For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–13286 Filed 6–4–13; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69672; File No. SR–Phlx–2013–58]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Permit Fees and Other Floor Fees

May 30, 2013.

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 May 21, 2013 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, 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 proposes to amend the Permit Fee and certain Options Trading Floor Fees, including a technical amendment to the Pricing Schedule.

While changes to the Pricing Schedule pursuant to this proposal are effective upon filing, the Exchange has designated the proposed amendment to be operative on June 3, 2013.

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, on the Commission's Web site at *http://www.sec.gov*, 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to increase the Permit Fee in Section VI, entitled ''Membership Fees'' at Part A entitled ''Permit and Registration Fees'' of the Pricing Schedule to recoup costs associated with the administration of the Exchange's members. The Exchange also proposes to amend Section VII entitled ''Other Member Fees'' at Part A entitled ''Options Trading Floor Fees'' of the Pricing Schedule to eliminate the Trading/Administrative Booths Fee and the Specialist Post Fee and increase the Floor Facility Fees. The Exchange believes that the increases are necessary to keep pace with escalating technology costs, costs of certain floor-related charges due to a rise in occupancy expenses and rising overhead costs associated with maintaining the trading floor.

The Exchange also proposes to make a technical amendment to the Pricing Schedule to eliminate certain unnecessary text in Chapter VI, Part A.

Permit Fee

The Exchange assesses two different Permit Fees based on whether a member or member organization is transacting business on the Exchange. The Exchange assesses members and member organizations that are transacting business on the Exchange a Permit Fee of $2,100 per month. A member or member organization will be assessed the $2,100 monthly Permit Fee if that member or member organization: (1) Transacts its option orders in its assigned Phlx house account in a particular month; or (2) is a clearing member of The Options Clearing Corporation or a Floor Broker; or (3) for those member organizations which are under common ownership, transacts at least one options trade in a Phlx house account that is assigned to one of the member organizations under common ownership.[3] The Exchange assesses members and member organizations that are not transacting business on the Exchange a Permit Fee of $7,500 per month. A member or member organization is assessed the $7,500 Permit Fee for not transacting business on the Exchange if that member is either: (i) not a PSX Only Participant;[4] or (ii) not engaged in an options business at Phlx in a particular month. In addition, a member or member organization that sponsors an options participant[5] would pay an additional Permit Fee for each sponsored options participant.

The Exchange is proposing to increase the $2,100 Permit Fee for members transacting business on the Exchange to $2,150 per month. The Exchange is seeking to recoup costs incurred from the membership administration function. The Exchange is not amending the Permit Fee for members who are not transacting business on the Exchange. The Exchange proposes to make corresponding amendments to Section VI, Part A where the permit fee is referenced.

Other Member Fees

The Exchange proposes to eliminate the Trading/Administrative Booths fee of $300 per month fee paid by floor brokers and clearing firms[6] and the Specialist Post Fee of $3,000 per month paid by Specialist units. The Trading/Administrative Booth space is physical space on the Exchange's trading floor, which space typically is used by floor brokers. The Specialist Post is physical space on the Exchange's trading floor which is used by Specialist units. The Exchange proposes to amend the Floor Facility fee to cover the costs of operating the trading floor.

The Exchange proposes to increase the Floor Facility fee from $300 to $330 per month. Today, the Floor Facility fee is applicable to Registered Options

[14] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] Common ownership means 75% common ownership or control.

[4] Applicants that apply for membership solely to participate in the NASDAQ OMX PSX equities market are not assessed a Permit Fee, Application Fee, Initiation Fee, or Account Fee. *See* Securities Exchange Act Release No. 61863 (April 7, 2010), 75 FR 20021 (April 16, 2010) (SR–Phlx–2010–54).

[5] *See* Exchange Rule 1094 titled Sponsored Participants. A Sponsored Participant may obtain authorized access to the Exchange only if such access is authorized in advance by one or more Sponsoring Member Organizations. Sponsored Participants must enter into and maintain participant agreements with one or more Sponsoring Member Organizations establishing a proper relationship(s) and account(s) through which the Sponsored Participant may trade on the Exchange.

