

maintain their competitive standing in the financial markets.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>12</sup> and Rule 19b-4(f)(2)<sup>13</sup> thereunder. At any time within 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-EDGA-2014-22 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-EDGA-2014-22. 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 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-EDGA-2014-22, and should be submitted on or before September 10, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-19702 Filed 8-19-14; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-72849; File No. SR-ICEEU-2014-13]**

**Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing of Proposed Rule Change Relating to the 2014 ISDA Credit Derivatives Definitions**

August 14, 2014.

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 August 14, 2014, ICE Clear Europe Limited ("ICE Clear Europe") 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 ICE Clear Europe. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>14</sup> 17 CFR 200.30-3(a)(12).

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

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

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

The principal purpose of the proposed changes is to amend the ICE Clear Europe Clearing Rules (the "Rules") and the ICE Clear Europe CDS Procedures (the "CDS Procedures") to incorporate references to revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") on February 21, 2014 (the "2014 ISDA Definitions"). Consistent with the approach being taken throughout the CDS market, the industry standard 2014 ISDA Definitions will be applicable to certain products cleared by ICE Clear Europe beginning on September 22, 2014.

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

In its filing with the Commission, ICE Clear Europe 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. ICE Clear Europe 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*

**1. Purpose**

ICE Clear Europe proposes to amend its existing Rules and CDS Procedures to incorporate references to the 2014 ISDA Definitions to be effective by the industry implementation date of September 22, 2014. ICE Clear Europe principally proposes to (i) revise the Rules and CDS Procedures to make proper distinctions between the 2014 ISDA Definitions and the ISDA Credit Derivatives Definitions published previously in 2003 (as amended in 2009, the "2003 ISDA Definitions") and related documentation; and (ii) make conforming changes throughout the Rules and the CDS Procedures to reference provisions from the proper ISDA Definitions. In addition, the ICE Clear Europe CDS Risk Policy has been revised to reflect appropriate portfolio margin treatment between CDS Contracts cleared under the 2003 and 2014 ISDA Definitions.

As described by ISDA, the 2014 Definitions make a number of changes from the 2003 ISDA Definitions to the standard terms for CDS Contracts,

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

<sup>13</sup> 17 CFR 240.19b-4(f)(2).

including (i) introduction of new terms applicable to credit events involving financial reference entities and settlement of such credit events, (ii) introduction of new terms applicable to credit events involving sovereign reference entities and settlement of such credit events, (iii) implementation of standard reference obligations applicable to certain reference entities, and (iv) various other improvements and drafting updates that reflect market experience and developments since the 2009 amendments to the 2003 ISDA Definitions.

Commencing on the implementation date of September 22, 2014, ICE Clear Europe intends to accept for clearing new transactions in eligible contracts that reference the 2014 ISDA Definitions. In addition, the amendments will provide for the conversion of certain existing contracts currently based on the 2003 ISDA Definitions into contracts based on the 2014 ISDA Definitions. (This approach is consistent with expected industry practice for similar contracts not cleared by ICE Clear Europe, which will be subject to a multilateral amendment “protocol” sponsored by ISDA.) For contracts that are not converting automatically, ICE Clear Europe expects to continue to accept for clearing both new transactions referencing the 2014 ISDA Definitions and new transactions referencing the 2003 ISDA Definitions (and such contracts based on different definitions will not be fungible). The ISDA protocol implementation has been developed with a high level of industry involvement and consultation. ICE Clear Europe understands, through industry consensus, that Clearing Members plan to adhere to the ISDA protocol and would desire ICE Clear Europe to convert certain protocol-eligible contracts cleared at ICE Clear Europe into contracts based on the 2014 ISDA Definitions, consistent with the ISDA protocol. Therefore, in an effort to achieve consistency across the CDS marketplace, ICE Clear Europe’s implementation plan is intended to be fully consistent with the planned ISDA protocol implementation. (Consistent with the protocol, most ICE Clear Europe CDS contracts will convert, with certain exceptions involving CDS on so-called protocol excluded reference entities, which are principally sovereigns and financial reference entities.)

