

any; effective date, if any; market value of the holding; and the percentage weighting of the holding in the Fund's portfolio. Prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares.

Trading in Shares of each Fund will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NYSE Arca Equities Rule 8.600(d)(2)(D), which sets forth circumstances under which Shares of each Fund may be halted. In addition, as noted above, investors will have ready access to information regarding each Fund's holdings, the IIV, the Disclosed Portfolio, and quotation and last-sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of additional types of actively-managed exchange-traded products that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, FINRA, on behalf of the Exchange, has in place surveillance procedures that are adequate to properly monitor trading in the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. In addition, as noted above, investors will have ready access to information regarding each Fund's holdings, the IIV, the Disclosed Portfolio, 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 purpose of the Act. The Exchange notes that the proposed rule change will facilitate the listing and trading of additional types of actively-managed exchange-traded products that will enhance competition among market participants, to the benefit of investors and the marketplace.

#### *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 of Commission Action**

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate 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 the 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2014-67 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-NYSEArca-2014-67. 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-2014-67 and should be submitted on or before July 30, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>31</sup>

**Jill M. Peterson,**  
Assistant Secretary.

[FR Doc. 2014-15964 Filed 7-8-14; 8:45 am]

BILLING CODE 8011-01-P

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-72514; File No. SR-NFA-2014-05]**

### **Self-Regulatory Organizations; National Futures Association; Notice of Filing of Proposed Rule Change Relating to the NFA Interpretive Notice Entitled "NFA Compliance Rule 2-9: Enhanced Supervisory Requirements"**

July 2, 2014.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Exchange Act")<sup>1</sup> and Rule 19b-7 thereunder,<sup>2</sup> notice is hereby given that on June 18, 2014, National Futures Association ("NFA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially prepared by NFA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.<sup>3</sup>

On June 18, 2014, NFA also filed the proposed rule change with the Commodity Futures Trading Commission ("CFTC") and requested that the CFTC make a determination

<sup>31</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(7).

<sup>2</sup> 17 CFR 240.19b-7.

<sup>3</sup> NFA previously filed amendments to the Notice regarding Rule 2-9(b) with the Commission. See Exchange Act Release No. 47533 (Mar. 19, 2003), 68 FR 14733 (Mar. 26, 2003) (SR-NFA-2003-01); Exchange Act Release No. 52808 (Nov. 18, 2005), 70 FR 71347 (Nov. 28, 2005) (SR-NFA-2005-01); Exchange Act Release No. 53568 (Mar. 29, 2006), 71 FR 16850 (Apr. 4, 2006) (SR-NFA-2006-01); Exchange Act Release No. 55710 (May 4, 2007), 72 FR 26858 (May 11, 2007) (SR-NFA-2007-03); Exchange Act Release No. 57142 (Jan. 14, 2008), 73 FR 3502 (Jan. 18, 2008) (SR-NFA-2007-07); Exchange Act Release No. 57640 (Apr. 9, 2008), 73 FR 20341 (Apr. 15, 2008) (SR-NFA-2008-01); and Exchange Act Release No. 63602 (Dec. 22, 2010), 76 FR 202 (Jan. 3, 2011) (SR-NFA-2010-04).

that review of the proposed rule change of NFA is not necessary. The CFTC has not yet made such determination.

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

NFA Compliance Rule 2–9(b) (“Rule 2–9(b)”) and its related Interpretive Notice entitled “NFA Compliance Rule 2–9: Enhanced Supervisory Requirements” (“Notice”) require NFA member firms (“Members”) that meet certain criteria identified by NFA’s Board of Directors (“Board”) to comply with specific enhanced supervisory requirements that are designed to prevent abusive sales practices. One way a Member firm triggers the enhanced supervisory requirements is to employ a certain specified number or percentage of associated persons (APs) that have previously been associated with another firm that was a “Disciplined Firm” (as defined in the Notice). The Notice, however, permits a Member firm to exclude certain of those APs and principals who meet very specific criteria identified by the Board from its determination of whether it triggers the enhanced supervisory requirements. The amendment to the Notice revises this criterion to provide limited additional relief to a few individual principals who would currently not be excluded from a Member firm’s determination of whether it triggers the enhanced supervisory requirements.

The text of the proposed rule change is available at the principal office of NFA, on NFA’s Web site at <http://www.nfa.futures.org>, 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, NFA 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. NFA 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 the Statutory Basis for, the Proposed Rule Change**

##### **1. Purpose**

Section 15A(k) of the Exchange Act<sup>4</sup> makes NFA a national securities association for the limited purpose of regulating the activities of Members who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Exchange Act.<sup>5</sup> The Notice entitled: “NFA Compliance Rule 2–9: Enhanced Supervisory Requirements” applies to all Members who meet the criteria in the Notice and could apply to Members registered as security futures brokers or dealers under Section 15(b)(11) of the Exchange Act.

Rule 2–9(b) authorizes NFA’s Board to require Members that meet certain criteria established by the Board to comply with specific enhanced supervisory requirements designed to prevent abusive sales practices. The related Notice specifies the criteria that subject a Member firm to the enhanced supervisory requirements and the enhanced supervisory requirements that must be followed.<sup>6</sup> Rule 2–9(b) and the Notice<sup>7</sup> also provide that a Member may seek a waiver from the requirements from NFA’s Telemarketing Procedures Waiver Committee (“Waiver Committee”), a Board-appointed panel consisting of three members of NFA’s Business Conduct Committee or Hearing Committee.

As stated above, under Rule 2–9(b) and the Notice, a Member firm with a certain number or percentage of APs who were previously employed or associated with a Disciplined Firm is required to comply with the enhanced supervisory requirements. The Notice also provides that any Member with a principal who is or was a principal at another Member that was required to comply with the enhanced supervisory requirements must itself adopt the enhanced supervisory requirements or seek a waiver. The Notice further provides, however, that if the principal satisfies certain criteria in the Notice, the principal will not cause the Member to comply with the enhanced supervisory requirements.

