

rule change is consistent with Section 6(b)(5) of the Act,<sup>18</sup> which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, 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.

The Commission believes that the proposed change may provide the investing public and other market participants more flexibility to closely tailor their investment and hedging decisions, thus allowing them to better manage their risk exposure. As the Exchange notes, standard expiration contracts currently trade in wider strike price intervals than their weekly counterparts, except during the week prior to expiration.<sup>19</sup> The Exchange further states that this creates a situation where contracts on the same option class that expire both several weeks before and several weeks after the standard expiration are eligible to trade in strike price intervals that the standard expiration contract is not.<sup>20</sup> According to the Exchange, the proposed rule change will increase market efficiency by harmonizing strike price intervals for contracts that are close to expiration, whether those contracts are listed pursuant to weekly or monthly expiration cycles.<sup>21</sup>

The Commission believes that the proposed rule change to remove obsolete rule next concerning the listing of new short term option during the week of expiration is consistent with the Act because it protects investors and the public interest by eliminating any confusion about the opening of additional series during the week of expiration.

Finally, in approving this proposal, the Commission notes that the Exchange has represented that it and OPRA have the necessary systems capacity to handle the potential additional traffic associated with this proposed rule change.<sup>22</sup> The Exchange further stated that it believes its members will not have a capacity issue as a result of the proposal and that it does not believe this expansion will cause fragmentation of liquidity.<sup>23</sup>

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>24</sup> that the proposed rule change (SR-ISE-2014-23), as modified by Amendment No. 2, be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>25</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-15199 Filed 6-27-14; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72458; File No. SR-NYSEArca-2014-56]

#### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change Relating to the Listing and Trading of Shares of the PIMCO Income Exchange-Traded Fund Under NYSE Arca Equities Rule 8.600

June 24, 2014.

On May 1, 2014, NYSE Arca, Inc. 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 relating to the listing and trading of shares of the PIMCO Income Exchange-Traded Fund. The proposed rule change was published for comment in the **Federal Register** on May 21, 2014.<sup>3</sup> The Commission received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The Commission is extending this 45-day time period. The Commission finds that it is appropriate

to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates August 19, 2014, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-NYSEArca-2014-56).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-15206 Filed 6-27-14; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72455; File No. SR-ISE-2014-09]

#### Self-Regulatory Organizations; International Securities Exchange, LLC; Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change Relating to Market Maker Risk Parameters

June 24, 2014.

#### I. Introduction

On March 10, 2014, the International Securities Exchange, LLC ("Exchange" or "ISE") 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 ISE Rules 722 and 804 to mitigate market maker risk by adopting an Exchange-provided risk management functionality. The proposed rule change was published for comment in the **Federal Register** on March 26, 2014.<sup>3</sup> The Commission received no comments on the proposal. On May 7, 2014, pursuant to Section 19(b)(2) of the Act,<sup>4</sup> the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to

<sup>18</sup> 15 U.S.C. 78f(b)(5).

<sup>19</sup> See Notice, *supra* note 5, at 27007.

<sup>20</sup> See Notice, *supra* note 5, at 27007-8.

<sup>21</sup> See Notice, *supra* note 5, at 27008.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

<sup>24</sup> 15 U.S.C. 78f(b)(2).

<sup>25</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.

<sup>3</sup> See Securities Exchange Act Release No. 72170 (May 15, 2014), 79 FR 29231.

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

<sup>5</sup> *Id.*

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 71759 (Mar. 20, 2014), 79 FR 16850 ("Notice").

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