ICE Clear Europe proposes to amend Parts 1, 9 and 15 of the Rules and the CDS Procedures, as well as the CDS Risk Policy. Each of these changes is described in detail as follows. All

capitalized terms not defined herein are defined in the Rules.

Part 1 of the Rules has been amended to provide new definitions for “2003 Credit Derivatives Definitions” (which replaces the existing “Credit Derivatives Definitions” term) and “2014 Credit Derivatives Definitions,” “2003-type CDS Contract,” “2014-type CDS Contract,” “Applicable Credit Derivatives Definitions” and “Component Transaction.” The new definitions accommodate the 2014 ISDA Definitions, provide terms that allow for distinctions between the 2014 ISDA Definitions and the 2003 ISDA Definitions and have been applied throughout the Rules and CDS Procedures. Additionally, conforming changes in the definitions of “CDS Contract” and “Set” have been made. Rule 109(b)(vii) has been amended to use the new term Applicable Credit Derivatives Definitions and to correct certain other references to defined terms.<sup>3</sup> Rule 905(b) has also been amended to take into account the possibility that, as a result of the rule amendments, CDS Contracts may have different Applicable Credit Derivative Definitions.

In Part 15 (Credit Default Swaps) of the Rules, Rule 1501 has been revised to incorporate new definitions relating to the 2014 ISDA Definitions. In connection with a new concept in the 2014 ISDA Definitions that permits a delivery of an “Asset Package” in the case of certain credit events involving financial and sovereign reference entities, a new definition of “Asset Package Delivery Notice” has been added, as well as related references that “Asset Package Delivery,” “Asset Package,” and “Prior Deliverable Obligation” have the meanings assigned to them in the 2014 ISDA Definitions. The term “Credit Event Announcement” has been removed as it is no longer used. The definition of “Determining Body” has been revised to clarify that relevant determinations will be made under the Applicable Credit Derivatives Definitions. The definitions of “Restructuring Credit Event Notice” and “Triggered Restructuring CDS Contract Portion” have been revised to include references, as appropriate, to the 2014 ISDA Definitions as well as the current 2003 ISDA Definitions. Clarifying amendments with respect to defined terms are also made in the definitions of “Restructuring CDS Contract,” “Restructuring Credit Event

Announcement” and “Restructuring Reference Entity.” Conforming amendments are also made throughout Part 15 to use the new defined term “Relevant Restructuring Credit Event” from the CDS Procedures.<sup>4</sup> Certain typographical corrections have been made as well.

Rule 1505 is amended to include references to Asset Package Delivery Notices in provisions addressing certain notices that may be provided in connection with CDS Contracts that are Matched Pairs.

Rules 1509 and 1510 have been amended to include delivery mechanics with respect to Asset Packages (in circumstances where physical settlement applies) and related procedures for delivering notices with respect thereto, consistent with the adoption of the Asset Package delivery concept under the 2014 ISDA Definitions. Rule 1509(g) has been amended to provide that if Asset Package Delivery is applicable, then in circumstances where the Asset Package is deemed to be zero, physical settlement shall be deemed to occur on a delivery-versus-payment basis in accordance with the timetable set out in the 2014 ISDA Definitions.

In addition, Rules 1509(b) and (c), 1512(e), 1513(a) and (b), and 1514(a) and sections 2.3(b), 2.4(d) and (e), 2.5(e), 2.6 and 2.7 of Exhibit 4 (Settlement and Notice Terms) are updated to make reference to the parallel provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions. Paragraph 2.5(f) of Exhibit 4 has been revised to add parallel and substantially similar provisions relating to quotations in connection with fallback cash settlement in the context of the 2014 ISDA Definitions to those that currently apply under the 2003 ISDA Definitions.

The CDS Procedures are revised as applicable to implement the definitional changes in the Rules and the 2014 ISDA Definitions. These changes include clarification of references to provisions within the DC Rules, clarification as to whether previous references to “Credit Derivatives Definitions” are to the 2003 ISDA Definitions or the 2014 ISDA Definitions and the addition of provisions consistent with the 2014 ISDA Definitions. The revisions to the CDS Procedures are intended to ensure that all ICE Clear Europe CDS Products are treated consistently with the

<sup>3</sup> Similar conforming changes have been made throughout the Rules and CDS Procedures with respect to the use of the term “Applicable Credit Derivative Definitions.”

