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 the 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–BX–2014–025 and should be submitted on or before June 5, 2014.

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

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–11160 Filed 5–14–14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72137; File No. 4–536]

Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d–2; Order Approving and Declaring Effective a Proposed Amended Plan for the Allocation of Regulatory Responsibilities Between the Financial Industry Regulatory Authority, Inc., the Chicago Board Options Exchange, Incorporated, and C2 Options Exchange, Incorporated

May 9, 2014.

On March 24, 2014, the Financial Industry Regulatory Authority, Inc. (''FINRA''), the Chicago Board Options Exchange, Incorporated (''CBOE''), and C2 Options Exchange, Incorporated (''C2'') (collectively, the ''Parties'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') an amended plan for the allocation of regulatory responsibilities, dated March 21, 2014 (''Amended 17d–2 Plan'' or the ''Amended Plan''). The Amended Plan was published for comment on April 23, 2014.[1] The Commission received no comments on the Amended Plan. This order approves and declares effective the Amended Plan.

I. Introduction

Section 19(g)(1) of the Securities Exchange Act of 1934 (''Act''),[2] among other things, requires every self-regulatory organization (''SRO'') registered as either a national securities exchange or national securities association to examine for, and enforce compliance by, its members and persons associated with its members with the Act, the rules and regulations thereunder, and the SRO's own rules, unless the SRO is relieved of this responsibility pursuant to Section 17(d) or Section 19(g)(2) of the Act.[3] Without this relief, the statutory obligation of each individual SRO could result in a pattern of multiple examinations of broker-dealers that maintain memberships in more than one SRO (''Common Members''). Such regulatory duplication would add unnecessary expenses for common members and their SROs.

Section 17(d)(1) of the Act[4] was intended, in part, to eliminate unnecessary multiple examinations and regulatory duplication.[5] With respect to a common member, Section 17(d)(1) authorizes the Commission, by rule or order, to relieve an SRO of the responsibility to receive regulatory reports, to examine for and enforce compliance with applicable statutes, rules, and regulations, or to perform other specified regulatory functions.

To implement Section 17(d)(1), the Commission adopted two rules: Rule 17d–1 and Rule 17d–2 under the Act.[6] Rule 17d–1 authorizes the Commission to name a single SRO as the designated examining authority (''DEA'') to examine common members for compliance with the financial responsibility requirements imposed by the Act, or by Commission or SRO rules.[7] When an SRO has been named as a common member's DEA, all other SROs to which the common member belongs are relieved of the responsibility to examine the firm for compliance with the applicable financial responsibility rules. On its face, Rule 17d–1 deals only with an SRO's obligations to enforce member compliance with financial responsibility requirements. Rule 17d–1 does not relieve an SRO from its obligation to examine a common member for compliance with its own rules and provisions of the federal securities laws governing matters other than financial responsibility, including sales practices and trading activities and practices.

To address regulatory duplication in these and other areas, the Commission adopted Rule 17d–2 under the Act.[8] Rule 17d–2 permits SROs to propose joint plans for the allocation of regulatory responsibilities with respect to their common members. Under paragraph (c) of Rule 17d–2, the Commission may declare such a plan effective if, after providing for appropriate notice and comment, it determines that the plan is necessary or appropriate in the public interest and for the protection of investors; to foster cooperation and coordination among the SROs; to remove impediments to, and foster the development of, a national market system and a national clearance and settlement system; and is in conformity with the factors set forth in Section 17(d) of the Act. Commission approval of a plan filed pursuant to Rule 17d–2 relieves an SRO of those regulatory responsibilities allocated by the plan to another SRO.

II. Proposed Plan

On May 14, 2007, the Commission declared effective the Plan entered into between NASD (n/k/a FINRA) and CBOE for allocating regulatory responsibility pursuant to Rule 17d–2.[9] The Plan was originally intended to reduce regulatory duplication for firms that are common members of both CBOE and FINRA, by allocating regulatory responsibility with respect to certain applicable laws, rules, and regulations, including responsibility for CBOE rules applicable to the CBOE Stock Exchange, LLC (''CBSX''), an equity exchange facility formerly operated by CBOE. Included in the original Plan is an exhibit that lists every CBOE rule for which FINRA bears responsibility under the Plan for overseeing and enforcing with respect to CBOE members that are also members of FINRA and the associated persons therewith (''Certification''). On March 24, 2014, the parties submitted a proposed amendment to the Plan. The primary purpose of the amendment is to add C2 as a participant to the Plan.

[14] 17 CFR 200.30–3(a)(12).

[1] *See* Securities Exchange Act Release No. 71964 (April 17, 2014), 79 FR 22709 (April 23, 2014).

[2] 15 U.S.C. 78s(g)(1).

[3] 15 U.S.C. 78q(d) and 15 U.S.C. 78s(g)(2), respectively.

[4] 15 U.S.C. 78q(d)(1).

[5] *See* Securities Act Amendments of 1975, Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany S. 249, S. Rep. No. 94–75, 94th Cong., 1st Session 32 (1975).

[6] 17 CFR 240.17d–1 and 17 CFR 240.17d–2, respectively.

[7] *See* Securities Exchange Act Release No. 12352 (April 20, 1976), 41 FR 18808 (May 7, 1976).

