AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Corporation establishes for another GCF Clearing Bank.''

III. Discussion

Section 17A(b)(3)(F) of the Act [22] requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of security transactions and assure the safeguarding of securities and funds which are in the custody or control of such clearing agency or for which it is responsible.

Because the proposed rule change aligns the GCF Repo service with recommendations made by the TPR to address risks in the overall tri-party repo market, it will promote the prompt and accurate clearance and settlement of security transactions and assure the safeguarding of securities and funds which are in the custody or control of FICC or for which it is responsible, and therefore is consistent with the requirements of Section 17A(b)(3)(F) of the Act. The proposed rule change is not inconsistent with the existing rules of FICC, including any other rules proposed to be amended.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act [23] and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[24] that the proposed rule change (File No. SR–FICC–2012–05) be, and hereby is, approved.[25]

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.[26]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012–19884 Filed 8–13–12; 8:45 am]

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[22] 15 U.S.C. 78q–1(b)(3)(F).

[23] 15 U.S.C. 78q–1.

[24] 15 U.S.C. 78s(b)(2).

[25] In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

[26] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67623; File No. SR–BATS–2012–034]

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

August 8, 2012.

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 1, 2012, BATS Exchange, Inc. (the ''Exchange'' or ''BATS'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act [3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the fee schedule applicable to Members [5] and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal will be effective upon filing.

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

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to modify its fee schedule in order to: (i) Remove a venue currently included as part of the Exchange's ''TRIM'' routing strategy; and (ii) commence charging for certain physical ports used to access the Exchange at the Exchange's secondary data center. Each of these proposed changes is described in further detail below.

(i) TRIM Routing Strategy

The Exchange proposes to modify its fee schedule in order to remove a specific venue from the Exchange's ''TRIM'' routing strategy. As defined in BATS Rule 11.13(a)(3)(G), TRIM is a routing option under which an order checks the System [6] for available shares if so instructed by the entering User [7] and then is sent to destinations on the System routing table. The TRIM routing strategy is focused on seeking execution of orders while minimizing execution costs by routing to certain low cost execution venues on the Exchange's routing table. Accordingly, the Exchange's current TRIM routing strategy will check the Exchange's order book (if instructed to do so) and then route to various venues on the Exchange's routing table, including NASDAQ OMX BX, Inc. (''NASDAQ BX''), EDGA EXCHANGE, Inc. (''EDGA''), the New York Stock Exchange LLC (''NYSE''), BATS Y–Exchange, Inc. (''BYX Exchange'') and certain alternative trading systems available through the Exchange's ''DRT'' strategy (''DRT Venues'').[8] Effective July 2, 2012, NASDAQ OMX PSX

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(2).

[5] A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

[6] As defined in BATS Rule 1.5(aa), the System is the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.

[7] As defined in BATS Rule 1.5(cc), a User is any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.

[8] As set forth in BATS Rule 11.13(a)(3)(E), DRT is a routing option in which the entering firm instructs the System to route to alternative trading systems included in the System routing table. Unless otherwise specified, DRT can be combined with and function consistent with all other routing options.

(''NASDAQ PSX''), began to provide free executions to participants that met certain volume criteria. The Exchange, in turn, added NASDAQ PSX to the TRIM routing strategy as a low cost execution venue beginning July 2, 2012. According to a recently announced change, as of August 1, 2012, NASDAQ PSX will charge participants $0.0019 per share to remove liquidity from its order book in Tape A securities and $0.0027 per share to remove liquidity from its order book in Tape B and C securities, rather than continuing to provide executions free of charge.[9] Based on this fee increase, the Exchange no longer believes that NASDAQ PSX should be included in the TRIM routing strategy.

(ii) Physical Ports to Secondary Data Center

The Exchange currently charges for both ''logical'' ports used for order entry or receipt of Exchange data, and, depending on a participant's connection method (i.e., the number of access points and bandwidth of connection), also charges for the ''physical'' ports needed to connect to the Exchange's system. A logical port is also commonly referred to as a TCP/IP port, and represents a port established by the Exchange within the Exchange's system for trading and billing purposes. Each logical port established is specific to a Member or non-member and grants that Member or non-member the ability to operate a specific application, such as FIX order entry or PITCH data receipt. In contrast, a physical port is the port that is used by a Member or non-member to physically connect to the Exchange at the data centers where the Exchange's servers are located (i.e., either a cross-connection or a private line Ethernet connection to the Exchange's network within the data center). Multiple logical ports can be created for a single physical port.

The Exchange currently provides four (4) ''pairs'' of 1G physical ports without charge to any Member or non-member that has been approved to connect to the Exchange. A ''pair'' of ports refers to one port at the site of the Exchange's primary data center and one port at the site of the Exchange's secondary data center. The Exchange then charges $2,500 for each additional single 1G physical port provided by the Exchange to any Member or non-member in any data center. The Exchange proposes to modify pricing for physical ports used to connect to the Exchange at the Exchange's secondary data center, which the Exchange is in the process of migrating to Chicago, Illinois. The Exchange's secondary data center is operated to provide both the Exchange and participants that use the Exchange with a back-up facility and redundant operations in the event there is a disruption or event that affects the Exchange at the Exchange's primary data center. Thus, the secondary data center provides redundant connectivity to the Exchange for Members and non-members.

