

twenty-five single constituents of its Markit CDX North American Investment Grade Series 18 Index, and is not currently being cleared by ICC. Another of the Additional Single Names (Textron Financial Corporation) is a constituent of the Series 8 through 12 of the Markit CDX North American Investment Grade Index, and has not been cleared previously by ICC. All other Additional Single Names are not constituents of Series 8 through 18 of the Markit CDX North American Investment Grade Index. The Additional Single Names do not require any changes to the body of the ICC Rules. ICC will clear the Additional Single Names pursuant to ICC's existing Rules. The Additional Single Names do not require any changes to the ICC risk management framework including the ICC margin methodology, guaranty fund methodology, pricing parameters, or pricing model. The only change being submitted is the inclusion of the Additional Single Names to Schedule 502 of the ICC Rules. The Additional Single Names have been reviewed by the ICC Risk Department, the ICC Trading Advisory Committee, and the ICC Risk Committee.

ICC believes that the clearing of the Additional Single Names is consistent with the purposes and requirements of Section 17A of the Act⁴ and the rules and regulations thereunder applicable to ICC because it will facilitate the prompt and accurate settlement of security-based swaps and contribute to the safeguarding of securities and funds associated with security-based swap transactions.

Self-Regulatory Organization's Statement on Burden on Competition

ICC does not believe the proposed rule change would have any impact, or impose any burden, on competition.

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

Written comments relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period

to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove the proposed rule change; or
- (B) institute proceedings to determine whether the proposed rule change should be 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-ICC-2012-12 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-ICC-2012-12. 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 Section, 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 filings will also be available for inspection and copying at the principal office of ICC and on ICC's Web site at https://www.theice.com/publicdocs/regulatory_filings/ICEClearCredit_080912.pdf.

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-ICC-2012-12 and should be submitted on or before September 14, 2012.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.⁵

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2012-20823 Filed 8-23-12; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67692; File No. SR-ICC-2012-13]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Schedule 502 of the ICC Rules To Provide for Clearing of Additional Markit CDX North American Investment Grade Indices

August 20, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² notice is hereby given that on August 10, 2012, ICE Clear Credit LLC ("ICC") 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 primarily by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and Rule 19b-4(f)(4)(ii)⁴ thereunder, so that the proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of proposed rule change is to provide for the clearance of the following credit default swaps: Markit CDX North American Investment Grade Series 11 Index with a seven year maturity, maturing on December 20, 2015, Markit CDX North American Investment Grade Series 12 Index with

⁵ 17 CFR 200.30-3(a)(12).

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)(4)(iii).

⁴ 15 U.S.C. 78q-1.

a seven year maturity, maturing on June 20, 2016, Markit CDX North American Investment Grade Series 13 Index with a three year maturity, maturing on December 20, 2012, Markit CDX North American Investment Grade Series 13 Index with a seven year maturity, maturing on December 20, 2016, Markit CDX North American Investment Grade Series 14 Index with a three year maturity, maturing on June 20, 2013, Markit CDX North American Investment Grade Series 14 Index with a seven year maturity, maturing on June 20, 2017, Markit CDX North American Investment Grade Series 15 Index with a three year maturity, maturing on December 20, 2013, Markit CDX North American Investment Grade Series 15 Index with a seven year maturity, maturing on December 20, 2017, Markit CDX North American Investment Grade Series 16 Index with a three year maturity, maturing on June 20, 2014, Markit CDX North American Investment Grade Series 16 Index with a seven year maturity, maturing on June 20, 2018, Markit CDX North American Investment Grade Series 17 Index with a three year maturity, maturing on December 20, 2014, Markit CDX North American Investment Grade Series 17 Index with a seven year maturity, maturing on December 20, 2018, Markit CDX North American Investment Grade Series 18 Index with a three year maturity, maturing on June 20, 2015, and Markit CDX North American Investment Grade Series 18 Index with a seven year maturity, maturing on June 20, 2019 (the "Additional Indices"). ICC currently clears Markit CDX North American Investment Grade Indices with five, seven and ten year maturities. The Additional Indices do not require any changes to the body of the ICC Rules. ICC will clear the Additional Indices pursuant to ICC's existing Rules. Also, clearing the Additional Indices does not require any changes to the ICC risk management framework including the ICC margin methodology, guaranty fund methodology, pricing parameters and pricing model. The only change relates to the inclusion of the Additional Indices in Schedule 502 of the ICC Rules.

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

In its filing with the Commission, ICC included statements concerning the purpose 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. ICC 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 Purpose of, and Statutory Basis for, the Proposed Rule Change

ICC believes that the clearing of the Additional Index will facilitate the prompt and accurate settlement of swaps and contribute to the safeguarding of securities and funds associated with swap transactions.

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

ICC does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

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

ICC has not solicited, and does not intend to solicit, comments regarding this proposed rule change. ICC will notify the Commission of any written comments received by ICC.

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

The foregoing rule change was filed pursuant to Section 19(b)(3)(A)⁵ of the Act and Rule 19b-4(f)(4)(ii)⁶ thereunder and thus became effective upon filing because it effects a change in an existing service of a registered clearing agency that primarily affects the futures clearing operations of the clearing agency with respect to futures that are not security futures and does not significantly affect any securities clearing operations of the clearing agency or any related rights or obligations of the clearing agency or persons using such service. At any time within sixty days of the filing of such 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 No. SR-ICC-2012-13 on the subject line.