[6] Today, any floor participant may elect to obtain a booth on the Exchange's trading floor.

Traders,[7] individual Specialists [8] and SQTs.[9] The Floor Facility fee was intended to fairly allocate costs attendant to providing members with services necessary to the conduct of business on the floor of the Exchange. The Exchange proposes to assess the proposed increased Floor Facility fee to Clerks,[10] excluding Inactive Nominees,[11] and Floor Brokers in addition to ROTs (including SQTs) and individual Specialists. The Exchange proposes to increase this fee to offset the increased costs of operating a trading floor facility and the elimination of the Trading/Administrative Booths fee and the Specialist Post fee.

Technical Amendment

The Exchange proposes to amend certain unnecessary language in Chapter VI, Section A that was recently added to the Pricing Schedule to provide a temporary waiver of the Application and Initiation Fees for current Remote Streaming Quote Trader Organizations.[12] The Exchange implemented the waiver for the time period from April 24, 2013 to May 13, 2013.[13] At this time, the Exchange proposes to remove this text from the Pricing Schedule as it is unnecessary.

2. Statutory Basis

The Exchange believes that its proposal to amend its Pricing Schedule is consistent with Section 6(b) of the Act [14] in general, and furthers the objectives of Section 6(b)(4) of the Act [15] in particular, in that it provides for an equitable allocation of reasonable fees and other charges among Exchange members and other persons using its facilities.

Permit Fee

The Exchange believes that the proposed increase to the Permit Fee for members transacting business on the Exchange is reasonable because the Exchange is seeking to recoup costs related to membership administration. The proposed fee is in the range of similar fees at other exchanges and less than other fees.[16] In addition, the Exchange believes that the Permit Fee is equitable and not unfairly discriminatory, because unlike other exchanges, Phlx's Permit Fees are the same for every options permit holder that is conducting business at the Exchange. The Exchange also believes that the increased fee is equitable and not unfairly discriminatory because the Permit Fee for not transacting business on the Exchange remains substantially higher as is the case today.

Other Member Fees

The Exchange believes that it is reasonable to eliminate the Trading/Administrative Booths fee and Specialist Post fee because the Exchange believes those fees no longer adequately cover the costs of operating the trading floor. In addition, the Exchange is seeking to encourage members and member organization to utilize and expand use of the space available on its trading floor. The Exchange believes that it is equitable and not unfairly discriminatory to eliminate the Trading/Administrative Booths fee and Specialist Post fee because no market participant would be assessed these fees.

The Exchange believes that increasing the Floor Facility fee is reasonable because the fee offsets the increased costs of operating a trading floor facility. The increases are necessary to keep pace with technology costs, costs of certain floor-related charges due to a rise in occupancy expenses and rising overhead costs associated with maintaining the trading floor. Further, the proposed modifications to the Floor Facility fee, coupled with the elimination of the Trading/Administrative Booths fee and the Specialist Post fee better recoups the costs of operating a trading floor.

The Exchange believes that increasing the Floor Facility Fee is equitable and not unfairly discriminatory because the fee will be applied uniformly to all members and their respective staff, who operate routinely from the floor of the Exchange. The Exchange believes this fee is indicative of the costs attributable to these categories of floor participants and therefore the fee is being equitable assessed and is not unfairly discriminatory.

The Exchange believes that it is equitable and not unfairly discriminatory to assess Clerks the Floor Facility Fee in addition to the other market participants as discussed above. Clerks are registered on-floor personnel that utilize the Exchange's services and are responsible for the rise in technology and other overheard costs. Inactive Nominees are considered a Clerk, but also pay additional fees associated with being an Inactive Nominee [17] and do not routinely utilize

[7] A Registered Options Trader (''ROT'') includes a Streaming Quote Trader (''SQT''), a Remote Streaming Quote Trader (''RSQT'') and a Non-SQT, which by definition is neither a SQT or a RSQT. An ROT is defined in Exchange Rule 1014(b) as a regular member of the Exchange located on the trading floor who has received permission from the Exchange to trade in options for his own account. *See* Exchange Rule 1014(b)(i) and (ii).

