

members and persons associated with members by providing the parties more information about the allegations at the outset of the proceeding.

Requiring a member firm that is the subject of a TCDO to provide a copy of the order to its associated persons should help prevent fraudulent and manipulative acts and practices by ensuring that the persons who may act on behalf of the member firm are made aware of the contents of a TCDO imposed against the member firm.

For the reasons discussed above, the Commission finds that the proposed rule change is consistent with the Section 15A of the Act and the rules and regulations thereunder.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>25</sup> that the proposed rule change (SR-FINRA-2015-019) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>26</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75631; File No. SR-MIAX-2015-51]

### Self-Regulatory Organizations; Miami International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Fee Schedule

August 6, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on August 5, 2015, Miami International Securities Exchange LLC (“MIAX” or “Exchange”) 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 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 a proposal to amend the MIAX Options Fee Schedule (the “Fee Schedule”).

The text of the proposed rule change is available on the Exchange’s Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX’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, 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 Exchange proposes to amend its Fee Schedule to (i) establish an additional transaction fee rebate for Priority Customer<sup>3</sup> orders submitted by Members that meet certain percentage thresholds of national customer volume in multiply-listed options classes listed on MIAX; and (ii) establish new monthly volume thresholds in such option classes in the Priority Customer Rebate Program (the “Program”).<sup>4</sup>

##### Priority Customer Rebate Program

Currently, the Exchange credits each Member the per contract amount resulting from each Priority Customer order transmitted by that Member that is

<sup>3</sup> The term “Priority Customer” means a person or entity that (i) is not a broker or dealer in securities, and (ii) does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial accounts(s). See Exchange Rule 100.

<sup>4</sup> See Securities Exchange Act Release Nos. 74758 (April 17, 2015), 80 FR 22756 (April 23, 2015) (SR-MIAX-2015-27); 74007 (January 9 [sic], 2015), 80 FR 1537 (January 12, 2015) (SR-MIAX-2014-69); 72799 (August 8, 2014), 79 FR 47698 (August 14, 2014) (SR-MIAX-2014-40); 72355 (June 10, 2014), 79 FR 34368 (June 16, 2014) (SR-MIAX-2014-25); 71698 (March 12, 2014), 79 FR 15185 (March 18, 2014) (SR-MIAX-2014-12); 71283 (January 10, 2014), 79 FR 2914 (January 16, 2014) (SR-MIAX-2013-63); 71009 (December 6, 2013), 78 FR 75629 (December 12, 2013) (SR-MIAX-2013-56).

executed electronically on the Exchange in all multiply-listed option classes (excluding Qualified Contingent Cross Orders,<sup>5</sup> mini-options,<sup>6</sup> Priority Customer-to-Priority Customer Orders, PRIME Auction Or Cancel Responses, PRIME Contra-side Orders, PRIME Orders for which both the Agency and Contra-side Order are Priority Customers,<sup>7</sup> and executions related to contracts that are routed to one or more exchanges in connection with the Options Order Protection and Locked/Crossed Market Plan referenced in MIAX Rule 1400)), provided the Member meets certain tiered percentage thresholds in a month as described in the Priority Customer Rebate Program table.<sup>8</sup> For each Priority Customer order transmitted by that Member which is executed electronically on the Exchange in MIAX Select Symbols, MIAX will continue to credit each member at the separate per contract rate for MIAX Select Symbols.<sup>9</sup> For each Priority Customer order submitted into the PRIME Auction as a PRIME Agency Order, MIAX will continue to credit each member at the separate per contract rate for PRIME Agency Orders.<sup>10</sup> The volume thresholds are calculated based on the customer volume over the course of the month. Volume will be recorded for and credits

<sup>5</sup> A Qualified Contingent Cross Order is comprised of an originating order to buy or sell at least 1,000 contracts, or 10,000 mini-option contracts, that is identified as being part of a qualified contingent trade, as that term is defined in Interpretations and Policies .01 below, coupled with a contra-side order or orders totaling an equal number of contracts. A Qualified Contingent Cross Order is not valid during the opening rotation process described in Rule 503. See Exchange Rule 516(j).

<sup>6</sup> A mini-option is a series of option contracts with a 10 share deliverable on a stock, Exchange Traded Fund share, Trust Issued Receipt, or other Equity Index-Linked Security. See Exchange Rule 404, Interpretations and Policies .08.

<sup>7</sup> The MIAX Price Improvement Mechanism (“PRIME”) is a process by which a Member may electronically submit for execution (“Auction”) an order it represents as agent (“Agency Order”) against principal interest, and/or an Agency Order against solicited interest. For a complete description of PRIME and of PRIME order types and responses, see Exchange Rule 515A.

<sup>8</sup> See MIAX Fee Schedule Section 1(a)(iii).

