

conditions of the order, and agree to fulfill their responsibilities under the order. At the time of its investment in Shares in excess of the limit in section 12(d)(1)(A)(i), an Acquiring Fund will notify the Fund of the investment. At such time, the Acquiring Fund will also transmit to the Fund a list of the names of each Acquiring Fund Affiliate and Underwriting Affiliate. The Acquiring Fund will notify the Fund of any changes to the list of the names as soon as reasonably practicable after a change occurs. The Fund and the Acquiring Fund will maintain and preserve a copy of the order, the Acquiring Fund Agreement, and the list with any updated information for the duration of the investment and for a period of not less than six years thereafter, the first two years in an easily accessible place.

13. The Acquiring Fund Adviser, Trustee or Sponsor, as applicable, will waive fees otherwise payable to it by the Acquiring Fund in an amount at least equal to any compensation (including fees received pursuant to any plan adopted under rule 12b-1 under the Act) received from the Fund by the Acquiring Fund Adviser, Trustee or Sponsor, or an affiliated person of the Acquiring Fund Adviser, Trustee or Sponsor, other than any advisory fees paid to the Acquiring Fund Adviser, Trustee, or Sponsor, or its affiliated person by the Fund, in connection with the investment by the Acquiring Fund in the Fund. Any Acquiring Fund Subadviser will waive fees otherwise payable to the Acquiring Fund Subadviser, directly or indirectly, by the Acquiring Management Company in an amount at least equal to any compensation received from a Fund by the Acquiring Fund Subadviser, or an affiliated person of the Acquiring Fund Subadviser, other than any advisory fees paid to the Acquiring Fund Subadviser or its affiliated person by the Fund, in connection with any investment by the Acquiring Management Company in the Fund made at the direction of the Acquiring Fund Subadviser. In the event that the Acquiring Fund Subadviser waives fees, the benefit of the waiver will be passed through to the Acquiring Management Company.

14. Any sales charges and/or service fees charged with respect to shares of an Acquiring Fund will not exceed the limits applicable to a fund of funds as set forth in NASD Conduct Rule 2830.

15. No Fund will acquire securities of any other investment company or company relying on section 3(c)(1) or 3(c)(7) of the Act in excess of the limits contained in section 12(d)(1)(A) of the Act, except to the extent permitted by exemptive relief from the Commission

permitting the Fund to purchase shares of other investment companies for short-term cash management purposes.

16. Before approving any advisory contract under section 15 of the Act, the board of directors or trustees of each Acquiring Management Company, including a majority of the disinterested directors or trustees, will find that the advisory fees charged under such advisory contract are based on services provided that will be in addition to, rather than duplicative of, the services provided under the advisory contract(s) of any Fund in which the Acquiring Management Company may invest. These findings and their basis will be recorded fully in the minute books of the appropriate Acquiring Management Company.

For the Commission, by the Division of Investment Management, under delegated authority.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68317; File No. SR-NSX-2012-22]

### Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a New Order Type Called the Double Play Order

November 29, 2012.

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 November 14, 2012, National Stock Exchange, Inc. ("NSX" or the "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 is proposing to amend NSX Rule 11.11(c), entitled "Order and Modifiers" to provide a new order type, a Double Play Order. The text of the proposed rule change is available on the Exchange's Web site at <http://www.nsx.com>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

[www.nsx.com](http://www.nsx.com), at the principal office of the Exchange, 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 is proposing to amend NSX Rule 11.11(c) entitled "Order and Modifiers" to provide a new order type, a Double Play Order. The proposed Double Play Order is a market or limit order that instructs the System<sup>3</sup> to route the order to a specified away Trading Center(s)<sup>4</sup> as approved by the Exchange from time to time.<sup>5</sup> Such Trading Centers may include execution venues known as "dark pools." The order will not be exposed to the NSX Book<sup>6</sup> before being routed to a specified destination or destinations. An order that is not executed in full after routing away would return to the Exchange, receive a new timestamp, and be processed in the manner described in NSX Rule 11.14.(a).