[8] A Specialist is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a). Each individual Specialist is assessed this fee and the Specialist unit is assessed the Specialist Post Fee of $3,000 per month. In the instance that an individual Specialist is also an SQT, that member will only pay a $300 Floor Facility Fee per month; that Specialist would not be assessed the fee for each capacity. *See* Securities Exchange Act Release No. 66086 (January 3, 2012), 77 FR 1111 (January 9, 2012).

[9] An SQT is defined in Exchange Rule 1014(b)(ii)(A) as an ROT who has received permission from the Exchange to generate and submit option quotations electronically in options to which such SQT is assigned. If a ROT or SQT also determined to acquire a Trading/Administrative Booth, they would also be assessed that fee as well.

[10] Pursuant to Exchange Rule 1090, the term ''Clerk'' means any registered on-floor person employed by or associated with a member or member organization who is not a member and is not eligible to effect transactions on the Options Floor as a Specialist, ROT, or Floor Broker. For purposes of this Rule, an Inactive Nominee shall be deemed a Clerk. *See* Rule 1090.

[11] Pursuant to Exchange Rule 925, a member organization may designate an individual as an ''Inactive Nominee.'' To be eligible to be an inactive nominee an individual must be approved as eligible to hold a permit in accordance with the Exchange's By-Laws and Rules. An inactive nominee has no rights and privileges of a permit holder until the inactive nominee becomes an effective permit holder and all applicable Exchange fees are paid. *See* Exchange Rule 925. The Inactive Nominee would be assessed the fee for the 6 months during which the Inactive Nominee maintains its status with the Exchange.

[12] *See* Securities Exchange Act Release No. 69500 (May 2, 2013), 78 FR 26841 (May 8, 2013).

[13] *Id.*

[14] 15 U.S.C. 78f(b).

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

[16] *See* the Chicago Board Options Exchange, Incorporated's Fees Schedule. Per month a Market Maker Trading Permit is $5,500, a SPX Tier Appointment is $3,000, a VIX Tier Appointment if $2,000, a Floor Broker Trading Permit is $9,000, an Electronic Access Permit is $1,600 and there is no access fee for a CBSX Trading Permit. *See also* the International Securities Exchange LLC's Schedule of Fees. Per month an Electronic Access Member is assessed $500.00 for membership and a market maker is assessed from $2,000 to $4,000 per membership depending on the type of market maker. *See also* C2 Options Exchange, Incorporated's Fees Schedule. Per month, a market-maker is assessed a $5,000 permit fee, an Electronic Access Permit is assessed a $1,000 permit fee and a SPXM Tier appointment is assessed a $4,000 fee after March 31, 2013. *See also* NYSE Arca, Inc.'s Fee Schedule. Per month, a Floor Broker, Office and Clearing Firm are assessed a $1,000 per month fee for the first Options Trading Permit (''OTP'') and $250 thereafter, and a market maker is assessed a $4,000 per month fee for one to four OTPs and $1,000 thereafter.

[17] Inactive Nominees are assessed an Inactive Nominee Fee of $600 for 6 months of eligibility. The member organization is assessed $100 per month for the applicable six month period unless the member organization provides proper notice of its intent to terminate an inactive nominee prior to the first day of the next billing month. An inactive nominee's status expires after six months unless it has been reaffirmed in writing by the member organization or is sooner terminated. A member organization is assessed the Inactive Nominee Fee every time the status is reaffirmed. An inactive nominee is also assessed Application and Initiation Fees when such person applies to be an inactive nominee. Such fees are reassessed if there is a lapse in their inactive nominee status. However, an inactive nominee would not be assessed

