

obtain trading information regarding trading in the Shares, exchange-listed options on U.S. Treasury futures contracts, exchange-listed U.S. Treasury futures contracts, exchange-listed options on Eurodollar futures contracts, exchange-listed Eurodollar futures contracts, and exchange-listed currency options from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares, exchange-listed options on U.S. Treasury futures contracts, exchange-listed U.S. Treasury futures contracts, exchange-listed options on Eurodollar futures contracts, exchange-listed Eurodollar futures contracts, and exchange-listed currency options from markets and other entities that are members of ISG or with which the Exchange has in place a comprehensive surveillance sharing agreement. At least 90% of the Fund's net assets that are invested in exchange-listed options on U.S. Treasury futures contracts, exchange-listed U.S. Treasury futures contracts, exchange-listed options on Eurodollar futures contracts, exchange-listed Eurodollar futures contracts, and exchange-listed currency options will be invested in such instruments whose principal market is a member of the ISG. In addition, as indicated in the Prior Release, investors will have ready access to information regarding the Fund's holdings, the PIV (as defined in the Prior Release), the Disclosed Portfolio (as defined in the Prior Release and as further described herein), and quotation and last sale information for the Shares.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed rule change will permit the Sub-Adviser additional flexibility in achieving the Fund's investment objective, thereby offering investors additional investment options.

#### *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**

Because the foregoing 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 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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>23</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>24</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.

#### **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-NYSEArca-2014-127 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-NYSEArca-2014-127. 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 will also 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-NYSEArca-2014-127 and should be submitted on or before December 12, 2014.

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

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

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### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-73615; File No. SR-CME-2014-49]

#### **Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Decision Not To Clear Security-Based Swaps**

November 17, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 17, 2014, Chicago Mercantile Exchange Inc. ("CME Inc.") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I and II below, which Items have been prepared primarily by CME Inc. CME Inc. filed the proposal pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)<sup>4</sup> thereunder, so that the proposal

<sup>23</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>24</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give 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. The Exchange has satisfied this requirement.

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

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

was effective upon filing with the Commission. 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**

CME Inc. is filing the proposed rule change that is limited to its business as a derivatives clearing organization. More specifically, the proposed rule change clarifies that CME Inc. has decided not to clear security-based swaps ("SBSs").<sup>5</sup> As a result, CME Inc. is removing references in Chapter 8–H (Credit Default Swaps Clearing) to SBSs.

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

In its filing with the Commission, CME Inc. included statements concerning the purpose 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. CME Inc. 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**

CME Inc. is registered as a derivatives clearing organization with the Commodity Futures Trading Commission ("CFTC") and currently offers clearing services for many different futures and swaps products. To date, CME Inc. has never performed the functions of a clearing agency with respect to SBSs. This proposed rule change is designed to make explicit that CME Inc. has decided not to clear SBSs.

As a result of the above decision, CME Inc. is proposing to amend Rule 8H01 to explicitly state that CME Inc. will not clear SBSs, with the exception of Restructuring European Single Name CDS Contracts created following the occurrence of a Restructuring Credit Event in respect of an iTraxx Component Transaction.<sup>6</sup> The clearing of Restructuring European Single Name

CDS Contracts will be a necessary byproduct after such time that CME Inc. begins clearing iTraxx Europe index CDS. As currently contemplated, CME Inc. will not permit market participants to increase, close out (other than due to the occurrence of a credit event) or otherwise affect the size of a position in a Restructuring European Single Name CDS Contract.<sup>7</sup>

Additionally, to remove references to SBSs, CME Inc. will accordingly amend or delete Rules 8H04 (CDS Clearing Member Obligations and Qualifications), 8H820 (Performance Bond for Security-Based Swaps), 8H930.C (Acceptable Performance Bond Deposits for CDS Products), 8H931 (Rule Changes Relating to Security-Based Swaps), 8H932 (Records Relating to Disciplinary Proceedings and Security-Based Swaps), 8H933 (Notice Regarding Certain Disciplinary Matters Related to Security-Based Swaps), 8H934 (Reports to CDS Clearing Members), and 8H938 (Summary Suspensions Relating to Security-Based Swap Clearing Activities).

CME Inc. believes the proposed rule change is consistent with the requirements of the Exchange Act, including Section 17A of the Exchange Act,<sup>8</sup> in general, and furthers the objectives of Section 17A(b)(3)(F),<sup>9</sup> in particular, in that it is designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions, and in general, to protect investors and the public interest. The proposed rule change will provide adequate notice to the public that CME Inc. will not clear SBSs. Additionally, by deciding not to clear SBSs, CME Inc. believes that it will avoid subjecting non-security products to potentially "duplicative or inconsistent regulation" and will "eliminate any potential inefficiencies and undue delays that could result from the requirement that the Commission review changes to rules primarily affecting clearing operations with respect to products that are not securities . . ." <sup>10</sup> As a result, CME Inc. believes that the proposed rule change is consistent with the Exchange Act.