NFA’s Waiver Committee suggested that NFA make a minor modification to the Notice to provide limited additional relief to a few individual principals who the Waiver Committee believes are

similarly situated to the current exempt group of principals but who do not benefit from the relief contemplated in creating the exemption because the principal does not satisfy the criteria that he/she was a principal at only one firm that was subject to the enhanced supervisory requirements. The Waiver Committee is concerned with respect to situations where a Member firm becomes subject to the enhanced supervisory requirements by virtue of having a significant percentage of APs who had formerly worked at Disciplined Firms. If a principal of that firm is also a principal of another Member firm, then the second Member firm automatically is subject to the enhanced supervisory requirements simultaneously with the original firm because the second Member firm now has a principal who is a principal of another Member (i.e., the first Member) that is subject to the enhanced supervisory requirements. There have been several instances where both Members have successfully petitioned the Waiver Committee for full waivers; however, the principals of those Members do not qualify for the current exemption because they have been principals of more than one such Member subject to the enhanced supervisory requirements.

The Waiver Committee requested that NFA modify the exemption to eliminate the requirement that the principal could only have been a principal of one firm that has been subject to the enhanced supervisory requirements and replace it with the requirement that the most recent firm in the principal’s history that was subject to the enhanced supervisory requirements either had received a full waiver from those requirements or had abided by the requirements for two years and is no longer subject to the requirements. The proposed amendments do not eliminate any of the other requirements including that the individual principal must never have been personally subject to CFTC or NFA disciplinary action or a principal or an AP of a current Disciplined Firm; and that no firm in the principal’s history that was subject to the enhanced supervisory requirements has become subject to a sales practice or promotional material based disciplinary action by NFA or the CFTC since becoming subject to the enhanced supervisory requirements.

##### **2. Statutory Basis**

NFA believes that the proposed rule change is authorized by, and consistent with, Section 15A(k)(2)(B) of the Exchange Act. That section sets out requirements for rules of a futures

<sup>4</sup> 15 U.S.C. 78o–3(k).

<sup>5</sup> 15 U.S.C. 78o(b)(11).

<sup>6</sup> See Notice at II (Obligations of Members Subject to Enhanced Supervisory Requirements).

<sup>7</sup> See Notice at IV (Waiver Procedure).

association, registered under Section 17 of the Commodity Exchange Act, that is a registered national securities association for the limited purpose of regulating the activities of members who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Exchange Act. Under Section 15A(k)(2)(B), the rules of such a limited purpose national securities association must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest in connection with security futures products in a manner reasonably comparable to the rules of a registered national securities association applicable to securities futures products. NFA believes Rule 2–9(b) and the Notice meet these requirements by imposing enhanced supervisory requirements on Members that meet criteria that NFA’s Board has determined indicates a greater potential for sales practice fraud to occur. The proposed rule change does not diminish the effectiveness of Rule 2–9(b) and the Notice but merely extends relief to certain principals whose background the Board has determined do not raise the supervisory concerns that Rule 2–9(b) and the Notice were intended to address.

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

NFA does not believe that the proposed rule change would impose any burden on competition. The amendments merely extend existing relief to certain individual principals whose backgrounds the Board has determined do not raise the supervisory concerns that Rule 2–9(b) and the Notice were intended to address.

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

NFA did not publish the rule changes to its membership for comment. NFA did not receive comment letters concerning the rule changes.

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

The proposed rule change is not effective because the CFTC has not yet determined that review of the proposed rule change is not necessary.

At any time within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule

change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) of the Exchange 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–NFA–2014–05 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–NFA–2014–05. 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 NFA. 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 publicly available. All submissions should refer to File Number SR–NFA–2014–05 and should be submitted on or before July 30, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 2014–15960 Filed 7–8–14; 8:45 am]

BILLING CODE 8011–01–P

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34–72531; File No. SR–NYSEArca–2014–57]

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Amendment No. 1 and Designation of a Longer Period for Commission Action on Proposed Rule Change, as Modified by Amendment No. 1 Thereto, To List and Trade Shares of the PIMCO Foreign Bond Exchange-Traded Fund (U.S. Dollar-Hedged), PIMCO Foreign Bond Exchange-Traded Fund (Unhedged), PIMCO Global Advantage Bond Exchange-Traded Fund, and PIMCO International Advantage Bond Exchange-Traded Fund**

July 3, 2014.

On May 1, 2014, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>2</sup> and Rule 19b–4 thereunder,<sup>3</sup> a proposed rule change to list and trade shares of the PIMCO Foreign Bond Exchange-Traded Fund (U.S. Dollar-Hedged), PIMCO Foreign Bond Exchange-Traded Fund (Unhedged), PIMCO Global Advantage Bond Exchange-Traded Fund, and PIMCO International Advantage Bond Exchange-Traded Fund. The proposed rule change was published for comment in the **Federal Register** on May 22, 2014.<sup>4</sup> On June 12, 2014, the Exchange filed Amendment No. 1 to the proposed rule change, which replaced the proposed rule change in its entirety.<sup>5</sup> The Commission received no comments on the proposal. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change, as modified by Amendment No. 1 thereto, and to designate a longer period for Commission action on the proposed rule

<sup>8</sup> 17 CFR 200.30–3(a)(73).

<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> See Securities Exchange Act Release No. 72180 (May 16, 2014), 79 FR 29461.

<sup>5</sup> Amendment No. 1 is available at: <http://www.sec.gov/comments/sr-nysearca-2014-57/nysearca201457-1.pdf>.