<sup>4</sup> Similar conforming changes have been made throughout the Rules and Procedures with respect to “Relevant” Restructuring Credit Event.

applicable ISDA Definitions in effect from time to time, as is practice today.

In paragraph 1.2 of the CDS Procedures, cross-references to a variety of terms defined in the 2014 ISDA Definitions have been added, and distinctions between terms used in the 2003 ISDA Definitions and 2014 ISDA Definitions have been made. In addition, a definition of “2014 CDD Protocol” has been added to mean the 2014 ISDA Credit Derivatives Definition Protocol published by ISDA. A definition has also been added for “Protocol Effective Date” which is defined in the 2014 CDD Protocol. In the definition of “Acceptance Time,” clause (b) has been deleted as it relates to former acceptance timing for the weekly clearing cycle that no longer applies. (This change is not specifically related to the 2014 ISDA Definitions but is intended to reflect current acceptance timing.) In addition, a definition has been added for “Relevant Restructuring Credit Event” to mean in respect of a CDS contract using the 2003 ISDA Definitions, any Restructuring and with respect to a CDS Contract using the 2014 ISDA Definitions, an M(M)R Restructuring. (This reflects a difference between the 2003 and 2014 ISDA Definitions with respect to triggering of settlement as a result of such Restructuring events.) A definition for “Restructuring Credit Event Notice” has also been defined as a Credit Event Notice in respect of a Relevant Restructuring Credit Event.

In addition, a correction has been made to the definition of “Daily Aggregate MTM Interest Amount” to properly incorporate the defined term Mark-to-Market Interest. The definitions of “NEMO Triggering Period”, “Notification Cut-Off Time” and “RMP Deadline Time” have been amended to specify the applicable deadlines and cut-off points under the 2014 ISDA Definitions as well as 2003 ISDA Definitions. The definition of “Single Name Contract” was modified to mean a CDS Contract having, as the Reference Entity, an Eligible Single Name Reference Entity. A definition of “Original Annex Date” has been added for purposes of distinguishing the treatment of certain iTraxx Europe CDS contracts under the 2014 and 2003 ISDA Definitions under revised paragraph 9.1 (based on the date of publication of the relevant underlying index). Various conforming references to the new or revised defined terms have been made throughout the CDS Procedures, and various provisions have been renumbered.

Paragraph 2.2(f) was modified to clarify that the existing requirement that

a CDS Clearing Member must have access to at least one physical settlement system that is customary for settlement of deliverable obligations under CDS contracts does not apply to a settlement system only required for Asset Package delivery under the 2014 ISDA Definitions. Paragraph 4.1 was modified to change the defined terms “CM1” and “CM2” to the terms “protection buyer” and “protection seller,” respectively. Per amendments to paragraph 4.3(c), CDS Trade Particulars relating to an Eligible Single Name Reference Entity submitted for clearing on or after the Protocol Effective Date must identify whether the 2003 or 2014 ISDA Definitions apply. An incorrect reference to Acceptance Notices has been removed from paragraph 4.4(c). Paragraph 4.6 has been revised to clarify that certain deemed deliveries of Credit Event Notices are only relevant under 2003-type CDS Contracts. Non-substantive changes to improve drafting clarity have been made in paragraph 4.8. Paragraphs 4.9 and 4.10 have been revised to reflect the potentially separate treatment of component transactions under the 2003 and 2014 ISDA Definitions, and to make certain other conforming changes to defined terms. Paragraph 4.11 was revised to add certain parallel references to determination of Successors under the 2014 ISDA Definitions. Amendments in paragraph 4.13(b) and (e) reference the “NOPS Cut-off Date” which is the relevant defined term in the 2014 ISDA Definitions. Paragraphs 4.19–4.21 have been renumbered. In addition, cross-references in paragraph 5.7 have been updated.

