

customers, as well as retaining existing customers.

The Exchange has witnessed competitors creating new products and innovative pricing in this space over the course of the past year. NASDAQ continues to see firms challenge its pricing on the basis of the Exchange's explicit fees being higher than the zero-priced fees from other competitors such as BATS. In all cases, firms make decisions on how much and what types of data to consume on the basis of the total cost of interacting with NASDAQ or other exchanges. Of course, the explicit data fees are but one factor in a total platform analysis. Some competitors have lower transactions fees and higher data fees, and others are vice versa. For example, NOM offers one distributor fee which allows firms to access both the BONO and ITTO data feeds. The market for this information is highly competitive and continually evolves as products develop and change.

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

Written comments were neither solicited nor 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.<sup>6</sup> 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, as amended, 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-NASDAQ-2014-119 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-NASDAQ-2014-119. 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 Website 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-NASDAQ-2014-119, and should be submitted on or before January 7, 2015.

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. 2014-29499 Filed 12-16-14; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-73831; File No. SR-BOX-2014-27]

**Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Interpretive Material to Rule 7150 (Price Improvement Period "PIP") and Interpretive Material to Rule 7245 (Complex Order Price Improvement Period "COPIP") To Extend the Pilot Period That Permit the Exchange To Have No Minimum Size Requirement for Orders Entered Into the PIP and COPIP Until July 18, 2015**

December 12, 2014.

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 December 5, 2014, BOX Options Exchange LLC ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

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

The Exchange proposes to amend Interpretive Material to Rule 7150 (Price Improvement Period "PIP") and Interpretive Material to Rule 7245 (Complex Order Price Improvement Period "COPIP") to extend the pilot programs that permit the Exchange to have no minimum size requirement for orders entered into the PIP ("PIP Pilot Program") and COPIP ("COPIP Pilot Program"). The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet Web site at <http://boxexchange.com>.

**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 self-regulatory organization 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

<sup>6</sup> 15 U.S.C. 78s(b)(3)(a)[sic](ii).

<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.

the places specified in Item IV below. The self-regulatory organization 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

The purpose of the proposed rule change is to extend the PIP and COPIP Pilot Programs for an additional seven months or until the date on which the pilot programs are approved on a permanent basis, whichever is earlier. The PIP and COPIP Pilot Programs allow the Exchange to have no minimum size requirement for orders entered into the PIP<sup>3</sup> and the COPIP.<sup>4</sup> The Exchange has committed to provide

<sup>3</sup> The PIP Pilot Program is currently set to expire on December 18, 2014. See Securities Exchange Act Release Nos. 66871 (April 27, 2012) 77 FR 26323 (May 3, 2012) (File No.10-206, In the Matter of the Application of BOX Options Exchange LLC for Registration as a National Securities Exchange Findings, Opinion, and Order of the Commission), 67255 (June 26, 2012) 77 FR 39315 (July 2, 2013) (SR-BOX-2012-009) (Notice of Filing and Immediate Effectiveness of a Proposal To Extend a Pilot Program That Permits BOX To Have No Minimum Size Requirement for Orders Entered Into the Price Improvement Period), 69846 (June 25, 2013) 78 FR 39365 (July 1, 2013) (SR-BOX-2013-33) (Notice of Filing and Immediate Effectiveness of a Proposal To Extend a Pilot Program That Permits BOX To Have No Minimum Size Requirement for Orders Entered Into the Price Improvement Period), 72545 (July 7, 2014) 79 FR 40182 (July 11, 2014) (SR-BOX-2014-19) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to amend Interpretive Material to Rule 7150 (Price Improvement Period "PIP") and Interpretive Material to Rule 7245 (Complex Order Price Improvement Period "COPIP"), and 73314 (October 7, 2014) 79 FR 61682 (October 14, 2014) (SR-BOX-2014-23) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Extend the Pilot Programs That Permit the Exchange To Have No Minimum Size Requirement for Orders Entered Into the PIP ("PIP Pilot Program") and COPIP ("COPIP Pilot Program") Until December 18, 2014).

<sup>4</sup> The COPIP Pilot Program is currently set to expire on December 18, 2014. See Securities Exchange Act Release Nos. 71148 (December 19, 2013) 78 FR 78437 (December 26, 2013) (Notice of Filing of Amendment Nos. 1 and 2 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment Nos. 1 and 2, to Permit Complex Orders to Participate in Price Improvement Periods), 72545 (July 7, 2014) 79 FR 40182 (July 11, 2014) (SR-BOX-2014-19) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to amend Interpretive Material to Rule 7150 (Price Improvement Period "PIP") and Interpretive Material to Rule 7245 (Complex Order Price Improvement Period "COPIP"), and 73314 (October 7, 2014) 79 FR 61682 (October 14, 2014) (SR-BOX-2014-23) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Extend the Pilot Programs That Permit the Exchange To Have No Minimum Size Requirement for Orders Entered Into the PIP ("PIP Pilot Program") and COPIP ("COPIP Pilot Program") Until December 18, 2014).

certain data to the Commission during the PIP and COPIP Pilot Programs.<sup>5</sup> The proposed rule change retains the text of IM-7150-1 to Rule 7150 and IM-7245-1 to Rule 7245; and seeks to extend the operation of the PIP and COPIP Pilot Programs until July 18, 2015.