In order to help to pay for the infrastructure and other costs associated with the secondary data center, the Exchange proposes to impose physical port fees of $1,000 per month per 1G physical port at the secondary data center. In connection with this change, the Exchange also proposes clarifying changes to its existing physical port fees as set forth on the Exchange's fee schedule to ensure that the fee schedule clearly states that the existing pricing for physical ports will continue to apply at the primary data center, specifically four free ports and $2,500 for each additional port thereafter. Based on the scope of the proposal, the change applies to all Exchange constituents with physical connections, including Members that obtain ports for direct access to the Exchange, non-member service bureaus that act as a conduit for orders entered by Exchange Members that are their customers, Sponsored Participants, and market data recipients.

The Exchange currently provides the option to connect directly with the Exchange via 10G physical ports to any Member or non-member that has been approved to connect to the Exchange. Due to the infrastructure costs associated with providing the additional bandwidth for 10G physical ports, the Exchange currently charges $2,500 per month for each physical 10G port provided by the Exchange to any Member or non-member. The Exchange is not proposing any changes to its pricing for 10G physical ports but has proposed to make clear that this pricing applies to 10G physical ports in either data center.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.[10] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[11] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange also notes that with respect to the routing changes proposed in this filing, although routing options are available to all Users, Users are not required to use the Exchange's routing services, but instead, the Exchange's routing services are completely optional. Members can manage their own routing to different venues or can utilize a myriad of other routing solutions that are available to market participants.

The Exchange believes that removing NASDAQ PSX from the TRIM routing option is reasonable because NASDAQ PSX will no longer provide executions free of charge, as described above. As such, the Exchange believes that the proposed change to remove NASDAQ PSX from the TRIM routing option is a fair and reasonable and equitable allocation of fees in that it is consistent with the goal of routing to low cost execution venues. The Exchange also believes that the proposed change to the TRIM routing strategy is fair and equitable and not unreasonably discriminatory in that it will apply equally to all Exchange Users.

The Exchange believes that its proposed physical port fees for all 1G physical connections to the secondary data center are equitably allocated among its constituents because the fees will enable the Exchange to recoup some of the additional infrastructure costs associated with establishing and maintaining physical ports that can be used to connect to the Exchange's systems at a secondary location. The Exchange notes that the physical port fees imposed by its competitors are similar to, and in some cases higher than, the physical port fees charged by the Exchange.[12] Accordingly, the Exchange believes that the proposed port fees are reasonable. The Exchange also believes that its proposed fee for each 1G physical port used to access the secondary data center is reasonable due to the continued provision of up to four

[9] *See* Equity Trader Alert #2012–31 (July 30, 2012). This change was recently announced and will become operative on August 1, 2012.

[10] 15 U.S.C. 78f.

[11] 15 U.S.C. 78f(b)(4).

[12] *See, e.g.,* NASDAQ Rule 7034(b) (setting forth physical connection charges to connect to NASDAQ, including physical connection fees ranging from $1,000 to $15,000 per month, depending on the method of connectivity).

free 1G physical ports that can be established to access the Exchange's primary data center. Finally, the Exchange believes that the fees proposed for physical ports to access the secondary data center are not unfairly discriminatory, in that they are uniform in application to all Members and non-Members, and are based on each Member's or non-Member's individual capacity needs and needs for redundancy.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for order execution is extremely competitive, Members may readily opt to disfavor the Exchange's routing services if they believe that alternatives offer them better value. The proposed change is designed to ensure that the TRIM routing strategy efficiently focuses on low cost execution venues, thereby allowing it to remain competitive. Similarly, the Exchange believes that its proposed physical access fees are similar to and, in some cases, less than, the fees imposed by competitors to the Exchange. The Exchange does not believe that the imposition of physical port fees to connect to the Exchange's secondary data center will burden competition, but, to the contrary, the Exchange believes that the proposal will help the Exchange to recoup some of its infrastructure costs and, in turn, compete with other venues that charge fees to access their markets, including their back-up data centers.

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.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act [13] and Rule 19b–4(f)(2) thereunder,[14] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge applicable to the Exchange's Members and non-members, which renders the proposed rule change effective upon filing.

At any time within 60 days of the filing of the 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.

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–BATS–2012–034 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–BATS–2012–034. 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 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–BATS–2012–034 and should be submitted on or before September 4, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012–19861 Filed 8–13–12; 8:45 am]

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[13] 15 U.S.C. 78s(b)(3)(A)(ii).

[14] 17 CFR 240.19b–4(f)(2).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67622; File No. SR–BYX–2012–017]

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

August 8, 2012.

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 July 31, 2012, 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, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act [3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the fee schedule applicable to Members [5] and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal will be effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(2).

[5] A Member is any registered broker or dealer that has been admitted to membership in the Exchange.