The Exchange will route the Double Play Order through NSX Securities, Inc., an affiliate and facility of the Exchange ("Outbound Router").<sup>7</sup> The Outbound

<sup>3</sup> Under Exchange Rule 1.5, the term "System" is defined as "the electronic communications and trading facility \* \* \* through which orders of [ETP Holders] are consolidated for ranking and execution."

<sup>4</sup> NSX Rule 2.11. A Trading Center is defined as "other securities exchanges, facilities of securities exchanges, automated trading systems, electronic communication networks or other brokers or dealers."

<sup>5</sup> The Exchange will not directly route orders to the Chicago Stock Exchange, Inc. until approved as an inbound routing facility of the Chicago Board Options Exchange, Inc.

<sup>6</sup> Under Exchange Rule 1.5, the term "NSX Book" is defined as "the System's electronic file of orders."

<sup>7</sup> The Outbound Router is regulated as a facility of the Exchange (as defined in Section 3(a)(2) of the Securities Exchange Act of 1934, as amended ("Exchange Act" or "Act")), 15 U.S.C. 78c(a)(2),

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Router will be subject to the requirements set forth in NSX Rule 2.11. Accordingly, the Exchange believes that routing of Double Play Orders is consistent with the previously approved functions of the Outbound Router, and the Exchange does not believe these functions are expanded through the addition of this order type.

The Exchange notes that both the BATS Exchange, Inc.<sup>8</sup> (“BATS”) and The Nasdaq Stock Market LLC (“Nasdaq”)<sup>9</sup> have similar order types. Both BATS and Nasdaq members are given the option of entering an order that instructs the exchange to route the order to a specified away trading center or centers. There is no material difference between the BATS Modified Destination Specific Order and the NSX’s Double Play Order. Both orders are similar in that: (1) Orders that are not executed in full are returned to the exchange; and (2) each receives new timestamps upon return to the exchange and a new time price priority as appropriate.<sup>10</sup>

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6 of the Exchange Act,<sup>11</sup> and the rules and regulations thereunder and, in particular, the requirements of Section 6(b) of the Exchange Act.<sup>12</sup> Specifically, the Exchange believes the Double Play Order furthers the objective of Section 6(b)(5) of the Exchange Act because it will enable ETP Holders to access pools of liquidity that may offer a faster response time and a lower fee which promotes just and equitable principles of trade and perfects the mechanism of a free and open market and a national market system. Further, the Double Play Order is designed to allow ETP Holders to obtain response times that are generally consistent with those of other market centers that offer order handling and routing options that are designed to facilitate access to two or more markets with comparable access fees. In so doing, the proposed rule filing promotes the protection of investors and the protection of the public interest.

subject to Section 6 of the Exchange Act. 15 U.S.C. 78f.

<sup>8</sup> See BATS Rule 11.9(c)(13). See also Exchange Act Release No. 58546 (September 15, 2008) 73 FR 54440 (September 19, 2008) (SR-BATS-2008-003).

<sup>9</sup> See Nasdaq Rule 4751(f)(9). See also Exchange Act Release No. 55405 (March 6, 2007) 72 FR 11069 (March 12, 2007) (SR-Nasdaq-2007-020).

<sup>10</sup> Unlike the BATS Modified Destination Specific Order and NSX’s proposed Double Play Order, the Nasdaq Directed Orders that are not executed in full are returned to the customer and not Nasdaq.

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b).

## 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.

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

Written comments on the proposed rule change were neither solicited nor received.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup> Because the 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 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) of the Act and Rule 19b-4(f)(6)(iii) thereunder.<sup>15</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative for 30 days after the date of filing.<sup>16</sup> However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requested that the Commission waive the 30-day operative delay, as specified in Rule 19b-4(f)(6)(iii),<sup>17</sup> which would make the rule change effective and operative upon filing.