<sup>9</sup> See Securities Exchange [sic] Release Nos. 74291 (February 18, 2015), 80 FR 9841 (February 24, 2015) (SR-MIAX-2015-09); 74288 (February 18, 2015), 80 FR 9837 (February 24, 2015) (SR-MIAX-2015-08); 71700 (March 12, 2014), 79 FR 15188 (March 18, 2014) (SR-MIAX-2014-13); 72356 (June 10, 2014), 79 FR 34384 (June 16, 2014) (SR-MIAX-2014-26); 72567 (July 8, 2014), 79 FR 40818 (July 14, 2014) (SR-MIAX-2014-34); 73328 (October 9, 2014), 79 FR 62230 (October 16, 2014) (SR-MIAX-2014-50).

<sup>10</sup> See Securities Exchange [sic] Release No. 72943 (August 28, 2014), 79 FR 52785 (September 4, 2014) (SR-MIAX-2014-45).

<sup>25</sup> 15 U.S.C. 78s(b)(2).

<sup>26</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

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

will be delivered to the Member Firm that submits the order to the Exchange.

The amount of the rebate is calculated beginning with the first executed contract at the applicable threshold per contract credit with rebate payments made at the highest achieved volume tier for each contract traded in that month. For example, under the current

Program, a Member that executes a number of Priority Customer contracts equal to 2.40% of the national customer volume in multiply-listed options during a particular calendar month, such Member will currently receive a credit of \$0.17 for each Priority Customer contract executed during that

month, even though there are lower incremental percentages for lower volume tiers leading up to the 2.4% volume threshold.

The current Priority Customer Rebate Program table designates the following monthly volume tiers and corresponding per contract credits

Percentage thresholds of national customer volume in multiply-listed options classes listed on MIAX (monthly)	Per contract credit (non-select symbols)	Per contract credit in MIAX select symbols	Per contract credit for PRIME agency order
0.00%–0.40% .....	\$0.00	\$0.00	\$0.10
Above 0.40%–0.75% .....	0.10	0.10	0.10
Above 0.75%–1.75% .....	0.15	0.20	0.10
Above 1.75%–2.40% .....	0.17	0.20	0.10
Above 2.40% .....	0.18	0.20	0.10

#### Proposal

The Exchange proposes to amend Section (1)(a)(iii) of its Fee Schedule to

reflect a new schedule of percentage thresholds of national customer volume, and new corresponding monthly per

contract credits. Specifically, the new thresholds will be as set forth in the following table:

Percentage thresholds of national customer volume in multiply-listed options classes listed on MIAX (monthly)	Per contract credit (non-select symbols)	Per contract credit in MIAX select symbols	Per contract credit for PRIME agency order
0.00%–0.50% .....	\$0.00	\$0.00	\$0.10
Above 0.50%–1.00% .....	0.10	0.10	0.10
Above 1.00%–1.75% .....	0.15	0.20	0.10
Above 1.75% .....	<sup>11</sup> 0.17	0.20	0.10

The Exchange believes that the proposed new monthly volume tiers and corresponding credits should provide incentives for Members to direct greater Priority Customer trade volume to the Exchange.

#### MIAX Select Symbols

The proposed new monthly volume thresholds and per contract credits will apply to MIAX Select Symbols,<sup>12</sup> with the per contract credit increasing for certain monthly volume thresholds. The monthly per contract rebate will remain at \$0.20 for all contracts executed in Select Symbols when the 1.00 percent threshold is exceeded for all applicable symbols.

<sup>11</sup> The \$0.17 per contract credit described in Tier 4 will be applied to each contract traded in non-Select Symbols in that month, beginning with the first contract executed in a particular month if the Tier 4 volume threshold is achieved. In addition to the \$0.17 rebate, a supplemental rebate of \$0.03 per contract will be applied to contracts executed in excess of 1.75% of the monthly national volume.

<sup>12</sup> The term "MIAX Select Symbols" means options overlying AA, AAL, AAPL, AIG, AMAT, AMD, AMZN, BA, BABA, BBRY, BIDU, BP, C, CAT, CBS, CELG, CLF, CVX, DAL, EBAY, EEM, FB, FCX, GE, GILD, GLD, GM, GOOGL, GPRO, HAL, HTZ, INTC, IWM, JCP, JNJ, JPM, KMI, KO, MO, MRK, NFLX, NOK, NQ, ORCL, PBR, PFE, PG, QCOM, QQQ, RIG, S, SPY, SUNE, T, TSLA, USO, VALE, VXX, WBA, WFC, WMB, WY, X, XHB, XLE, XLF, XLP, XOM, XOP and YHOO. See Fee Schedule, note 13.

