

Feed,¹² offered by the Exchange's affiliate, NYSE Arca, Inc. ("NYSE Arca"), Nasdaq TotalView-Itch,¹³ offered by The Nasdaq Stock Market, Inc., and BATS Multicast Pitch,¹⁴ offered by BATS Global Markets. This proposed new data feed provides investors with new options for receiving market data, which was a primary goal of the market data amendments adopted by Regulation NMS.¹⁵

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 with respect to the proposed rule change.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁶ and Rule 19b-4(f)(6) thereunder.¹⁷ Because the proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission,¹⁸ the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

¹² See NYSE Arca Integrated Feed, <http://www.nyxdata.com/page/1084> (last visited January 5, 2015) (data feed that provides a unified view of events, in sequence as they appear on the NYSE Arca matching engine, including depth of book, trades, order imbalance data, and security status messages).

¹³ See Nasdaq TotalView-ITCH, <http://www.nasdaqtrader.com/Trader.aspx?id=Totalview2> (last visited January 5, 2015) (displays the full order book depth for Nasdaq market participants and also disseminates the Net Order Imbalance Indicator (NOI) for the Nasdaq Opening and Closing Crosses and Nasdaq IPO/Halt Cross).

¹⁴ See BATS Multicast PITCH, http://www.batstrading.com/market_data/products/ (last visited January 5, 2015) (real-time depth of book quotations and execution information).

¹⁵ See Regulation NMS Adopting Release, *supra*, at 37503.

¹⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ The Exchange has satisfied this requirement.

At any time within 60 days of the filing of such 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 under Section 19(b)(2)(B)¹⁹ of the Act to determine whether the proposed rule change 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 Number SR-NYSE-2015-03 on the subject line.

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-NYSE-2015-03. 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 20549-1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for Web site viewing and printing at the NYSE's

principal office and on its Internet Web site at www.nyse.com. 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-NYSE-2015-03 and should be submitted on or before February 19, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74126; File No. SR-ISE-2014-24]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Modify the Opening Process

January 23, 2015.

On November 19, 2014, International Securities Exchange, LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify the manner in which the Exchange's trading system opens trading at the beginning of the day and after trading halts and to codify certain existing functionality within the trading system regarding opening and reopening of options classes traded on the Exchange. The proposed rule change was published for comment in the **Federal Register** on December 10, 2014.³ The Commission has received no comment letters on the proposal.

Section 19(b)(2) of the Act⁴ 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

²⁰ 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. 73736 (December 4, 2014), 79 FR 73354.

⁴ 15 U.S.C. 78s(b)(2).

¹⁹ 15 U.S.C. 78s(b)(2)(B).

proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether these proposed rule changes should be disapproved. The 45th day for this filing is January 24, 2015.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. 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 and take action on the Exchange's proposed rule change.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act⁵ and for the reasons stated above, the Commission designates March 10, 2015, 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 No. SR-ISE-2014-24).

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

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74129; File No. SR-BX-2014-049]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Order Approving Proposed Rule Change Relating to Directed Market Makers

January 23, 2015.

I. Introduction

On November 25, 2014, NASDAQ OMX BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² to establish a directed order process for orders submitted to the Exchange. The proposed rule change was published in the **Federal Register** on December 12, 2014.³ The Commission received one comment letter on the proposal.⁴ This

order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange proposes to establish a program that will permit BX Market Makers to act as Directed Market Makers ("DMMs") in their appointed options classes, provided the BX Market Maker meets certain obligations and quoting requirements as described in more detail below.⁵ As proposed, DMMs will be permitted to receive "Directed Orders," which will be defined as orders to buy or sell which have been directed (pursuant to the Exchange's instructions on how to direct an order) to a particular market maker (the DMM with respect to that Directed Order).⁶ Limit Orders, Minimum Quantity Orders, Market Orders, Price Improving Orders, All-or-None Orders, Post-Only Orders, Immediate or Cancel, Good-till-Cancelled Day or WAIT orders will be eligible to be designated as Directed Orders.⁷ Directed Orders will be available only in certain options.