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

CME Inc. does not believe that the proposed rule change will have any impact, or impose any burden, on competition. The proposed rule change merely makes explicit the fact that CME Inc. has decided not to clear SBSs. Because CME Inc. never performed, and will not perform, the functions of a clearing agency with respect to SBS, the proposed rule change will not affect any actual clearing activities of CME Inc. and should not have any burden on competition. In fact, CME Inc. believes that the proposed rule change will have a positive effect on competition since the proposal will result in the avoidance of "potential legal uncertainty and market disruption caused by delays that could result from the requirement that the Commission undertake a full review" of CME Inc.'s non-security products.<sup>11</sup>

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

CME Inc. has not solicited, and does not intend to solicit, comments regarding this proposed rule change. CME Inc. has not received any unsolicited written comments from interested parties.

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

CME Inc. has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act <sup>12</sup> and Rule 19b–4(f)(6) <sup>13</sup> thereunder.

Because the proposed rule change (i) does not significantly affect the protection of investors or the public interest, (ii) does not impose any significant burden on competition, and (iii) does not 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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act <sup>14</sup> and Rule 19b–4(f)(6) <sup>15</sup> thereunder.

A proposed rule change filed under Rule 19b–4(f)(6) <sup>16</sup> normally does not become operative prior to 30 days after

<sup>5</sup> CME Inc.'s decision not to clear SBS is subject to the limited exception of clearing Restructuring European Single Name CDS Contracts, as more fully detailed below. All references herein to CME Inc.'s decision not to clear SBS should be read/understood in this context.

<sup>6</sup> CME Inc. plans to launch clearing services for iTraxx Europe index CDS products and will file a separate proposed rule change with the Commission in connection with its iTraxx proposal.

<sup>7</sup> CME Inc. will provide further details surrounding the clearing of iTraxx Europe index CDS, and Restructuring European Single Name CDS Contracts specifically, in a separate iTraxx rule filing.

<sup>8</sup> 15 U.S.C. 78q–1.

<sup>9</sup> 15 U.S.C. 78q–1(b)(3)(F).

<sup>10</sup> See Securities Exchange Act Release No. 34–69284 (April 9, 2013), 78 FR 21046 (April 9, 2013).

<sup>11</sup> See Securities Exchange Act Release No. 34–64832 (July 7, 2011), 76 FR 41056 (July 13, 2011).

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>13</sup> 17 CFR 240.19b–4(f)(6).

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>15</sup> 17 CFR 240.19b–4(f)(6).

<sup>16</sup> 17 CFR 240.19b–4(f)(6).

the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>17</sup> CME Inc. has asked the Commission to waive the five-day pre-filing requirement and the 30-day operative delay so that the proposed rule change may become operative immediately upon filing.<sup>18</sup> The Commission believes that waiver of the 30-day operative delay is appropriate, as CME Inc. has, to date, never performed the functions of a clearing agency with respect to SBSs, and the rule text removed or altered as a result the proposed rule change removes any ambiguity concerning CME Inc.'s ability or desire to perform the functions of a clearing agency with respect to SBSs. Therefore, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest and designates the proposed rule change as operative upon filing.<sup>19</sup>

At any time within 60 days of the filing of the proposed 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 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 No. SR-CME-2014-49 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-CME-2014-49. 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 CME Inc. and on CME Inc.'s Web site at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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-CME-2014-49 and should be submitted on or before December 12, 2014.

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

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73614; File No. SR-ISE-2014-43]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change Amending Its Information Barrier Rules

November 17, 2014.

On September 15, 2014, International Securities Exchange, LLC (the "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 amending its information barrier rules. The proposed rule change was published for comment in the **Federal Register** on October 6, 2014.<sup>3</sup> The Commission received one comment letter<sup>4</sup> on the proposed rule change and one rebuttal letter from the Exchange.<sup>5</sup>

Section 19(b)(2) of the Act<sup>6</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 these proposed rule changes should be disapproved. The 45th day for this filing is November 20, 2014.

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 review the comment letter submitted in response to the Notice, to review the Exchange's response to such comment letter, and to consider and take action on the Exchange's proposed rule change.

<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. 73261 (October 6, 2014), 79 FR 60226 ("Notice").

<sup>4</sup> See Letter from John Kinahan, Chief Executive Officer, Group One Trading, L.P., dated October 27, 2014.

<sup>5</sup> See Letter from Michael J. Simon, Secretary and General Counsel, International Securities Exchange, LLC, dated November 14, 2014.

<sup>6</sup> 15 U.S.C. 78s(b)(2).

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

<sup>18</sup> Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to submit to the Commission written notice of its 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. 17 CFR 240.19b-4(f)(6)(iii). The Commission has waived the five-day pre-filing period in this case.

<sup>19</sup> Solely for purposes of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>20</sup> 17 CFR 200.30-3(a)(12).