

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend the proposed rule change if it appears to the Commission that this action is: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes this action, it shall institute proceedings under Section 19(b)(2)(B) of the Act<sup>22</sup> to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal 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 No. SR-BYX-2015-23 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 No. SR-BYX-2015-23. 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 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 No. SR-BYX-2015-23 and should be submitted on or before May 13, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-09269 Filed 4-21-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74744; File No. SR-MIAX-2015-29]

### Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Exchange Rule 500

April 16, 2015.

Pursuant to the provisions of 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 April 7, 2015, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 filing a proposal to amend Exchange Rule 500. The text of the proposed rule change is available on the Exchange's Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX's principal office, 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 aspects 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 proposes to amend Exchange Rule 500, Access to and Conduct on the Exchange, to authorize the Exchange to share any Member-designated risk settings in the MIAX System<sup>3</sup> with the Clearing Member<sup>4</sup> that clears Exchange Transactions<sup>5</sup> on behalf of the Member<sup>6</sup> (or on behalf of any Sponsored User<sup>7</sup> for which the Member is a Sponsoring Member<sup>8</sup>). Current Rule 500(a) states that "[U]nless otherwise provided in the Rules, no one but a Member or a person associated with a Member shall effect any Exchange Transactions." The Exchange proposes to amend current Rule 500(a) to state that the Exchange may share any Member-designated risk settings in the MIAX System with the Clearing Member

<sup>3</sup> The term "System" means the automated trading system used by the Exchange for the trading of securities. See Exchange Rule 100.

<sup>4</sup> The term "Clearing Member" means a Member that has been admitted to membership in the Options Clearing Corporation ("Clearing Corporation") pursuant to the provisions of the rules of the Clearing Corporation. See Exchange Rule 100.

<sup>5</sup> The term "Exchange Transaction" means a transaction involving a security that is effected on the Exchange. See Exchange Rule 100.

<sup>6</sup> The term "Member" means an individual or organization approved to exercise the trading rights associated with a Trading Permit. Members are deemed "members" under the Exchange Act. See Exchange Rule 100.

<sup>7</sup> A Sponsored User may obtain and maintain authorized access to the System, only if such access is authorized in advance by one or more Sponsoring Members. See Exchange Rule 210(b).

<sup>8</sup> Sponsored Users must enter into a sponsorship arrangement with a "Sponsoring Member," which is defined as a Member that agrees to sponsor the Sponsored User's access to the System. See Exchange Rule 210(b)(1). The Sponsoring Member is responsible for any and all actions taken by such Sponsored User and any person acting on behalf of or in the name of such Sponsored User. See Exchange Rule 210(b)(1)(ii)(B)(2).

as designated by the Commission. The Exchange satisfied this requirement.

<sup>22</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>23</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.

that clears Exchange Transactions on behalf of the Member.

All Exchange Transactions must be submitted for clearance to the Options Clearing Corporation (the "Clearing Corporation") and are subject to the Rules of the Clearing Corporation. For each Exchange Transaction in which it participates, a Member must immediately give up the name of the Clearing Member through whom the Exchange Transaction will be cleared.<sup>9</sup> Every Clearing Member is responsible for the clearance of the Exchange Transactions of such Clearing Member and of each Member who gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee or other authorization given by such Clearing Member to such Member, which authorization must be submitted to the Exchange.<sup>10</sup>

Thus, while not all Members are Clearing Members, all Exchange Members require a Clearing Member's consent to clear Exchange Transactions on their behalf in order to conduct business on the Exchange. The letter of authorization or guarantee, or other authorization, describes the relationship between the Member and Clearing Member and provides the Exchange with notice of which Clearing Members have relationships with which Exchange Members. The Clearing Member that guarantees the Member's Exchange Transactions has a financial interest in understanding the risk tolerance of the Member. The instant proposal would provide the Exchange with authority to provide Clearing Members directly with information that may otherwise be available to such Clearing Members by virtue of their relationship with the respective Members.

Specifically, the proposal would permit the Exchange to share any Member-designated risk settings in the MIAX System with the Clearing Member that clears Exchange Transactions on behalf of the Member. The risk settings currently covered by this proposal relate to limitations on executions and are set forth in Exchange Rule 519,<sup>11</sup> Rule

519A,<sup>12</sup> and Rule 612.<sup>13</sup> The Exchange may adopt additional rules providing for Member-designated risk settings other than those provided in Exchange Rules 519, 519A, and 612 that could be shared with a Member's Clearing Member under the proposal, and the Exchange would announce these additional risk settings by issuing a Regulatory Circular.

## 2. Statutory Basis

MIAX believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>14</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>15</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

The proposed rule change will allow the Exchange to provide a Member's designated risk settings directly to the Clearing Member that clears Exchange Transactions on behalf of the Member. Because a Clearing Member that executes a clearing letter of guarantee or authorization on behalf of a Member guarantees all Exchange Transactions of that Member, and therefore bears the risk associated with those Exchange Transactions, it is appropriate for the Clearing Member to have knowledge of what risk settings the Member may apply within the MIAX System. The

proposal will permit Clearing Members who have a financial interest in the risk settings of Members with whom they have entered into a clearing letter of guarantee or agreement to better monitor and manage the potential risks assumed by Clearing Members, thereby providing Clearing Members with greater control and flexibility in managing their own risk tolerance and exposure and aiding Clearing Members in complying with the Act.