Paragraphs 6.2, 6.3, 6.4 and 6.6 have been revised to add parallel references to relevant provisions of the 2014 ISDA Definitions and to incorporate the concept of Asset Package Delivery Notices, among other conforming changes. Paragraphs 6.3(f)(xi) and 6.3(g) are amended to clarify that the Electronic Notice Process does not apply to Asset Package Delivery Notices. Paragraph 6.5 (Disputes Relating to Deliverable Obligations) was amended so that the dispute resolution mechanics therein apply in connection with Asset Packages deliverable in lieu of Prior Deliverable Obligations or Package Observable Bonds, in addition to other deliverable obligations.

In paragraph 7 (Cleared CDS Products: Eligible Sets), a new provision 7.4 was added to clarify that the determination of whether the 2003 ISDA Definitions or 2014 ISDA Definitions applies to an index CDS Contract is made apply separately for each Component Transaction.

Paragraphs 8.1 and 8.2(g) are updated to make reference to the parallel provisions of the 2014 ISDA Definitions in conjunction with the existing references to specific provisions of the 2003 ISDA Definitions, and to distinguish between relevant provisions of the 2003 and 2014 ISDA Definitions, as appropriate.

Paragraph 9 of the CDS Procedures, which sets out the contract terms for iTraxx Europe Contracts, has been revised to implement the 2014 ISDA Definitions and related definitions and provisions. Specifically, paragraph 9.1 is amended to clarify that different sub-provisions of paragraph 9 will apply to CDS Contracts depending on when they are accepted for clearing in relation to the Protocol Effective Date and the MCA/STS Changeover Time. In revised paragraph 9.2, which applies for iTraxx Contracts with an Original Annex Date on or after the Protocol Effective Date (i.e., for transactions in the September 2014 or later versions of the index), the definition of “iTraxx Terms Supplement” in subparagraph (b) is updated to include a reference to the new “iTraxx Europe Untranch Standard Terms Supplement” expected to be published by Markit North America, Inc. on or about September 20, 2014 to incorporate the 2014 ISDA Definitions. Paragraph 9.2(c) contains certain amendments to the Standard iTraxx 2014 CDS Supplement and iTraxx 2014 Confirmation generally consistent with those for prior versions of the iTraxx Terms Supplement in existing paragraph 9.

Revised paragraph 9.3 applies to iTraxx Europe CDS Contracts that are accepted for clearing after the Protocol Effective Date but with an Original Annex Date before the Protocol Effective Date (i.e., for new transactions in older versions of the index). Pursuant to the new iTraxx Europe Legacy Untranch Standard Terms Supplement, expected to be published on or about September 20, 2014, it is expected that certain Component Transactions of such contracts will be 2014-type CDS Contracts and others will remain 2003-type CDS Contracts. Paragraph 9.3 contains definitions and provisions generally similar to those in paragraph 9.2, and makes comparable amendments to the Standard iTraxx Legacy CDS Supplement.

Revised paragraph 9.4 was formerly paragraph 9.2 and applies to iTraxx Europe CDS Contracts accepted for clearing after the MCA/STS Changeover Time and before the Protocol Effective Date. As a result of the conversion of such existing contracts as of the Protocol Effective Date as described in

paragraph 9.7 below, such terms will apply only until the Protocol Effective Date.

Former paragraph 9.3 has been renumbered as paragraph 9.5, and former paragraph 9.4 has been renumbered as paragraph 9.6. Consistent with the provisions of paragraph 9.7, paragraph 9.6 was modified so that it applies to iTraxx Europe CDS Contracts accepted for clearing before the MCA/STS Changeover Time and will apply only until the Protocol Effective Date.

New paragraph 9.7 was added to provide for the conversion of Contracts into 2014-type CDS Contracts as of the Protocol Effective Date. iTraxx Europe CDS Contracts accepted for clearing before the Protocol Effective Date (and thus subject to paragraph 9.4 or 9.6) will after the Protocol Effective Date be subject to paragraph 9.3. Former paragraph 9.5 has been renumbered as paragraph 9.8, and has been revised to add appropriate parallel references to the 2014 ISDA Definitions in conjunction with existing references to the 2003 ISDA Definitions.