The Exchange also proposes to delete Tier 5 of the Priority Customer Rebate Program, which currently affords a rebate of \$0.17 [sic] per contract for contracts executed when the total volume for the month exceeds of 2.4% of the national customer volume. Under the proposal, all contracts (other than Select Symbols) traded in a particular month when the Tier 4 volume threshold of 1.75% of the national monthly customer volume is exceeded will receive a credit of \$0.17, and contracts executed in non-Select symbols in excess of 1.75% of national monthly customer volume will receive a supplemental rebate of \$0.03 per contract. The Exchange believes that this new, increased rebate obviates the need for the Tier 5 threshold. The Exchange is proposing amendments to the Fee Schedule to delete references to the Tier 5 threshold throughout.

All other aspects of the Program will remain unchanged. The Exchange is not proposing any change to the per contract credit for PRIME Agency Orders. Consistent with the current Fee Schedule, the Exchange will continue to aggregate the contracts resulting from Priority Customer orders transmitted and executed electronically on the Exchange from affiliated Members for purposes of the thresholds above,

provided there is at least 75% common ownership between the firms as reflected on each firm's Form BD, Schedule A. In the event of a MIAX System outage or other interruption of electronic trading on MIAX, the Exchange will adjust the national customer volume in multiply-listed options for the duration of the outage. A Member may request to receive its credit under the Priority Customer Rebate Program as a separate direct payment.

The purpose of the proposed rule change is to encourage Members to direct greater Priority Customer trade volume to the Exchange. The Exchange believes that increased Priority Customer volume will attract more liquidity to the Exchange, which benefits all market participants. Increased retail customer order flow should attract professional liquidity providers (Market Makers), which in turn should make the MIAX marketplace an attractive venue where Market Makers will submit narrow quotations with greater size, deepening and enhancing the quality of the MIAX marketplace. This should provide more trading opportunities and tighter spreads for other market participants and result in a corresponding increase

in order flow from such other market participants.

The specific volume thresholds of the Program's tiers are set based upon business determinations and an analysis of current volume levels. The volume thresholds are intended to incentivize firms to increase the number of Priority Customer orders they send to the Exchange so that they can achieve the next threshold, and to encourage new participants to send Priority Customer orders as well. Increasing the number of orders sent to the Exchange will in turn provide tighter and more liquid markets, and therefore attract more business overall. Similarly, the different credit rates at the different tier levels are based on an analysis of current revenue and volume levels and are intended to provide increasing "rewards" to MIAX participants for increasing the volume of Priority Customer orders sent to, and Priority Customer contracts executed on, the Exchange. The specific amounts of the tiers and rates are set in order to encourage suppliers of Priority Customer order flow to reach for higher tiers.

The credits paid out as part of the program will be drawn from the general revenues of the Exchange.<sup>13</sup> The Exchange calculates volume thresholds on a monthly basis.

## 2. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act<sup>14</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>15</sup> in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes that the proposal is fair, equitable and not unreasonably discriminatory. The Program and the proposed increase in the per contract rebate is reasonably designed because it will encourage providers of Priority Customer order flow to send that Priority Customer order flow to the Exchange in order to receive an increasing per contract credit with each volume tier achieved. The Exchange believes that the proposed new tier structure and supplemental rebate should improve market quality for all market participants. The proposed changes to the rebate program are fair and equitable and not

unreasonably discriminatory because they apply equally to all Priority Customer orders. All similarly situated Priority Customer orders are subject to the same rebate schedule, and access to the Exchange is offered on terms that are not unfairly discriminatory. Furthermore, the proposed increase in credits for executing higher percentages of total national customer volume is equitable and not unfairly discriminatory because the proposed rates and changes encourage Members to direct increased amounts of Priority Customer contracts to the Exchange. Market participants want to trade with Priority Customer order flow. To the extent Priority Customer order flow is increased by the proposal, market participants will increasingly compete for the opportunity to trade on the Exchange including sending more orders and providing narrower and larger sized quotations in the effort to trade with such Priority Customer order flow. The resulting increased volume and liquidity will benefit all Exchange participants by providing more trading opportunities and tighter spreads.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed change would increase both intermarket and intramarket competition by encouraging Members to direct their Priority Customer orders to the Exchange, which should enhance the quality of quoting and increase the volume of contracts traded on MIAX. Respecting the competitive position of non-Priority Customers, the Exchange believes that this rebate program should provide additional liquidity that enhances the quality of its markets and increases the number of trading opportunities on MIAX for all participants, including non-Priority Customers, who will be able to compete for such opportunities. This should benefit all market participants and improve competition on the Exchange.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and to attract order flow to the Exchange. The Exchange believes that the proposed rule change reflects this competitive

environment because it increases rebates and thus encourages market participants to direct their customer order flow, to provide liquidity, and to attract additional transaction volume to the Exchange. Given the robust competition for volume among options markets, many of which offer the same products, enhancing the existing volume based customer rebate program to attract order flow is consistent with the goals of the Act. The Exchange believes that the proposal will enhance competition, because market participants will have another additional pricing consideration in determining where to execute orders and post liquidity if they factor the benefits of the proposed rebate program into the determination.

