

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) As the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be 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 e-mail to rule-comments@sec.gov. Please include File Number SR-FINRA-2010-036 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-FINRA-2010-036. This file number should be included on the subject line if e-mail 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2010-036 and should be submitted on or before August 19, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁴⁷

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64956; File No. SR-NASDAQ-2011-073]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Adopt Additional Listing Requirements for Reverse Mergers

July 25, 2011.

On May 26, 2011, The NASDAQ Stock Market LLC ("Nasdaq") 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 adopt additional listing requirements for reverse mergers. The proposed rule change was published for comment in the **Federal Register** on June 14, 2011.³ The Commission received no comments 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 proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the

proposed rule change should be disapproved. The 45th day for this filing is July 29, 2011.

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 to take action on the proposed rule change so that it has sufficient time to consider the Exchange's proposal, which would establish additional listing requirements for reverse merger companies, whereby an operating company becomes public by combining with a public shell.

Accordingly, pursuant to Section 19(b)(2) of the Act,⁵ the Commission designates September 12, 2011 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 Number SR-NASDAQ-2011-073).

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

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-19231 Filed 7-28-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64957; File No. SR-BATS-2011-023]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend BATS Rules in Connection With the Elimination of a Directed Order Program for BATS Options

July 25, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on July 22, 2011, BATS Exchange, Inc. (the "Exchange" or "BATS") 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 Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii)

⁴⁷ 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. 64633 (June 8, 2011), 76 FR 34781.

⁴ 15 U.S.C. 78s(b)(2).

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

thereunder,⁴ which renders it 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

The Exchange is proposing to amend BATS Rule 21.1, entitled "Definitions," to remove two order types, Market Maker Price Improving Orders and Directed Orders, from the types of approved order types offered by the BATS options market ("BATS Options"). Through this amendment, the Exchange is eliminating its recently approved rules related to the establishment of a directed order program on a pilot basis for BATS Options.⁵

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com>, at the principal office of the Exchange, at <http://www.sec.gov>, 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 parts of such statements

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

1. Purpose

The Exchange recently received approval to operate a directed order program for BATS Options on a pilot basis.⁶ The BATS Options directed order program would allow members of BATS Options ("Options Members") to direct an order to a particular BATS Options Market Maker for potential execution at a price improved over the existing National Best Bid ("NBB") or National Best Offer ("NBO"). The goal of the directed order program was to

create a competitive structure to enhance aggressive quoting and shift economics associated with non-transparent payment for order flow arrangements to better execution prices for customer orders on the Exchange. While pending, the proposal to operate a directed order program received several comments from competitors of the Exchange and other market participants, some of which raised concerns that the directed order program may foster internalization and a widening of quoted spreads.⁷ During this time period, the Exchange also discussed the proposal with several Options Members, and the Exchange has continued these discussions following the approval of the proposal. While the Exchange continues to believe that the proposal is consistent with the Act and contains appropriate requirements to incent competitive quotations and further the public price discovery process, based on on-going discussions with Options Members, the Exchange believes there is sufficient reason to withdraw the directed order program and continue analyzing potential refinements that may better achieve the Exchange's goal. The Exchange notes that it has not yet implemented the directed order program.

Based on the foregoing, the Exchange proposes to eliminate the definitions for Market Maker Price Improving Orders and Directed Orders from the types of approved order types offered by the BATS Options pursuant to Rule 21.1.

2. Statutory Basis

The rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the

requirements of Section 6(b) of the Act.⁸ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,⁹ because it would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The Exchange believes that elimination of the directed order program will provide the Exchange and the options industry as a whole with additional time to evaluate the potential benefits of a program such as the directed order program.

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

The Exchange does not believe that the proposed rule change imposes any burden on competition.