Changes to paragraph 10 (Contract Terms for Single Name CDS Contracts) reflect a variety of modifications to defined terms, including replacing “SNEC” with “Single Name” (or, as applicable, “STEC” to follow the industry standard acronym). The provisions in existing paragraph 11 of the CDS Procedures (addressing Standard Western European Sovereign contracts) have also been combined with those in paragraph 10, under the general category of Single Name CDS Contracts. New paragraph 10.1 specifies the applicable contract terms for all Single Name CDS Contracts based on the time of acceptance for clearing. The existing subparagraphs of paragraph 10 have been renumbered accordingly. Definitions have been moved to paragraph 10.3, with various amendments made to incorporate the 2014 ISDA Definitions and address the treatment of Contracts that are converting into 2014-type CDS Contracts. The definition of “List of Eligible Single Name Reference Entities” has been amended to reflect that a contract can be either a 2003-type CDS Contract or a 2014-type CDS Contract. The definition of “Protocol Excluded Reference Entity” has been added to mean each Eligible Single Name Reference Entity that is an Excluded Reference Entity (as defined in the 2014 CDD Protocol). Contracts on such reference entities will not convert into 2014-type CDS Contracts, and such reference entities are expected to consist principally of certain financial and

sovereign reference entities). Definitions have also been added for “Relevant Transaction Type,” “STEC Contract” (CDS Single Name Contract referencing a Standard European Corporate) and “Non-STEC Single Name Contract” (Single Name CDS Contract referencing a Standard European Financial Entity, Standard Western European Sovereign or Protocol Excluded Reference Entity). Conforming changes to defined terms and cross references have been made in paragraph 10.5. Paragraph 10.6 has been revised to add parallel provisions referencing the 2014 ISDA Definitions and address certain new features of the 2014 ISDA Definitions, including the Standard Reference Obligation concept and specific terms for Financial Reference Entities.

Paragraph 10.7 has been added to address conversion of STEC Contracts that are 2003-type CDS Contracts as of the Protocol Effective Date. After the Protocol Effective Date, such contracts will be deemed 2014-type CDS Contracts. Paragraph 10.8 has been amended to provide that updates to standard ISDA Confirmations will be reviewed and implemented by the clearing house in the same manner as updates to standard ISDA physical settlement matrices. Former paragraph 11 (Contract Terms for Sovereign Contracts) has been deleted as sovereign CDS contracts are now included within the definition of “Non-STEC Single Name Contract.” Finally, corresponding changes to provision numbering throughout the CDS Procedures have been made as necessary.

The ICE Clear Europe CDS Risk Policy has been revised to provide for appropriate portfolio treatment between CDS Contracts cleared under the 2003 and 2014 Definitions and to make certain other changes. In the revised framework, each index, sub-index or underlying single name is deemed a separate “Risk Factor.” The revisions introduce a “Risk Sub-Factor” as a specific single name and any unique combination of instrument attributes (e.g., restructuring clause, 2003 or 2014 ISDA Definitions, debt tier, etc.) The union of all Risk Sub-Factors that share the same underlying single name form a single name Risk Factor. The portfolio treatment at the Risk Sub-Factor level is provided for in the revised risk policy, as appropriate. The policy also reflects a change in the 2014 ISDA Definitions that restructuring credit events (including sovereign restructurings) other than M(M)R Restructuring do not require separate triggering of each contract and are thus treated as “hard” credit events such as bankruptcy and failure to pay. Other changes are made

to the risk policy regarding physical settlement, including referencing the cash settlement fallback where physical settlement fails.