The Exchange notes that the PIP and COPIP Pilot Programs permit Participants to trade with their customer orders that are less than 50 contracts. In particular, any order entered into the PIP is guaranteed an execution at the end of the auction at a price at least equal to the national best bid or offer. Any order entered into the COPIP is guaranteed an execution at the end of the auction at a price at least equal to or better than the cNBBO,<sup>6</sup> cBBO<sup>7</sup> and BBO on the Complex Order Book for the Strategy at the time of commencement. In further support of this proposed rule change, the Exchange will submit to the Commission monthly a PIP Pilot Program Report and a COPIP Pilot Program Report, offering detailed data from, and analysis of, the PIP Pilot Program and COPIP Pilot Program.

The Exchange believes that, by extending the expiration of the PIP and COPIP Pilot Programs, the proposed rule change will allow for further analysis of the PIP and COPIP Pilot Programs and a determination of how the PIP and COPIP Pilot Programs shall be structured in the future.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>8</sup> in general, and Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism for a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the data demonstrates that there is sufficient investor interest and demand to extend the PIP and COPIP Pilot Programs for an additional seven

months or until the date on which the pilot programs are approved on a permanent basis, whichever is earlier. The Exchange represents that the PIP and COPIP Pilot Programs are designed to create tighter markets and ensure that each order receives the best possible price.

*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. Specifically, the Exchange believes that, by extending the expiration of the PIP and COPIP Pilot Programs, the proposed rule change will allow for further analysis of the PIP and COPIP Pilot Programs and a determination of how the PIP and COPIP Pilot Programs shall be structured in the future. In doing so, the proposed rule change will also serve to promote regulatory clarity and consistency, thereby reducing burdens on the marketplace and facilitating investor protection.

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

The Exchange has 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>10</sup> and Rule 19b-4(f)(6)<sup>11</sup> thereunder because the proposal does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) by its terms, become operative for 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.<sup>12</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing. However, Rule 19b-

<sup>5</sup> See supra note 3 at 26334 and note 4 at 78441.

<sup>6</sup> As defined in BOX Rule 7240(a)(3), the term "cNBBO" means the best net bid and offer price for a Complex Order Strategy based on the NBBO for the individual options components of such Strategy.

<sup>7</sup> As defined in BOX Rule 7240(a)(1), the term "cBBO" means the best net bid and offer price for a Complex Order Strategy based on the BBO on the BOX Book for the individual options components of such Strategy.

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>12</sup> In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of 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. The Exchange has satisfied this requirement.

4(f)(6)(iii)<sup>13</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay period so the pilot programs can continue without interruption. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as it will allow the pilot programs to continue uninterrupted, thereby avoiding any potential investor confusion that could result from a temporary interruption in the pilot programs. For these reasons, the Commission designates the proposed rule change to be operative on December 18, 2014.<sup>14</sup>

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.<sup>15</sup>

#### 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-BOX-2014-27 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-BOX-2014-27. 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 Number SR-BOX-2014-27 and should be submitted on or before January 7, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-29621 Filed 12-16-14; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73818; File No. SR-NYSEArca-2014-110]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1 Thereto, Amending Rule 6.2A To Authorize the Exchange to Share Any User-Designated Risk Settings in Exchange Systems With the Clearing Member That Clears Transactions on Behalf of the User

December 11, 2014.

#### I. Introduction

On September 19, 2014, NYSE Arca, Inc., ("NYSE Arca" or "Exchange") 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 Rule 6.2A to authorize the Exchange to share any User-designated risk settings in Exchange systems with the Clearing Member<sup>3</sup> that clears transactions on behalf of the User.<sup>4</sup> The proposed rule change was published for comment in the **Federal Register** on October 7, 2014.<sup>5</sup> On November 19, 2014, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>6</sup> On November 21, 2014, pursuant to Section 19(b)(2) of the Exchange Act,<sup>7</sup> the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the proposed rule change.<sup>8</sup> The Commission received no comments on the proposal. The Commission is publishing this notice to solicit comments from interested persons on Amendment No. 1 to the proposed rule change and is approving the proposed rule change, as modified by Amendment No. 1 thereto, on an accelerated basis.

#### II. Description of the Proposal

The Exchange proposes to amend Exchange Rule 6.2A (Access to and Conduct on OX) to state that the Exchange may share any User-designated risk settings in the

<sup>3</sup> See Exchange Rule 6.1(b)(3) defining "Clearing Member" as "an Exchange OTP Firm or OTP Holder which has been admitted to membership in the Options Clearing Corporation pursuant to the provisions of the Rules of the Options Clearing Corporation."

<sup>4</sup> See Exchange Rule 6.1A(a)(19) defining "User" as "any OTP Holder, OTP Firm or Sponsored Participant that is authorized to obtain access to OX pursuant to Rule 6.2A."

<sup>5</sup> See Securities Exchange Act Release No. 73281 (October 1, 2014), 79 FR 60552 ("Notice").

<sup>6</sup> In Amendment No. 1, the Exchange provided additional justification for why the Exchange believes the proposed rule change is consistent with the Act. In Amendment No. 1, the Exchange states, among other things, that the Exchange believes that sharing a User's risk settings directly with its Clearing Member could reduce the administrative burden on Users to provide that information to their Clearing Members themselves and notes that any User could become a Clearing Member, which would allow the User to avoid sharing its risk settings with any third party. Amendment No. 1 has been placed in the public comment file for SR-NYSEArca-2014-110 at <http://www.sec.gov/comments/sr-nysearca-2014-110/nysearca2014110-1.pdf> (See letter to Kevin M. O'Neill, Deputy Secretary, Commission, from Martha Redding, Chief Counsel and Assistant Corporate Secretary, New York Stock Exchange, dated November 20, 2014) and is also available on the Exchange's Web site.

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> See Securities Exchange Act Release No. 34-73668, 79 FR 70607 (November 26, 2014). The Commission designated January 5, 2014 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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

<sup>16</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.