2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act, which requires, among other things, that FINRA rules 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.7 FINRA believes that the proposed rule change will provide greater clarity to members and the public regarding its rules, as well as ensure a more efficient reporting process for the SSOI.

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

FINRA does not believe that the proposed rule change will result in 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 were neither solicited nor received.

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

Because the foregoing 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 for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act8 and Rule 19b–4(f)(6) thereunder.9

FINRA has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. In accordance with Rule 19b–4(f)(6),10 FINRA submitted written notice of its 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, or such shorter time as the Commission may designate, as specified in Rule 19b–4(f)(6)(iii) under the Act.11 The first reporting period covered by the initial SSOI commences on July 1, 2012. FINRA has stated that it wishes the Commission to waive the operative delay so that FINRA may give as much time as possible for member firms to prepare prior to the October 26, 2012, due date of the initial SSOI.

Accordingly, FINRA would like the SSOI to be in final form and fully operative as of the start of the first reporting period on July 1. Given FINRA’s desire to provide member firms with a final and completed SSOI at the outset of the initial SSOI reporting period, the Commission believes that FINRA’s request is reasonable and believes that waiver of the operative delay is consistent with the protection of investors and the public interest, and therefore designates the proposal operative upon filing.12

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 necessary or appropriate in the public interest, for the protection of investors, or 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. Please include File Number SR–FINRA–2012–033 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–FINRA–2012–033 on the subject line.


On May 1, 2012, The NASDAQ Stock Market LLC (“NASDAQ” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)1 and Rule 19b–4 thereunder,2 a proposed rule change to establish various “Benchmark Orders” under NASDAQ Rule 4751(f). The

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Establish “Benchmark Orders” Under NASDAQ Rule 4751(f)


For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.13

Kevin M. O’Neill,
Deputy Secretary.

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2 17 CFR 200.19b–4–.
12 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).
SECURITIES AND EXCHANGE COMMISSION

Self-Regulatory Organizations; BOX Options Exchange LLC: Notice of Filing and Immediate Effectiveness of a Proposal To Extend a Pilot Program That Permits BOX to Have No Minimum Size Requirement for Orders Entered Into the Price Improvement Period


Pursuant to Section 19(b)(1) under the Securities Exchange Act of 1934 (the “Act”) and Rule 19b–4 thereunder, notice is hereby given that on June 25, 2012, BOX Options Exchange LLC (the “Exchange”) 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 Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b–4(f)(6) under the Act, which renders the proposal effective upon filing with the Commission. 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 amend the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as constituting a non-controversial rule change under Rule 19b–4(f)(6) under the Act, which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to extend the Pilot Program for twelve additional months. The Pilot Program allows the Exchange to have no minimum size requirement for orders entered into the Pilot Program. The Exchange has committed to provide certain data to the Commission during the Pilot Program. The proposed rule change retains the text of IM–7150–1 to Rule 7150 and seeks to extend the operation of the Pilot Program until July 18, 2013.

The Exchange notes that the Pilot Program guarantees Participants the right to trade with their customer orders that are less than 50 contracts. In particular, any order entered into the Pilot Program is guaranteed an execution at the national best bid or offer. In further support of this proposed rule change, the Exchange will submit to the Commission monthly a Pilot Program Report, offering detailed data from, and analysis of, the Pilot Program.

To aid the Commission in its evaluation of the Pilot Program, the Exchange provides the following additional information each month: (1) The number of orders of 50 contracts or greater entered into the Pilot Program and (2) the percentage of all orders of 50 contracts or greater sent to the Exchange that are entered into the Pilot Program auction.

The spread in the option, at the time an order of 50 contracts or greater is entered into the Pilot Program, is normally less than $0.01, depending on market conditions.

2. Statutory Basis

The Exchange notes that the proposed rule change is necessary to extend the Pilot Program until July 18, 2013, to ensure that the Pilot Program is properly evaluated.

3. Effectiveness

The proposed rule change becomes effective upon receipt hereof

The Commission has determined that it is inconsistent with, and contrary to, the public interest and general welfare to continue the Pilot Program for an additional twelve months and, accordingly, designated the proposed rule change as effective immediately.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.

Kevin M. O’Neill,
Deputy Secretary.

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Footnotes:
