

detect violations of Exchange rules and applicable federal securities laws.

(4) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (a) The procedures for purchases and redemptions of Shares in Creation Units (and that Shares are not individually redeemable); (b) Nasdaq Rule 2111A, which imposes suitability obligations on Nasdaq members with respect to recommending transactions in the Shares to customers; (c) how information regarding the Intraday Indicative Value is disseminated; (d) the risks involved in trading the Shares during the Pre-Market and Post-Market Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminated; (e) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

(5) For initial and continued listing, the Fund must be in compliance with Rule 10A-3 under the Exchange Act.<sup>37</sup>

(6) A minimum of 100,000 Shares will be outstanding at the commencement of trading on the Exchange.

(7) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid securities (calculated at the time of investment); will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained; and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund's net assets are held in illiquid securities.

(8) The equity securities in which the Fund will invest and the options that the Fund will buy and write will be limited to U.S. exchange-traded securities and options, respectively, that trade in markets that are members of the ISG, which includes all U.S. national securities exchanges and certain foreign exchanges, or are parties to a comprehensive surveillance sharing agreement with the Exchange.

(9) Under normal market conditions, the Fund will invest primarily in large-cap U.S. exchange-traded equity securities. The Fund will also utilize an options strategy consisting of buying

U.S. exchange-traded put options on the Index and writing U.S. exchange-traded covered call options on the Index. The market value of the options strategy may be up to 20% of the Fund's overall net asset value.

(10) In addition to the options strategy that is part of the Fund's principal investment strategy, the Fund may invest up to 10% of the market value of its net assets in futures, options, options on futures, total return swaps, credit default swaps, and forward contracts.

To the extent practicable, the Fund will invest in swaps cleared through the facilities of a centralized clearing house.

(11) The Fund's investments will be consistent with the Fund's investment objective and will not be used to enhance leverage.

This approval order is based on all of the Exchange's representations and description of the Fund, including those set forth above and in the Notice.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>38</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>39</sup> that the proposed rule change (SR-NASDAQ-2013-121) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>40</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70827; File No. SR-CBOE-2013-105]

#### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the CBSX Fees Schedule

November 7, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on October 29, 2013, Chicago Board Options Exchange, Incorporated (the "Exchange"

or "CBOE") filed with the Securities and Exchange Commission (the "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 Fees Schedule of its CBOE Stock Exchange ("CBSX"). The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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

CBSX proposes to amend its Fees Schedule to remove AAPL, BAC, GOOG, NOK, and SIRI (the "Removed Symbols") from its list of Select Symbols for whom transactions priced \$1 or greater (all fees addressed in this filing relate to transactions priced \$1 or greater) are assessed a fee of \$0.0050 per share (for Maker executions) and provided a rebate of \$0.0045 per share (for Taker executions). This means that the Removed Symbols will now fall into the "all other securities" category and fees and rebates applicable to "all other securities" will apply to the Removed Symbols, which are as follows (and are not being changed in this proposed rule change):

<sup>37</sup> 17 CFR 240.10A-3.

<sup>38</sup> 15 U.S.C. 78f(b)(5).

<sup>39</sup> 15 U.S.C. 78s(b)(2).

<sup>40</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.

Execution type	Rate
Maker (adds less than 0.08% of TCV of liquidity in one day) (1)(5) .....	\$0.0018 per share.
Maker (adds at least 0.08% but less than 0.16% of TCV of liquidity in one day) (1)(5) .....	\$0.0017 per share.
Maker (adds at least 0.16% but less than 0.24% of TCV of liquidity in one day) (1)(5) .....	\$0.0016 per share.
Maker (adds at least 0.24% but less than 0.42% of TCV of liquidity in one day) (1)(5) .....	\$0.0015 per share.
Maker (adds 0.42% or more of TCV of liquidity in one day) (1)(5) .....	\$0.0014 per share.
Taker (removes 9,999,999 shares or less of liquidity in one day (1) or less than 85% Execution Rate) .....	\$0.0015 rebate per share.
Taker (removes 10,000,000 shares or more of liquidity in one day (1) and equal to or greater than 85% Execution Rate) .....	\$0.0017 rebate per share.
Maker (adds liquidity using a silent order) .....	\$0.0018 per share.
Taker (removes silent order liquidity) .....	\$0.0015 rebate per share.
Maker (adds liquidity using a silent-mid or silent-post-mid order) .....	\$0.0018 per share.
Taker (removes silent-mid or silent-post-mid liquidity) .....	\$0.0015 rebate per share.

The Removed Symbols had been included in the Select Symbols in an aspirational attempt to increase liquidity provision in these products, but such increased liquidity has not been achieved. CBSX hopes that moving the Removed Symbols into the “all other securities” category will increase liquidity provision in these products.

As no symbols would be listed in the Select Symbols, footnote (6) of the CBSX Fees Schedule would be amended to read “There are no Select Symbols at this time.” The Exchange does not wish to remove the concept of the Select Symbols (and corresponding fees structure) from the CBSX Fees Schedule because CBSX may desire in the future to move other symbols into the “Select Symbols” and apply the corresponding Select Symbols fees structure to such symbols (of course, the Exchange would submit a proposed rule change in order to effect such a move).

