

Register on August 12, 2014. February 8, 2015, is 180 days from that date, and April 9, 2015, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to evaluate the proposed rule change and whether it is consistent with the Act.⁷ The proposed rule change would allow the Exchange to list for trading on the Exchange options on shares of the Market Vectors ETFs without satisfying the Exchange's listing standards, which require, in part, that the component securities of an index or portfolio of securities on which the Exchange Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance sharing agreement do not represent 20% or more of the weight of the index.⁸

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,⁹ designates April 9, 2015, as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-MIAX-2014-39).

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

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74151; File No. SR-BYX-2015-06]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rules 2.5(c)(4) and 11.5 To Harmonize With EDGA and EDGX Rules, Its Membership Requirements Applicable To Clearing Agencies That Clear Transactions for Members

January 27, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 22, 2015, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") 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 Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it 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

The Exchange filed a proposal to amend Rules 2.5(c)(4) and 11.15 to harmonize its membership requirements applicable to clearing agencies that clear transactions for Members⁵ of the Exchange with those set forth under EDGX Exchange, Inc. ("EDGX") and EDGA Exchange, Inc. ("EDGA") rules.⁶

The text of the proposed rule change is available at the Exchange's Web site at www.batstrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ The term "Member" is defined as "any registered broker or dealer that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange." See Exchange Rule 1.5(n).

⁶ See EDGA Rules 2.5(c)(4) and 11.13; EDGX Rules 2.5(c)(4) and 11.13.

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 amend Rules 2.5(c)(4) and 11.15 to harmonize its membership requirements applicable to clearing agencies that clear transactions for Members with those set forth under EDGX and EDGA rules.⁷ Earlier this year, the Exchange and its affiliate, BATS Exchange, Inc. ("BZX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, BATS Global Markets, Inc., with Direct Edge Holdings LLC, the indirect parent of EDGX and EDGA (together with BZX, BYX and EDGX, the "BGM Affiliated Exchanges").⁸ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain rules, retaining only intended differences between the BGM Affiliated Exchanges. As part of this effort, the proposal set forth below harmonizes Exchange Rules 2.5 and 11.15 with EDGA and EDGX Rules 2.5 and 11.13 by no longer requiring that a Qualified Clearing Agency⁹ be a Member in order to clear other Member's transactions executed on the Exchange.¹⁰

In sum, Rule 2.5(a)(4) currently provides that a Member also be a member of a Qualified Clearing Agency or clear its transactions executed on the Exchange through another Member that is a member of a Qualified Clearing Agency. Rule 11.15(a) currently requires

⁷ See *supra* note 6.

⁸ See Securities Exchange Act Release No. 71375 (January 23, 2014), 79 FR 4771 (January 29, 2014) (SR-BATS-2013-059; SR-BYX-2013-039).

⁹ The term "Qualified Clearing Agency" is defined as "a clearing agency registered with the Commission pursuant to Section 17A of the Act that is deemed qualified by the Exchange." See Exchange Rule 1.5(u).

¹⁰ The Exchange understands that BZX is to file a proposed rule change with the Commission to adopt similar changes.

⁷ The Commission notes that MIAX also submitted a similar proposed rule change to list and trade options on shares of certain iShares ETFs. See Securities Exchange Act Release No. 72492 (June 27, 2014), 79 FR 38099 (July 3, 2014) (MIAX-2014-30). The Commission similarly designated a longer period for Commission action on proceedings to determine whether to approve or disapprove that proposed rule change as well. See Securities Exchange Act Release No. 73856 (December 17, 2014), 79 FR 77075 (December 23, 2014).

⁸ See MIAX Rule 402(i)(5)(ii)(B). The Exchange represents that each of the Market Vectors ETFs are comprised of component securities for which the primary market is a single foreign market, and that, for each ETF, MIAX does not have a CSSA with its foreign counterpart in the applicable foreign market.

⁹ *Id.*

¹⁰ 17 CFR 200.30-3(a)(57).

a Qualified Clearing Agency be a Member of the Exchange in order to clear transactions on behalf of another Member. EDGA and EDGX Rules 2.5(c)(4) and 11.13(a) do not require that: (i) A Qualified Clearing Agency be a member in order to clear other member's transactions executed on EDGA or EDGX; (ii) that a member be a member of a Qualified Clearing Agency; or (iii) that a member clear its transaction through a member of a Qualified Clearing Agency. Rather, EDGA and EDGX Rules simply require that a member clear transactions through a registered clearing agency using a continuous net settlement system. EDGA and EDGX Rules 11.13(a) further state that this requirement may be satisfied by direct participation, use of direct clearing services, or by entering into a correspondent clearing arrangement with another member that clears trades through such agency.

As amended, Rules 2.5(a)(4) and 11.15(a) would be substantially similar to EDGA and EDGX rules 2.5(c)(4) and 11.3(a). Like EDGA and EDGX Rules 2.5(c)(4), Exchange Rules 2.5(a)(4) would require that a Member clear transactions through a Qualified Clearing Agency using a continuous net settlement system. Like EDGA and EDGX Rules 11.13(a), amended Exchange Rule 11.15(a) would state that this requirement may be satisfied by direct participation, use of direct clearing services, or by entering into a correspondent clearing arrangement with another member that clears trades through such agency. In addition, Exchange Rule 11.15(a) would no longer require a Qualified Clearing Agency be a Member in order to clear another Members' transactions executed on the Exchange.