The Exchange represented that the proposed rule is similar to and based on rules of other exchanges and that the waiver of the 30-day operative delay would allow the Exchange to immediately compete with other

exchanges that offer a similar order type. The Exchange believes that the proposed rule change is consistent with the protection of investors and the public interest because it would give ETP Holders enhanced order execution opportunities for market participants by allowing such participants to access, at a potentially reduced fee, pools of liquidity in addition to orders resting on the Exchange. The Commission believes waiving the 30-day operative delay is consistent with the protection of investors and the public interest because such waiver would allow the Exchange to offer an order type immediately to market participants that is similar to an order type that has been offered by other exchanges. In addition, as the proposed rule change is similar to order types offered by other national securities exchanges, the Commission does not believe that the proposed rule change raises any novel regulatory issues. Therefore, the Commission designates the proposed rule change as operative upon filing with the Commission.<sup>18</sup>

At any time within sixty (60) days of the filing of such 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-NSX-2012-22 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-NSX-2012-22. This file number should be included on the

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>14</sup> 17 CFR 240.19b-4(f)(6).

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii). 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.

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

<sup>18</sup> 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).

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 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-NSX-2012-22 and should be submitted on or before December 26, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>19</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68322; File No. SR-NYSEARCA-2012-129]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Permit ETP Holders to Designate Orders as Retail Orders By Using a Tag in the Order Entry Message

November 29, 2012.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (the "Act") <sup>2</sup> and Rule 19b-4 thereunder, <sup>3</sup> notice is hereby given that, on November 16, 2012, NYSE Arca, Inc.

(the "Exchange" or "NYSE Arca") 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 self-regulatory organization. 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 the Substance of the Proposed Rule Change

The Exchange proposes to permit ETP Holders to designate orders as Retail Orders for the purpose of qualifying for the Retail Order Tier by means of a tag in the order entry message. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, 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 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 those 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 is proposing to permit ETP Holders to designate orders as Retail Orders for the purpose of qualifying for the Retail Order Tier by means of a tag in the order entry message. The Exchange proposes to implement the change effective December 1, 2012.

On August 1, 2012, the Exchange introduced the "Retail Order Tier," a new tier and corresponding credit in the Fee Schedule for ETP Holders, including Market Makers, that execute an average daily volume ("ADV") of Retail Orders during the particular month that is 0.40% or more of the U.S. Consolidated ADV.<sup>4</sup> For purposes of the Retail Order Tier and credit, a "Retail

Order" is an agency order that originates from a natural person and is submitted to the Exchange by an ETP Holder, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.

As part of qualifying for the Retail Order Tier, an ETP Holder is required to designate certain of its order entry ports at the Exchange as "Retail Order Ports" and attest, in a form and/or manner prescribed by the Exchange, that all orders submitted to the Exchange via such Retail Order Ports are Retail Orders.

The Exchange proposes to provide an additional method for ETP Holders to designate orders as Retail Orders. Specifically, the Exchange proposes to allow ETP Holders to designate orders as Retail Orders by using a tag in the order entry message. ETP Holders would still be able to use Retail Order Ports to designate orders as Retail Orders.

As currently required with the use of Retail Order Ports to designate orders as Retail Orders, an ETP Holder designating orders as Retail Orders by using a tag in the order entry message will be required to have written policies and procedures reasonably designed to assure that it will only designate orders as Retail Orders if all requirements of a Retail Order are met. The written policies and procedures must require the ETP Holder to (i) exercise due diligence before entering a Retail Order to assure that entry as a Retail Order is in compliance with the requirements specified by the Exchange, and (ii) monitor whether orders entered as Retail Orders meet the applicable requirements. If the ETP Holder represents Retail Orders from another broker-dealer customer, the ETP Holder's supervisory procedures must be reasonably designed to assure that the orders it receives from such broker-dealer customer that it designates as Retail Orders meet the definition of a Retail Order. The ETP Holder must (i) obtain an annual written representation, in a form acceptable to the Exchange, from each broker-dealer customer that sends it orders to be designated as Retail Orders that entry of such orders as Retail Orders will be in compliance with the requirements specified by the Exchange, and (ii) monitor whether its broker-dealer customer's Retail Order flow continues to meet the applicable requirements.<sup>5</sup>

<sup>19</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> Exchange Act Release No. 34-67540 (July 30, 2012), 77 FR 46539 (August 3, 2012) (SR-NYSEARCA-2012-77).

<sup>5</sup> The Financial Industry Regulatory Authority, Inc. ("FINRA"), on behalf of the Exchange, will