The proposed change is to take effect on November 1, 2013.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.<sup>3</sup> Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>4</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities. The Exchange believes that it is reasonable, equitable and not unfairly discriminatory to remove the Removed Symbols from the Select Symbols and to assess the Removed Symbols the fees of “all other securities” because transactions in these products will merely be assessed the fee and rebate amounts of all other CBSX securities. Further, this move is designed to attract

more trading in these products, as placing the Removed Symbols in the Select Symbols (and applying the Select Symbols fees structure to the Removed Symbols) failed to cause the desired increase in trading volume in the Removed Symbols. Finally, these fees for the Removed Symbols will be the same as for all other CBSX securities, and will be assessed equally to all market participants.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. CBSX does not believe that the proposed rule changes will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes will be applied to all market participants. CBSX does not believe that the proposed rule changes will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes only affect trading on CBSX. Further, the proposed changes are designed to incentivize more trading on CBSX, which could encourage other exchanges to enact their own competitive changes. To the extent that the proposed changes make CBSX a more attractive trading venue for market participants on other exchanges, such market participants may elect to become CBSX market participants.

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

The Exchange neither solicited nor received comments on the proposed rule change.

## 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) of the Act<sup>5</sup> and paragraph (f) of Rule 19b-4<sup>6</sup> thereunder. 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 will institute proceedings 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](mailto:rule-comments@sec.gov). Please include File Number SR-CBOE-2013-105 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-CBOE-2013-105. 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

<sup>3</sup> 15 U.S.C. 78f(b).

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

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>6</sup> 17 CFR 240.19b-4(f).

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 offices 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-CBOE-2013-105, and should be submitted on or before December 5, 2013.

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

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2013-27202 Filed 11-13-13; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70831; File No. SR-FICC-2013-09]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Make the U.S. Department of the Treasury's Floating Rate Notes Eligible for Netting Service and GCF Repo® at FICC's Government Securities Division

November 7, 2013.

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 October 28, 2013, the Fixed Income Clearing Corporation ("FICC") 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 FICC. 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 purpose of this rule filing is to make the U.S. Treasury Department's floating rate notes eligible for the netting service and GCF Repo® service at the Government Securities Division ("GSD").

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

In its filing with the Commission, FICC 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. FICC 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

(i) The purpose of this rule filing is to make the U.S. Treasury Department's floating rate notes eligible for the netting service and GCF Repo® service at the GSD.

Last year, the U.S. Department of the Treasury (the "Treasury Department") announced its plan to issue Treasury notes with a floating rate coupon (the "Floating Rate Notes").

During the May 1, 2013 Refunding Meeting, the Treasury Department stated that it plans to develop a Floating Rate Notes securities program to complement the existing suite of securities it issues and to support its broader debt management objective. The Floating Rate Notes will be the first added U.S. Treasury debt security since the Treasury Inflation-Protected Securities, known as TIPS, were introduced in 1997. The Treasury Department anticipates that the first auction will occur in January 2014.<sup>3</sup>

From a trading perspective and to ensure that the introduction of the Floating Rate Notes does not result in any increased clearance and settlement risk to the marketplace, FICC believes

that these securities should be eligible for comparison, netting, and settlement by GSD. With this in mind, GSD is planning to make Floating Rate Notes eligible for its netting service starting with the January 2014 auction of the two-year Floating Rate Notes (other maturities will be issued later).

With respect to the GCF Repo® service, Floating Rate Notes will be included in GSD's existing Treasury Generic CUSIP Numbers.<sup>4</sup> The inclusion of Floating Rate Notes in the GCF Repo® service necessitates a change to the GSD Rulebook in connection with the collateral allocation provisions which are covered in GSD Rule 20 Section 3. Because of their adjustable coupon, Floating Rate Notes will not be eligible for collateral allocation obligations or substitutions with respect to the GCF Repo Generic CUSIPs representing Treasury inflation-protected securities ("TIPS"), separate trading of registered interest and principal securities ("STRIPS"), or fixed-rate mortgage-backed securities issued by Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac") and Government National Mortgage Association ("Ginnie Mae"). As a result, GSD Rule 20 Section 3 has been revised to reflect this change.

In order for GSD to process Floating Rate Notes, various enhancements to FICC's systems and member output have been made in the following areas:

- Creation and maintenance of a historical database of reference indices. This data is necessary for determining coupon, which is used in valuing positions for settlement purposes and for forward margin and clearing fund calculations.

- Modification of the security database in order for it to work in conjunction with the floating rate, reset date, reset rate basis and spread.

- Modifications to member output formats for both messaging and end of day machine readable output in order to accommodate the additional fields.

GSD will test with its membership before the launch of the Floating Rate Notes. This will ensure that members can properly submit and receive transaction data in connection with the Floating Rate Notes. GSD has provided information to member firms about GSD's proposed processing of the

<sup>4</sup> Pursuant to the GSD Rules, the term "Generic CUSIP Number" means a Committee on Uniform Securities Identification Procedures identifying number established for a category of securities, as opposed to a specific security. The Corporation shall use separate Generic CUSIP Numbers for General Collateral Repo Transactions and GCF Repo Transactions. GSD Rulebook, Definitions.

<sup>7</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 Press Release, U.S. Department of the Treasury August 2013 Quarterly Refunding Statement of Assistant Secretary Rutherford (July 31, 2013), available at [www.treasury.gov](http://www.treasury.gov).