

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73970; File No. S7-24-89]

**Joint Industry Plan; Notice of Filing of Amendment No. 34 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis Submitted by the BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc.**

December 31, 2014.

Pursuant to section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on December 24, 2014, the operating committee (“Operating Committee” or “Committee”)<sup>3</sup> of the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis (“Nasdaq/UTP Plan” or “Plan”) filed with the Securities and Exchange Commission (“Commission”) an amendment to the Plan.<sup>4</sup> This amendment represents Amendment No.

34 (“Amendment No. 34”) to the Plan and proposes to shorten the maximum time within which Participants must report trades from 90 seconds to 10 seconds, subject to the Participants’ obligation to report trades as soon as practicable. The Commission is publishing this notice to solicit comments from interested persons.

### I. Rule 608(a)

#### A. Purpose of the Amendments

Currently, section VIII(B) (Transaction Reports) of the UTP Plan provides that “Each Participant shall, during the time it is open for trading, be responsible promptly to collect and transmit to the Processor Transaction Reports in Eligible Securities executed in its Market by means prescribed herein. . . . All such Transaction Reports shall be transmitted to the Processor within 90 seconds after the time of execution of the transaction. Transaction Reports transmitted beyond the 90-second period shall be designated as ‘late’ by the appropriate code or message.”

The amendment proposes to reduce from 90 seconds to 10 seconds the maximum amount of time by which each Participant is required to report trades. In addition to reducing the time frame, the Participants propose to change the promptly-collect-and-transmit standard to an as-soon-as-practicable standard. It would now require the Participants to “transmit all Transaction Reports as soon as practicable, but not later than 10 seconds, after the time of execution.”

In addition, the amendment would require each Participant to establish and maintain collection and reporting procedures and facilities reasonably designed to comply with the reporting requirement. This would harmonize with a similar, existing requirement under the CTA Plan.

The Participants note that, during 2013, the Commission approved a FINRA rule amendment that modified FINRA’s trade reporting rules to require that FINRA members report over-the-counter transactions in Eligible Securities to FINRA as soon as practicable, but no later than 10 seconds, following execution.<sup>5</sup> No other Participant has a trade reporting rule that permits trade reporting more than 10 seconds after execution. As a result, shortening the trade reporting time under the UTP Plan seems warranted.

In addition, the Participants understand that, contemporaneously with the filing of this amendment, the

Participants in the CTA Plan contemplate submitting a plan amendment that would amend the trade-reporting requirement under that plan to provide for the same trade-reporting requirements as the UTP Plan. Participants propose under this Agreement.

#### B. Impact of the Proposed Amendment

The Participants receive the vast majority of trade reports in well less than 10 seconds, so that the UTP Plan amendment is not likely to have a practical impact on trade reporting.

#### C. Governing or Constituent Documents

Not applicable.

#### D. Implementation of Amendment

All of the Participants have manifested their approval of the proposed amendment by means of their execution of the UTP Plan amendment. The UTP Plan amendment would become operational upon approval by the Commission.

#### E. Development and Implementation Phases

Not applicable.

#### F. Analysis of Impact on Competition

The proposed amendment does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Participants do not believe that the proposed UTP Plan amendment introduces terms that are unreasonably discriminatory for the purposes of section 11A(c)(1)(D) of the Act.<sup>6</sup>

#### G. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

Not applicable.

#### H. Approval by Sponsors in Accordance With Plan

Section IV(C)(1)(a) of the UTP Plan requires the Participants to unanimously approve the amendment. They have so approved it.

#### I. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

#### J. Terms and Conditions of Access

Not applicable.

#### K. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

<sup>6</sup> 15 U.S.C. 78k-1(c)(1)(D).

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> The Plan Participants (collectively, “Participants”) are the: BATS Exchange, Inc.; BATS Y-Exchange, Inc.; Chicago Board Options Exchange, Incorporated; Chicago Stock Exchange, Inc.; EDGA Exchange, Inc.; EDGX Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; International Securities Exchange LLC; NASDAQ OMX BX, Inc.; NASDAQ OMX PHLX LLC; Nasdaq Stock Market LLC; National Stock Exchange, Inc.; New York Stock Exchange LLC; NYSE MKT LLC; and NYSE Arca, Inc.

<sup>4</sup> The Plan governs the collection, processing, and dissemination on a consolidated basis of quotation information and transaction reports in Eligible Securities for each of its Participants. This consolidated information informs investors of the current quotation and recent trade prices of Nasdaq securities. It enables investors to ascertain from one data source the current prices in all the markets trading Nasdaq securities. The Plan serves as the required transaction reporting plan for its Participants, which is a prerequisite for their trading Eligible Securities. See Securities Exchange Act Release No. 55647 (April 19, 2007), 72 FR 20891 (April 26, 2007).

<sup>5</sup> See Securities Exchange Act Release No. 69561 (May 13, 2013), 78 FR 29190 (May, 17, 2013) (SR-FINRA-2013-013).

*L. Method and Frequency of Processor Evaluation*

Not applicable.

*M. Dispute Resolution*

Not applicable.

**II. Rule 601(a)***A. Equity Securities for Which Transaction Reports Shall Be Required by the Plan*

Not applicable.

*B. Reporting Requirements*

As a result of the amendment, the UTP Plan would require each Participant to report each trade as soon as practicable, but no more than 10 seconds from the time of the trade. In addition, each Participant's members would be required to establish and maintain collection and reporting procedures and facilities such as to assure that such last sale prices will be reported within not more than 10 seconds (rather than the current 90 seconds) following execution (or such shorter period as the Participants may approve), regardless of whether they do so 90 percent of the time under normal conditions. Currently, each Participant has 90 seconds to report 90 percent of its trades within 10 seconds following execution under normal conditions.

*C. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information*

Not applicable.

*D. Manner of Consolidation*

Not applicable.

*E. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports*

The amendment will support the prompt reporting of transaction reports by reducing from 90 seconds to 10 seconds the maximum amount of time by which each Participant must receive transaction reports from its members, subject to the Participants' obligation to report trades as promptly as possible.

*F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination*

Not applicable.

*G. Terms of Access to Transaction Reports*

Not applicable.

*H. Identification of Marketplace of Execution*

Not Applicable.

**III. Solicitation of Comments**

The Commission seeks general comments on Amendment No. 34. 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 Number S7-24-89 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 S7-24-89. 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 Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all written statements with respect to the proposed Plan Amendment that are filed with the Commission, and all written communications relating to the proposed Plan Amendment 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 Web site viewing and printing at the Office of the Secretary of the Committee, currently located at the CBOE, 400 S. LaSalle Street, Chicago, IL 60605. 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 S7-24-89 and should be submitted on or before January 28, 2015.

<sup>7</sup> 17 CFR 200.30-3(a)(27).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

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

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-73974; File No. SR-CBOE-2014-093]

**Self-Regulatory Organizations;  
Chicago Board Options Exchange,  
Incorporated; Notice of Filing and  
Immediate Effectiveness of a Proposed  
Rule Change To Amend Rule 6.54**

**December 31, 2014.**

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 30, 2014, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "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 proposes to extend its program that allows transactions to take place at a price that is below \$1 per option contract through January 5, 2016. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), at the Exchange's Office of the Secretary, 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

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

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