the floor in the manner as other Clerks supporting member's day-to-day operations. The Exchange today assesses floor brokers the Trading/Administrative Booths fee, this fee of $300 per month is being eliminated and instead floor brokers would pay the $330 per month proposed Floor Facility fee. While this results in an increased cost of $300 per month for Floor Brokers, the Exchange believes that the fee is equitable and not unfairly discriminatory because as mentioned above, floor brokers utilize the facilities of the Exchange as do Clerks, individuals Specialists and ROTs. In addition, the Exchange anticipates that most floor brokers will experience an overall reduction in costs due to the elimination of the Trading/Administrative Booths fee. The Exchange's proposal to distribute the cost to each of these market participants applies the fee to the recipients who consume the services offered at the Exchange to conduct trading on the floor. The elimination of the Specialist Post fee will result in the elimination of a $3,000 per month charge for Specialist units. The individual Specialists are assessed the Floor Facility fee today and would experience the increase of $30 per month.

Technical Amendment

The Exchange's proposal to remove text in Chapter VI, Section A related to a waiver of the Application and Initiation Fees for current RSQTOs for the time period from April 24, 2013 to May 13, 2013 is reasonable, equitable and not unfairly discriminatory because the rule text is unnecessary and inapplicable to any market participant at this time.

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 is proposing to increase the Permit Fees which are applicable to members and member organizations transacting business on the Exchange. The increase is attributable to a rise in costs at the Exchange and is assessed to those members and member organizations that are currently transacting business on Phlx. The increase narrows the gap between permit holders transacting business on the Exchange and those members that are not transacting business on the Exchange. This fee does not impose an undue burden on competition.

The Exchange's proposal to eliminate the Trading/Administrative Booths Fee because those booths no longer exist does not impose an undue burden on competition because the Exchange would not assess this fee to any market participant. Increasing the Floor Facility Fees and allocating that fee to Clerks and Floor Brokers does not create an undue burden on competition because the Exchange is allocating its costs among those market participants that benefit from the Exchange's services. The Exchange is also eliminating the Trading/Administrative Booths Fee that is borne today by floor brokers and clearing firms.

The Exchange operates in a highly competitive market, comprised of eleven exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. Accordingly, the fees that are assessed by the Exchange described in the above proposal are influenced by these robust market forces and therefore must remain competitive with fees charged by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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

No written comments were either solicited or 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.[18] 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.* Please include File No. SR–Phlx–2013–58 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 No. SR–Phlx–2013–58. 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 No. SR–Phlx–2013–58 and should be submitted on or before June 26, 2013.

Application and Initiation Fees if such inactive nominee applied for membership without any lapse in that individual's association with a particular member organization. An Inactive Nominee is also assessed the Trading Floor Personnel Registration Fee.

[18] 15 U.S.C. 78s(b)(3)(A)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–13275 Filed 6–4–13; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69666; File No. SR–DTC–2013–04]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change in Connection With the Modifications to Receiver Authorized Delivery and Reclaim Processing Value Limits by Transaction

May 30, 2013.

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 May 17, 2013, The Depository Trust Company (''DTC'') 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 DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change modifies DTC's Rules & Procedures (''Rules''), as described below, with respect to Receiver Authorized Delivery (''RAD'') and reclaim transactions, to: (i) Lower limits against which valued Deliver Orders (''DO'') and Payment Orders (''PO'') will be required to be accepted for receipt (i.e., ''matched'' for settlement), (ii) lower limits for same day reclaim transactions, and (iii) revise the process for RAD matching of stock loans and returns, each as more fully described below.[3]

II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.[4]

(A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(i) By this filing, DTC seeks to modify the RAD functionality as more fully described below to reduce the intraday uncertainty that may arise from reclaim transactions and any potential credit and liquidity risk from such reclaims.