Additionally, to the extent a Clearing Member might reasonably require a Member to provide access to its risk settings as a prerequisite to continuing to clear trades on such Member's behalf, the Exchange's proposal to share those risk settings directly with the Clearing Member reduces the administrative burden on the Member and ensures that Clearing Members are receiving information that is up to date and conforms to the settings active in the MIAX System.

Moreover, the proposed rule change is consistent with rules that are currently operative on other exchanges.<sup>16</sup>

## 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. The proposed rule change is not designed to address any competitive issues and does not pose an undue burden on non-Clearing Members because, unlike Clearing Members, non-Clearing Members do not guarantee the execution of a Member's Exchange Transactions. The proposal is structured to offer the same enhancement to all Clearing Members, regardless of size, and would not impose a competitive burden on any participant. Any Member that does not wish to share its designated risk settings with its Clearing Member could avoid sharing such settings by becoming a clearing member of OCC.

The Exchange notes that the rule change is being proposed as a response to rules that are already operative on other exchanges.<sup>17</sup>

For all the reasons stated, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

<sup>12</sup> Pursuant to Exchange Rule 519A, Risk Protection Monitor ("RPM"), the MIAX System will count the number of orders entered and the number of contracts traded via an order entered by a Member on the Exchange within a specified time period that has been established by the Member and, when triggered, the RPM will (i) prevent the System from receiving any new orders in all series in all classes from the Member; or (ii) prevent the System from receiving any new orders in all series in all classes from the Member and cancel all existing Day orders in all series in all classes from the Member; or (iii) send a notification that the RPM has been triggered without any further preventative or cancellation action by the System.

<sup>13</sup> Pursuant to Exchange Rule 612, Aggregate Risk Manager ("ARM"), the MIAX System will count the number of contracts traded by a Market Maker in an assigned option class within a specified time period that has been established by the Market Maker. When the counting program has determined that a Market Maker has traded during the specified time period a number of contracts equal to or above an "Allowable Engagement Percentage" specified by the Market Maker, the ARM will automatically remove the Market Maker's quotations from the Exchange's disseminated quotation in all series of that particular option class until the Market Maker submits a new revised quotation.

<sup>14</sup> 15 U.S.C. 78f(b).

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

<sup>9</sup> See Exchange Rule 507.

<sup>10</sup> See Exchange Rule 513(b).

<sup>11</sup> Exchange Rule 519, Order Size Protections, states that the System will prevent certain orders from executing or being placed on the Book if the size of the order exceeds the order size protection designated by the Member.

<sup>16</sup> See NYSE Arca, Inc. Rule 6.2A(a); NYSE MKT LLC Rule 902.1NY.(a); NASDAQ OMX PHLX LLC Rule 1016; and BATS Exchange, Inc. Rule 21.17.

<sup>17</sup> *Id.*

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

Written comments were neither solicited nor received.

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

Because the foregoing rule 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, provided that the self-regulatory organization has given the Commission written notice of its intent to file 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,<sup>18</sup> the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>19</sup> and Rule 19b-4(f)(6) thereunder.<sup>20</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>21</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>22</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested that the Commission waive the 30-day operative delay to allow the Exchange to respond to current demand for the expeditious sharing of risk settings between Clearing Members and Members on whose behalf they clear Exchange Transactions. The proposal does not raise any novel or unique issues, and is substantially similar to rules that are currently operative on other options exchanges. Therefore, the Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest and designates the proposed rule change as operative upon filing.<sup>23</sup>

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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-MIAX-2015-29 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2015-29. 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-MIAX-2015-29 and should be submitted on or before May 13, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>24</sup>

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2015-09263 Filed 4-21-15; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74738; File No. SR-BATS-2015-09]

**Self-Regulatory Organizations; BATS Exchange, Inc.; Order Granting Approval of a Proposed Rule Change To Amend Rules 11.9, 11.12, and 11.13 of BATS Exchange, Inc.**

April 16, 2015.

**I. Introduction**

On January 30, 2015, BATS Exchange, Inc. ("BATS" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Exchange Rules 11.9, 11.12, and 11.13. The proposed rule change was published for comment in the **Federal Register** on February 18, 2015.<sup>3</sup> The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

**II. Description of the Proposed Rule Change**

The Exchange conducted a comprehensive review of its system functionality.<sup>4</sup> The proposal adds additional clarity and specificity regarding the current functionality of the Exchange's System,<sup>5</sup> including the

<sup>24</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. 74247 (February 11, 2015), 80 FR 8720 ("Notice"). See also Securities Exchange Act Release No. 74247A (February 26, 2015), 80 FR 11695 (March 4, 2015) (correcting file number in Notice heading to be "SR-BATS-2015-09").

<sup>4</sup> On June 5, 2014, Chair Mary Jo White asked all national securities exchanges to conduct a comprehensive review of each order type offered to members and how it operates in practice. See Mary Jo White, Chair, Commission, Speech at the Sandler O'Neill & Partners, L.P. Global Exchange and Brokerage Conference, (June 5, 2014) (available at <http://www.sec.gov/News/Speech/Detail/Speech/1370542004312#.VD2HW610w6Y>).

<sup>5</sup> Exchange Rule 1.5(aa) defines "System" as "the electronic communications and trading facility designated by the Board through which securities

<sup>18</sup> The Exchange has satisfied this requirement.

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

<sup>21</sup> *Id.*

<sup>22</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>23</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).