[8] *See* Securities Exchange Act Release No. 12935 (October 28, 1976), 41 FR 49091 (November 8, 1976).

[9] *See* Securities Exchange Act Release No. 55755 (May 14, 2007), 72 FR 28087 (May 18, 2007).

III. Discussion

The Commission finds that the proposed Amended Plan is consistent with the factors set forth in Section 17(d) of the Act [10] and Rule 17d–2(c) thereunder [11] in that the proposed Amended Plan is necessary or appropriate in the public interest and for the protection of investors, fosters cooperation and coordination among SROs, and removes impediments to and fosters the development of the national market system. In particular, the Commission believes that the proposed Amended Plan should reduce unnecessary regulatory duplication by allocating to FINRA certain examination and enforcement responsibilities for Common Members that would otherwise be performed by CBOE, C2, and FINRA. Accordingly, the proposed Amended Plan promotes efficiency by reducing costs to Common Members. Furthermore, because CBOE, C2, and FINRA will coordinate their regulatory functions in accordance with the Amended Plan, the Amended Plan should promote investor protection.

The Commission notes that, under the Amended Plan, CBOE, C2, and FINRA have allocated regulatory responsibility for those CBOE and C2 rules, set forth in the Certification, that are substantially similar to the applicable FINRA rules in that examination for compliance with such provisions and rules would not require FINRA to develop one or more new examination standards, modules, procedures, or criteria in order to analyze the application of the rule, or a Common Member's activity, conduct, or output in relation to such rule. In addition, under the Amended Plan, FINRA would assume regulatory responsibility for certain provisions of the federal securities laws and the rules and regulations thereunder that are set forth in the Certification. The Common Rules covered by the Amended Plan are specifically listed in the Certification, as may be amended by the Parties from time to time.

According to the Amended Plan, CBOE and C2 will review the Certification, at least annually, or more frequently if required by changes in either the rules of CBOE, C2, or FINRA, and, if necessary, submit to FINRA an updated list of Common Rules to add CBOE and C2 rules not included on the then-current list of Common Rules that are substantially similar to FINRA rules; delete CBOE and C2 rules included in the then-current list of Common Rules that are no longer substantially similar to FINRA rules; and confirm that the remaining rules on the list of Common Rules continue to be CBOE and C2 rules that are substantially similar to FINRA rules.[12] FINRA will then confirm in writing whether the rules listed in any updated list are Common Rules as defined in the Amended Plan. Under the Amended Plan, CBOE and C2 will also provide FINRA with a current list of Common Members and shall update the list no less frequently than once every six months.[13] The Commission believes that these provisions are designed to provide for continuing communication between the Parties to ensure the continued accuracy of the scope of the proposed allocation of regulatory responsibility.

The Commission is hereby declaring effective an Amended Plan that, among other things, allocates regulatory responsibility to FINRA for the oversight and enforcement of all CBOE and C2 rules that are substantially similar to the rules of FINRA for Common Members of CBOE and FINRA, and C2 and FINRA. Therefore, modifications to the Certification need not be filed with the Commission as an amendment to the Amended Plan, provided that the Parties are only adding to, deleting from, or confirming changes to CBOE or C2 rules in the Certification in conformance with the definition of Common Rules provided in the Amended Plan. However, should the Parties decide to add a CBOE or C2 rule to the Certification that is not substantially similar to a FINRA rule; delete a CBOE or C2 rule from the Certification that is substantially similar to a FINRA rule; or leave on the Certification a CBOE or C2 rule that is no longer substantially similar to a FINRA rule, then such a change would constitute an amendment to the Amended Plan, which must be filed with the Commission pursuant to Rule 17d–2 under the Act.[14]

IV. Conclusion

This Order gives effect to the Amended Plan filed with the Commission in File No. 4–536. The Parties shall notify all members affected by the Amended Plan of their rights and obligations under the Amended Plan.

It is therefore ordered, pursuant to Section 17(d) of the Act, that the Amended Plan in File No. 4–536, between FINRA, CBOE, and C2, filed pursuant to Rule 17d–2 under the Act, is approved and declared effective.

It is further ordered that CBOE and C2 are relieved of those responsibilities allocated to FINRA under the Amended Plan in File No. 4–536.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Kevin M. O'Neill,

Deputy Secretary.

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[10] 15 U.S.C. 78q(d).

[11] 17 CFR 240.17d–2(c).

[12] *See* paragraph 2 of the Amended Plan.

[13] *See* paragraph 3 of the Amended Plan.

[14] The Commission also notes that the addition to or deletion from the Certification of any federal securities laws, rules, and regulations for which FINRA would bear responsibility under the Amended Plan for examining, and enforcing compliance by, Common Members, also would constitute an amendment to the Amended Plan.

[15] 17 CFR 200.30–3(a)(34).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72135; File No. SR–Phlx–2014–33]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Extend the Implementation Rollout of the New Options Floor Broker Management System Until September 1, 2014

May 9, 2014.

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 7, 2014, NASDAQ OMX PHLX LLC (''Phlx'' or ''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 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 extend the implementation rollout of its new Options Floor Broker Management System.

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, and at the Commission's Public Reference Room.

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

[2] 17 CFR 240.19b–4.