## 2. Statutory Basis

Section 17A(b)(3)(F) of the Act<sup>5</sup> requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to the extent applicable, derivative agreements, contracts and transactions and to comply with the provisions of the Act and the rules and regulations thereunder. ICE Clear Europe believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICE Clear Europe, in particular, Section 17A(b)(3)(F),<sup>6</sup> because ICE Clear Europe believes that the proposed rule change will assure the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts, and transactions. ICE Clear Europe believes the proposed changes to the Rules and CDS Procedures and risk policy conform to the 2014 ISDA Definitions as published by ISDA in conjunction with an industry-wide effort. As part of this effort, CDS market participants have developed the 2014 ISDA Definitions to reflect market experience since the ISDA Credit Derivatives Definitions were last significantly amended in 2009 (including credit events involving financial and sovereign entities), and to make various related improvements and clarifications to the terms of CDS contracts and the operation of the CDS market. The changes to the Rules thus incorporate references to the 2014 ISDA Definitions in order to permit clearing of contracts referencing the new definitions, and distinguish where applicable between the 2014 ISDA Definitions and the 2003 ISDA Definitions. ICE Clear Europe plans to accept for clearing contracts referencing the industry standard 2014 ISDA Definitions beginning with the planned industry-wide implementation on September 22, 2014 (and to convert certain existing contracts to the new definitions as of that date). ICE Clear Europe believes the revisions to the Rules are necessary in order to permit clearing of contracts on the new terms, and to provide the market with the necessary assurances that ICE Clear Europe plans to implement the 2014 ISDA Definitions consistent with

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> *Id.*

industry practice. As such, the proposed rule change is designed to promote the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts, and transactions within the meaning of Section 17A(b)(3)(F) <sup>7</sup> of the Act.

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

The proposed changes to the Rules in order to incorporate references to the 2014 ISDA Definitions will apply consistently across all Participants and Non-Participant Parties and facilitate changes sought to be made throughout the CDS market. Furthermore, the proposed changes to the Rules in order to incorporate references to the 2014 ISDA Definitions do not preclude other market participants from making similar changes (and indeed it is expected that other market participants will do so, including for uncleared transactions). ICE Clear Europe does not expect that the proposed changes will affect access to clearing for Participants or their customers, or materially affect the cost of clearing. As a result, ICE Clear Europe does not believe the proposed rule change will have any impact, or impose any burden, on competition not 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 relating to the proposed changes to the rules have not been solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

### **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 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-ICEEU-2014-13 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-ICEEU-2014-13. 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 filings will also be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's Web site at <https://www.theice.com/clear-europe/regulation>.

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-ICEEU2014-13 and should be submitted on or before September 10, 2014.

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

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

[FR Doc. 2014-19705 Filed 8-19-14; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-72848; File No. SR-BOX-2014-16]**

### **Self-Regulatory Organizations; BOX Options Exchange LLC; Order Granting Approval of a Proposed Rule Change To Adopt New Trade Allocation Algorithms for Matching Trades at the Conclusion of the PIP and the COPIP**

August 14, 2014.

#### **I. Introduction**

On June 16, 2014, BOX Options Exchange LLC ("Exchange" or "BOX") 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 to amend its rules regarding the Price Improvement Period ("PIP") and Complex Order Price Improvement Period ("COPIP") ("auction mechanisms"). The proposed rule change was published for comment in the **Federal Register** on July 2, 2014.<sup>3</sup> The Commission received no comments on the proposed rule change. This order approves the proposed rule change.

#### **II. Description of the Proposal**

The PIP<sup>4</sup> and COPIP<sup>5</sup> are electronic auction mechanisms that permit an Options Participant to expose an agency order ("PIP Order" for PIP and "COPIP Order" for COPIP, each, an "Agency Order") and provide such order an opportunity for price improvement. Currently, the PIP and COPIP rules permit an initiating Options Participant ("Initiating Participant") to submit an Agency Order into the PIP or COPIP along with a matching contra order ("Primary Improvement Order"). The Exchange will commence a PIP or COPIP by broadcasting a message to other Options Participants that contains information concerning series, size, auction start price, side of market, and

<sup>8</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> See Securities Exchange Act Release No. 72477 (June 26, 2014), 79 FR 37798 ("Notice").

<sup>4</sup> See BOX Rule 7150.

<sup>5</sup> See BOX Rule 7245.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).