set forth in the Prior Release.

⁵ See Post-Effective Amendment No. 51 to Registration Statement on Form N-1A for the Trust, dated January 21, 2015 (File Nos. 333-182308 and 811-22717). The descriptions of the Shares and the Fund contained herein are based, in part, on information in the Registration Statement. In addition, the Commission has issued an order, upon which the Trust may rely, granting certain exemptive relief under the Investment Company Act of 1940 (the “1940 Act”). See Investment Company Act Release No. 28468 (October 27, 2008) (File No. 812-13477).

Advisors”) is the investment adviser (“Adviser”) to the Fund.

The Prior Release provided that the Fund’s primary investment objective would be to provide current income and that its secondary investment objective would be to provide capital appreciation. Further, the Prior Notice provided that the Fund would pursue its objectives by investing in large-cap U.S. exchange-traded equity securities and by utilizing an “option strategy” consisting of writing (selling) exchange-traded covered call options on the Standard & Poor’s 500 Index (the “Index”).

The Exchange now proposes two modifications to the description of the measures utilized by the Adviser to implement the Fund’s investment objectives. As described in further detail below, these pertain to the following: (1) The Fund’s investment primarily in large-cap U.S. exchange-traded equity securities; and (2) the permissible terms to expiration for the U.S. exchange-traded covered call options written (sold) by the Fund. These modifications are being proposed to enhance the Adviser’s flexibility in pursuing the Fund’s investment objectives. However, the equity securities in which the Fund would invest and the options which the Fund would write would continue to be limited to U.S. exchange-traded securities and options, respectively. The Adviser represents that there would be no change to the Fund’s investment objectives. Except as provided herein, all other facts presented and representations made in the Prior Release would remain unchanged. The Fund and the Shares would continue to comply with all initial and continued listing requirements under NASDAQ Rule 5735.

The Fund’s Investments Primarily in Large-Cap U.S. Exchange-Traded Equity Securities

The Prior Release stated that in pursuing its investment objectives, under normal market conditions,⁶ the

⁶ According to the Prior Release, the term “under normal market conditions” as used therein included, but was not limited to, the absence of adverse market, economic, political or other conditions, including extreme volatility or trading halts in the securities markets or the financial markets generally; operational issues causing dissemination of inaccurate market information; or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance. The Prior Release also provided that in periods of extreme market disturbance, the Fund may take temporary defensive positions, by overweighting its portfolio in cash/cash-like instruments; however, to the extent possible, the Adviser would continue to seek to achieve the Fund’s investment objectives.

⁵⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).