Paper Comments

- Send 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-ICC-2012-13. 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 a.m. and 3 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's Web site at https://www.theice.com/publicdocs/regulatory_filings/ICEClearCredit_080912a.pdf.

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-ICC-2012-13 and should be submitted on or before September 14, 2012.

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(4)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2012-20822 Filed 8-23-12; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67685; File No. SR-BATS-2012-023]

Self-Regulatory Organizations; BATS Exchange, Inc.; Order Granting Approval of a Proposed Rule Change to Amend BATS Rules 14.2 and 14.3 To Adopt Additional Listing Requirements for Reverse Merger Companies and To Align BATS Rules With the Rules of Other Self-Regulatory Organizations

August 17, 2012.

I. Introduction

On June 15, 2012, BATS Exchange, Inc. (“BATS” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) ¹ and Rule 19b-4 thereunder,² a proposed rule change to amend BATS Rules 14.2 and 14.3 to adopt additional listing requirements for companies that become a reporting company under the Exchange Act by combining with a public shell, whether through a reverse merger, exchange offer, or otherwise (a “Reverse Merger”) and to align BATS Rules with the rules of other self-regulatory organizations. The proposed rule change was published for comment in the **Federal Register** on July 5, 2012.³ The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposal

BATS proposed to adopt more stringent listing requirements for operating companies that become Exchange Act reporting companies through a Reverse Merger. In a Reverse Merger, an existing public shell company merges with a private operating company in a transaction in which the shell company is the surviving legal entity.

Significant regulatory concerns, including accounting fraud allegations, have arisen with respect to a number of Reverse Merger companies in recent

times. The Commission has taken direct action against Reverse Merger companies. During 2011, the Commission suspended trading in, and revoked the securities registration of, a number of Reverse Merger companies.⁴ The Commission also brought an enforcement proceeding against an audit firm relating to its work for Reverse Merger companies.⁵ In addition, the Commission issued a bulletin on the risks of investing in Reverse Merger companies, noting potential market and regulatory risks related to investing in Reverse Merger companies.⁶

In light of the well-documented concerns related to some Reverse Merger companies described above, BATS stated its belief that it is appropriate to codify in its rules specific requirements with respect to the initial listing qualification of Reverse Merger companies. As proposed, a Reverse Merger company would not be eligible for listing unless the combined entity had, immediately preceding the filing of the initial listing application:

(1) Traded for at least one year in the U.S. over-the-counter market, on another national securities exchange, or on a regulated foreign exchange following the consummation of the Reverse Merger and (i) in the case of a domestic issuer, filed with the Commission a form 8-K including all of the information required by Item 2.01(f) of Form 8-K, including all required audited financial statements; or (ii) in the case of a foreign private issuer, filed the information described in (i) above on Form 20-F;

(2) Maintained on both an absolute and an average basis for a sustained period a minimum stock price of at least \$4, but in no event for less than 30 of the most recent 60 trading days prior to each of the filing of the initial listing application and the date of the Reverse Merger company’s listing on the Exchange, except that a Reverse Merger company that has satisfied the one-year trading requirement described in paragraph (1) above and has filed at least four annual reports with the Commission which each contain all required audited financial statements for a full fiscal year commencing after filing the information described in paragraph (1) above will not be subject to this price requirement; and

(3) Timely filed with the Commission all required reports since the consummation of the Reverse Merger,

including the filing of at least one annual report containing audited financial statements for a full fiscal year commencing on a date after the date of filing with the Commission of the filing described in paragraph (1) above.

In addition, a Reverse Merger company would be required to maintain on both an absolute and an average basis a minimum stock price of at least \$4 through listing.

BATS stated that requiring a “seasoning” period prior to listing for Reverse Merger companies should provide great assurance that the company’s operations and financial reporting are reliable, and will also provide time for its independent auditor to detect any potential irregularities, as well as for the company to identify and implement enhancements to address any internal control weaknesses. The seasoning period would also provide time for regulatory and market scrutiny of the company and for any concerns that would preclude listing eligibility to be identified.

BATS stated its belief that the proposed rule change would increase transparency to issuers and market participants with respect to the factors considered by the Exchange in assessing Reverse Merger companies for listing and should generally reduce the risk of regulatory concerns with respect to these companies being discovered after listing. BATS further noted that, while it believes that the proposed requirements would be a meaningful additional safeguard, it is not possible to guarantee that a Reverse Merger company (or any other listed company) is not engaged in undetected accounting fraud or subject to other concealed and undisclosed legal or regulatory problems.

For purposes of the proposal amending BATS Rules 14.2(c) and 14.3(b)(9) (which will both be applicable to Reverse Merger companies which qualify to list under BATS Rules) and as defined above, a Reverse Merger would mean any transaction whereby an operating company became an Exchange Act reporting company by combining either directly or indirectly with a shell company that was an Exchange Act reporting company, whether through a Reverse Merger, exchange offer, or otherwise. However, a Reverse Merger would not include the acquisition of an operating company by a listed company that qualified for initial listing under BATS Rule 14.2(b) (the Exchange’s standard for companies whose business plan is to complete one or more acquisitions). In determining whether a company was a shell company, BATS would consider, among other factors:

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 67304 (June 28, 2012), 77 FR 39781 (“Notice”).

⁴ See Letter from Mary L. Schapiro to Hon. Patrick T. McHenry, dated April 27, 2011 (“Schapiro Letter”), at pages 3-4.

⁵ See Schapiro Letter at page 4.

⁶ See “Investor Bulletin: Reverse Mergers” 2011-123.