All valued DOs and POs valued in amounts above $15 million and $1 million, respectively, are subject to the RAD process, which allows receivers to review and reject transactions that they do not recognize prior to processing for delivery. In contrast, lower value DOs and POs do not require the receiver's acceptance prior to processing in accordance with DTC's Rules; instead, such transactions may be returned by the receiver in a reclaim transaction, if the receiver does not recognize the DO or PO. While both the reclaim and RAD functionalities allow receiving DTC participants (''Participants'') to exercise control over which transactions to accept, reclaims tend to create uncertainty because transactions can be returned late in the day, when the original deliverer may have limited options to respond. Because such reclaims are permitted without regard to risk management controls, the Participant that initiated the original delivery versus payment may then incur a greater settlement obligation, increasing credit and liquidity risk to that Participant and to the Corporation.[5]

For these reasons, DTC states that pre-settlement matching through RAD is a preferable approach, without the uncertainty and credit and liquidity implications of reclaims. Under this proposal, DTC will change RAD to require Participants to match all settlement-related transactions valued greater than $7.5 million for valued DOs and $500,000 for POs, prior to processing. Matched transactions will be processed through DTC subject to risk management controls.[6] Concurrently, the value of reclaims that may bypass risk management controls will be reduced to $7.5 million for valued DOs and $500,000 for POs.

DTC is also proposing a further revision to RAD for stock loan and stock loan return transactions. Currently, Participants may set bilateral and global limits for transactions subject to RAD which allow transactions with settlement values that are greater than DTC's default limits, but less than the Participant's defined bilateral and/or global limits, to be passively approved.[7] Any established limits apply to all transactions with the applicable counterparties (on either a bilateral or global basis) for all transaction types subject to RAD. However, stock loan transactions (and stock loan returns) are often different from ordinary buys and sells, because stock loans are often agreed upon on a same-day basis (as opposed to T+3 settlement of purchases and sales). Taking this difference into account, in addition to the revisions described above, the proposed Rule changes will allow receiving Participants to establish bilateral and global RAD limits for stock loans and stock loan returns that are different from other transaction types.[8]

The DTC Settlement Services Guide will be revised to reflect the changes discussed above.

The effective date of the proposed rule change will be announced via a DTC Important Notice.

(ii) Section 17A(b)(3)(F) of the Act requires that the rules of the clearing agency be designed, *inter alia,* to

[19] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] A Deliver Order is a book-entry movement of a particular security between two DTC participants. A Payment Order is a method for settling funds amounts related to transactions and payments not associated with a Deliver Order. The defined term ''DO'' as used in this proposed rule change filing includes all valued Deliver Orders except for Deliver Orders of: (i) Money Market Instruments and (ii) Institutional Deliveries affirmed through Omgeo, both of which are not impacted by the proposed Rule change.

[4] The Commission has modified the text of the summaries prepared by DTC.

[5] DTC's risk management controls, including Collateral Monitor and Net Debit Cap (as defined in DTC Rule 1), are designed so that DTC can effect system-wide settlement notwithstanding the failure to settle of its largest Participant or affiliated family of Participants. Net Debit Cap limits the net debit balance a Participant can incur so that the unpaid settlement obligation of the Participant, if any, cannot exceed DTC liquidity resources. The Collateral Monitor tests that a receiver has adequate collateral to secure the amount of its net debit balance so that DTC may borrow funds to cover that amount for system-wide settlement if the Participant defaults.

[6] Each reclaim of a matched transaction that is attempted will be processed as an original instruction and be subject to risk management controls and receiver approval (the original deliverer) via RAD.

[7] A bilateral limit established by a Participant applies to transactions from a specified deliverer. A global limit established by a Participant is applied to all valued DOs and POs to the Participant not otherwise subject to a bilateral limit. Transactions passively approved under such limits may not be reclaimed.

[8] The use of a stock lending and return profile will be voluntary and, absent a profile, the Participant's transactions will be subject to RAD as applicable to ordinary DOs, including the established DTC limits as well as Participant established bilateral and global limits as described above.