DMM Participation Entitlement

BX proposes to permit a DMM to receive up to a 40% participation entitlement if a Directed Order is directed to that DMM when the Exchange's disseminated price is the NBBO at the time of receipt of the Directed Order, and the DMM is quoting at or improving the Exchange's disseminated price.⁸ If the DMM participation entitlement is not awarded at the time of receipt of the Directed Order, the DMM participation entitlement will not apply to the Directed Order and the Directed Order will be handled as though it were not a Directed Order.⁹

BX also proposes to require that DMMs provide continuous two-sided quotations throughout the trading day in all options issues in which the DMM is assigned for 90% of the time the Exchange is open for trading in each issue.¹⁰ Such quotations will be required to meet the legal quote width requirements of BX Rules Chapter VII, Section 6. These obligations will be applied collectively to all series in all of the issues, rather than on an issue-by-

issue basis once the market maker has indicated to the Exchange that the market maker will be receiving Directed Orders.¹¹ However, these obligations will not apply to DMMs with respect to Quarterly Options Series, adjusted option series, or any series with a time to expiration of nine months or greater.¹² Nevertheless, a DMM will remain eligible to receive a participation entitlement in such series if it elects to quote in such series and otherwise satisfies the requirements of BX Chapter VI, Section 10.¹³

DMM Price/Time and Size Pro-Rata Participation Entitlement

If the Price/Time algorithm applies for the option and a Directed Order is sent to a DMM, BX proposes that the DMM will receive, the greater of: (1) After Public Customer orders are executed, the contracts the DMM would have received if the allocation was based on time priority;¹⁴ (2) a DMM participation entitlement of 40% of the remaining interest after Public Customer orders are executed;¹⁵ or (3) the Lead Market Maker ("LMM") participation entitlement, if the DMM is also the LMM.¹⁶

If the Size Pro-Rata algorithm applies for the option and a Directed Order is sent to a DMM, BX proposes that the DMM will receive the greater of: (1) After Public Customer orders are executed, the DMM's Size Pro-Rata share; (2) a DMM participation entitlement of 40% of the remaining

¹¹ Proposed BX Chapter VII, Section 15(iii). While the Market Maker's quoting requirement is a daily obligation, the Exchange will determine compliance with these obligations on a monthly basis. BX Regulation may consider exceptions to the requirement to quote 90% (or higher) of the trading day based on demonstrated legal or regulatory requirements or other mitigating circumstances.

If a technical failure or limitation of a system of the Exchange prevents a DMM from maintaining, or prevents a DMM from communicating to the Exchange, timely and accurate electronic quotes in an issue, the duration of such failure shall not be considered in determining whether the DMM has satisfied the 90% quoting standard with respect to that option issue. *Id.*

¹² Proposed BX Chapter VII, Section 15(iii).

¹³ *Id.*

¹⁴ BX Chapter VI, Section 10(1)(C)(1)(c).

¹⁵ BX Chapter VI, Section 10(1)(C)(1)(c). If this calculation results in a non-integer, the Exchange will round up or down to the nearest integer. *Id.* at Section 10(1)(C)(1)(b)(1).

¹⁶ Proposed BX Chapter VI, Section 10(1)(C)(1)(c)(3). BX's current Chapter VI, Section 10(1)(C)(1)(b) provides that an LMM, upon receipt of an order will be afforded a participation entitlement, provided the LMM's bid/offer is at the Exchange's disseminated price. The LMM is not entitled to receive a number of contracts that is greater than the displayed size associated with such LMM. LMM participation entitlements are considered after the opening process.

⁵ See Notice, *supra* note 3 at 73930.

⁶ Proposed BX Chapter VI, Section 1(e)(1).

⁷ Proposed BX Chapter VI, Section 6(a)(1) and (2).

⁸ Proposed BX Chapter VI, Section 10(1)(C)(1)(c) and Section 10(1)(C)(2)(ii).

⁹ Proposed BX Chapter VII, Section 15(ii).

¹⁰ Proposed BX Chapter VII, Section 15(iii). Pursuant to BX Ch. VII, Section 6(d), BX market makers must quote 60% of the trading day (as a percentage of the total number of minutes in such trading day) or such higher percentage as BX may announce in advance.

⁵ 15 U.S.C. 78s(b)(2)(A)(ii)(I).

⁶ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 73784 (December 8, 2014), 79 FR 73930 ("Notice").

⁴ See Email from Anonymous, to Secretary, Commission, dated January 2, 2015 ("Comment Letter").