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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>16</sup> 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. 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 proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2015-51 on the subject line.

<sup>13</sup> Despite providing credits under the Program, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the Program is in effect.

<sup>14</sup> 15 U.S.C. 78f(b).

<sup>15</sup> 15 U.S.C. 78f(b)(4).

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

*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–MIAX–2015–51. 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 available publicly. All submissions should refer to File Number SR–MIAX–2015–51, and should be submitted on or before September 2, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015–19761 Filed 8–11–15; 8:45 am]

**BILLING CODE 8011–01–P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75634; File No. SR–ICC–2015–012]

### Self-Regulatory Organizations; ICE Clear Credit, LLC; Order Approving Proposed Rule Change To Correct Inconsistent Provisions Regarding the Risk Management Subcommittee

August 6, 2015.

#### I. Introduction

On June 10, 2015, ICE Clear Credit LLC (“ICC”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> a proposed rule change to amend the ICC Clearing Rules (“Rules”) to correct inconsistent provisions regarding the Risk Management Subcommittee (SR–ICC–2015–012). The proposed rule change was published for comment in the **Federal Register** on June 22, 2015.<sup>3</sup> The Commission did not receive comments on the proposed rule change. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

#### II. Description of the Proposed Rule Change

ICC has stated that the proposed rule change is intended to correct inconsistent provisions regarding the Risk Management Subcommittee, described in detail as follows. ICC has stated that, in describing the independence requirements for certain Risk Management Subcommittee members in Rule 511(a)(iii), the rule mistakenly referred to U.S. Commodity Futures Trading Commission (“CFTC”) Regulation 1.3(ccc), a proposed regulation that, to date, the CFTC has not adopted. ICC proposes revising Rule 511(a)(iii) to remove the improper reference to CFTC Regulation 1.3(ccc) and replace the rule cite with a reference to ICC's Independence Requirements, which are defined in Rule 503.

Additionally, Independent Risk Management Subcommittee managers were previously defined as “Independent Public Directors” in Rules 511 and 512. ICC proposes re-defining such independent Risk Management Subcommittee managers to “Independent ICE Subcommittee Managers” and updating references in

Rules 511 and 512 to reflect the new defined term. ICC also proposes clarifying language to specify that such Independent ICE Subcommittee Managers are appointed by the ICC Board. Finally, ICC proposes revising Rule 512 to clarify that for purposes of Rule 507(a), which sets forth meeting frequency requirements, the Risk Management Subcommittee shall meet when deemed necessary or desirable by the Risk Management Subcommittee or its chairperson.

#### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>4</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act<sup>5</sup> requires, among other things, that the rules of a clearing agency are designed to protect investors and the public interest. Rule 17Ad–22(d)(8)<sup>6</sup> further requires a registered clearing agency that performs central counterparty services to establish, implement, maintain and enforce written policies and procedures reasonably designed to, among other things, have governance arrangements that are clear and transparent to fulfill the public interest requirements in Section 17A of the Act<sup>7</sup> applicable to clearing agencies and to promote the effectiveness of the clearing agency's risk management procedures.

Currently, the independence requirements in ICC Rule 511 for certain Risk Management Subcommittee members incorrectly reference a CFTC regulation that has not been adopted. The proposed rule change would replace the incorrect CFTC rule citation with the requirement that certain members of the Risk Management Subcommittee meet ICC's Independence Requirements as defined in ICC Rule 503<sup>8</sup> (the Independent ICE Subcommittee Managers). Additionally, the proposed rule change would clarify that the Independent ICE Subcommittee Managers are appointed by the ICC Board. Finally, the proposed rule

<sup>4</sup> 15 U.S.C. 78s(b)(2)(C).

<sup>5</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>6</sup> 17 CFR 240.17Ad–22(d)(8).

<sup>7</sup> 15 U.S.C. 78q–1.

<sup>8</sup> ICC Rule 503 defines the ICC “Independence Requirements” to include the requirements of each of the New York Stock Exchange listing standards, the U.S. Securities Exchange Act of 1934, as amended, and Intercontinental Exchange, Inc.'s Board of Director Governance Principles.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b–4.

<sup>3</sup> Securities Exchange Act Release No. 34–75179 (Jun. 16, 2015), 80 FR 35689 (Jun. 22, 2015) (SR–ICC–2015–012).

<sup>17</sup> 17 CFR 200.30–3(a)(12).