The Exchange also proposes to add new subparagraph (b) to Rule 11.15 stating that notwithstanding subparagraph (a) of Rule 11.15, transactions may be settled "ex-clearing," provided that both parties to the transaction agree. Proposed subparagraph (b) to Rule 11.15 would be identical to EDGA and EDGX Rules 11.13(b). The Exchange also proposes to renumber the remaining subparagraphs of Rule 11.13 accordingly.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act¹¹ and furthers the objectives of Section 6(b)(5) of the Act,¹² in that it is designed to promote just and equitable principles of trade,

remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

The proposed rule change is identical to the existing rules of EDGA and EDGX.¹³ Requiring Qualified Clearing Agencies to be Members of the Exchange has unreasonably limited the ability of Members to clear trades through such agencies that are not Members when no such restriction is contained in the rules of EDGA or EDGX. The proposed rule change is, therefore, intended to align the Exchange's rules regarding Members clearing transaction through a Qualified Clearing Agency with that of EDGA and EDGX as well as BZX¹⁴ in order to provide consistent rules across the BGM Affiliated Exchanges. Consistent rules, in turn, will simplify the membership requirements for clearing agencies that are also clear transactions for members of the other BGM Affiliated Exchanges. The proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges of similar purpose, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The proposed rule change would not impose any burden on competition. The Exchange believes that the proposed rule changes will not burden intramarket competition because all Members would be subject to the same requirements with regard to clearing transactions through non-Member registered clearing agencies. The proposed rule change is not designed to address any competitive issues but rather is designed to provide greater harmonization among the Exchange, BZX, EDGA and EDGX rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members of the BGM Affiliated Exchanges.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁵ and Rule 19b-4(f)(6)(iii) thereunder.¹⁶ The Exchange provided the Commission with written notice of its 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 the proposed rule change as required by Rule 19b-4(f)(6).¹⁷

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) Necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule 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 proposal 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 No. SR-BYX-2015-06 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ See *supra* note 6.

¹⁴ See *supra* note 10.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6).

and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File No. SR-BYX-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 No. SR-BYX-2015-06 and should be submitted on or before February 23, 2015.

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

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74145; File No. SR-Phlx-2015-09]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Regarding the Short Term Option Series Program

January 27, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that, on January 21, 2015, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is filing with the Commission a proposal to amend Rule 1012 (Series of Options Open for Trading) to introduce finer \$.50 strike price intervals in non-index Short Term Options with strike prices less than \$100.

The text of the proposed rule change is 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 this proposed rule change is to amend Rule 1012 governing the Short Term Option ("STO")³ Series

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ STOs, also known as "weekly options" as well as "Short Term Options", are series in an options class that are approved for listing and trading on the Exchange in which the series are opened for trading on any Thursday or Friday that is a business day and that expire on the Friday of the next business week. If a Thursday or Friday is not a business day, the series may be opened (or shall expire) on the first business day immediately prior to that Thursday or Friday, respectively. STOs are listed and traded pursuant to the STO Series Program. For STO Series Program rules regarding non-index options, see Rule 1000(b)(44) and Commentary .11

Program to introduce finer strike price intervals for certain STOs. In particular, the Exchange proposes to amend Commentary .11(e) to Rule 1012 to extend \$.50 strike price intervals in non-index options to STOs with strike prices less than \$100 instead of the current \$.75. This proposed change is intended to eliminate gapped strikes between \$.75 and \$1.00 that result from conflicting strike price parameters under the STO Series Program and the \$.25 Strike Price Program, as described in more detail below.

This is a competitive filing that is based on a recent STO proposal of the International Securities Exchange, LLC ("ISE").⁴

Under the Exchange's rules, the Exchange may list STOs in up to fifty option classes in addition to option classes that are selected by other securities exchanges that employ a similar program under their respective rules.⁵ On any Thursday or Friday that is a business day, the Exchange may list STO series in designated option classes that expire at the close of business on each of the next five Fridays that are business days and are not Fridays in which monthly or quarterly options expire.⁶ These STO series trade in \$.50, \$1, or \$.25 or greater strike price intervals depending on the strike price and whether the option trades in dollar increments in the related monthly expiration.⁷ Specifically, STOs in non-index option classes admitted to the STO Series Program currently trade in: (1) \$.50 or greater intervals for strike prices less than \$.75, or for option classes that trade in one dollar increments in the related monthly expiration option; (2) \$1 or greater intervals for strike prices that are between \$.75 and \$1.50; and (3) \$.25 or greater intervals for strike prices above \$1.50.⁸

The Exchange also operates a \$.25 Strike Price Program that permits the Exchange to select up to sixty options classes on individual stocks to trade in \$.25 strike price intervals, in addition to option classes selected by other securities exchanges that employ a similar program under their respective rules.⁹ Monthly expiration options in classes admitted to the \$.25 Strike

to Rule 1012. For STO Series Program rules regarding index options, see Rule 1000A(b)(16) and Rule 1101A(b)(vi).

⁴ See Securities Exchange Act Release No. 73999 (January 6, 2015), 80 FR 1559 (January 12, 2015) (SR-ISE-2014-52) (order approving).

⁵ See Commentary .11(a) to Rule 1012.

⁶ See Commentary .11 to Rule 1012.

⁷ See Commentary .11(e) to Rule 1012.

⁸ *Id.*

⁹ See Commentary .05(b) to Rule 1012.

¹⁸ 17 CFR 200.30-3(a)(12).