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 written comments on 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹

The Exchange has requested that the Commission waive the 30-day operative delay. The Commission has determined that waiving the 30-day operative delay of the Exchange's proposal is consistent with the protection of investors and the public interest because the Exchange would like additional time to consider potential refinements to the directed

⁷ See e.g., Letters to Elizabeth M. Murphy, Secretary, Commission, from Thomas F. Price, Managing Director, Securities Industry and Financial Markets Association, dated June 30, 2011; Christopher Nagy, Managing Director Order Strategy, TD Ameritrade, dated June 30, 2011; Jennifer M. Lamie, Assistant General Counsel, Legal Division, Chicago Board Options Exchange, dated June 29, 2011; Tom Wittman, The NASDAQ OMX PHLX, Inc. and The NASDAQ Options Market, dated June 24, 2011; Janet L. McGinness, SVP & Corporate Secretary, Legal & Government Affairs, NYSE Euronext, dated June 17, 2011; Michael J. Simon, Secretary, International Securities Exchange, LLC, dated June 17, 2011; Anthony D. McCormick, Chief Executive Officer, BOX Options Exchange Group, LLC, dated June 13, 2011; John C. Nagel, Managing Director and General Counsel, Asset Management and Markets, Citadel LLC, dated April 25, 2011; Andrew Stevens, Legal Counsel, IMC Chicago, LLC d/b/a IMC Financial Markets, dated April 21, 2011. The Exchange also notes that other options exchanges filed with the Commission a joint petition related to the directed order program following the approval of the directed order program.

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ See Securities Exchange Act Release No. 64781 (June 30, 2011), 76 FR 39953 (July 7, 2011) (SR-BATS-2011-023).

⁶ *Id.*

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the 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. BATS is deemed to have satisfied this requirement.

order program and the directed order program has not been implemented.¹² Therefore, the Commission designates the proposal operative upon filing.

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 e-mail to rule-comments@sec.gov. Please include File Number SR-BATS-2011-023 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-BATS-2011-023. This file number should be included on the subject line if e-mail 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 on official business days between the hours of 10 a.m. and 3 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-BATS-2011-023 and should be submitted on or before August 19, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011-19236 Filed 7-28-11; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64955; File No. SR-FICC-2011-05]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Amend the Rules Regarding the GCF Repo Service To Adopt Changes Recommended by the Tri-Party Repo Infrastructure Reform Task Force

July 25, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² notice is hereby given that on July 12, 2011, 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 primarily 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 the proposed rule change is to amend the rules regarding the GCF Repo service to adopt changes recommended by the Tri-Party Repo Infrastructure Reform Task Force ("TPR"). Because the GCF Repo service operates as a tri-party mechanism, FICC has been requested to incorporate changes to the GCF Repo service to align the service with the other changes recommended by the TPR for the overall tri-party repo market.

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 these statements.³

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

(i) FICC is proposing to make certain changes to its GCF Repo^{®4} service in order to comply with the recommendations made by the TPR, an industry group formed and sponsored by the Federal Reserve Bank of New York.⁵ Because the GCF Repo service operates as a tri-party repo mechanism, FICC has been requested to incorporate changes to the GCF Repo service to align the service with the other TPR recommended changes for the overall tri-party repo market.

FICC is proposing to initially implement the changes described herein in a pilot program ("Pilot Program"). FICC proposes to run the Pilot Program for one year starting from the date on which the Commission approves this proposed rule change filing. If FICC decides to extend the Pilot Program or to implement the changes in the Pilot Program permanently, FICC shall submit a proposed rule change filing to the Commission for that purpose.

Background: Description of the GCF Repo Service and History

(1) Creation of the GCF Repo Service

The GCF Repo service allows GSD dealer members to trade general

³ The Commission has modified the text of the summaries prepared by FICC.

⁴ GCF Repo is a registered trademark of FICC/DTCC.

⁵ The main purpose of the TPR is to develop recommendations to address the risk presented by tri-party repo transactions due to the current morning reversal or "unwind" process and to move to a process by which tri-party repo transactions are collateralized all day. Currently, tri-party repo transactions unwind in the morning between 7 and 8 a.m. EST. The GSD Schedule of GCF Timeframes provides that the unwind of GCF Repo transactions (both overnight and term) must be accomplished by 7:30 a.m. The TPR has mandated that the collateral used in tri-party repo and GCF Repo transactions be "locked up" until 3:30 p.m. EST. This would serve to reduce the intraday exposure to the dealers that the clearing banks currently face with the start of daily unwind.

¹² For purposes only 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).

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.