

general to protect investors and the public interest. In particular, the proposed rule change removes impediments to and perfects the mechanisms of a free and open market and a national market system because it is similar with the continuous quoting standards in place on other options exchanges. The Exchange believes the proposed rule change will not diminish, and in fact may increase market making activity and liquidity on the Exchange by establishing a quoting compliance standard that is reasonable and is similar to those already in place on other options exchanges. Specifically, the Exchange believes that the proposed quoting requirements will encourage greater participation by Market Makers to provide quotes on the Exchange as Preferred Market Makers. These additional responses should encourage greater competition on the Exchange, which should, in turn, benefit and protect investors and the public interest through the potential for greater volume of orders and executions.

#### *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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change applies to all Preferred Market Makers. Additionally, the proposed rule change is substantially similar to the rules in place at other options exchanges,<sup>8</sup> which the exchange believes may enhance, rather than burden, competition among the options exchanges.

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

The Exchange has neither solicited nor received comments on the proposed rule change.

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

Because the 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 if consistent with the protection of investors and the public interest, the proposed rule change has become

effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6) thereunder.<sup>10</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 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](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2015-19 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-BOX-2015-19. 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

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). As required under Rule 19b-4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and the text of 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.

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 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-BOX-2015-19, and should be submitted on or before June 9, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-12029 Filed 5-18-15; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-74954; File No. SR-Phlx-2015-29]**

### **Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend and Restate Certain Rules That Govern the NASDAQ PSX**

May 13, 2015.

On March 20, 2015, NASDAQ OMX PHLX LLC ("Phlx") 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 and restate certain Phlx rules that govern NASDAQ OMX PSX in order to provide a clearer and more detailed description of certain aspects of its functionality. The proposed rule change was published for comment in the **Federal Register** on April 6, 2015.<sup>3</sup> The Commission received no comment letters regarding the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may

<sup>11</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. 74618 (March 31, 2015), 80 FR 18452.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> See *supra*, note 3.

designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The 45th day for this filing is May 21, 2015.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, pursuant to Section 19(b)(2) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates July 5, 2015, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015-12031 Filed 5-18-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74953; File No. SR-FINRA-2015-011]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Reporting Requirements of FINRA Rule 4530(a)(1)(H)

May 13, 2015.

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 May 5, 2015, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by FINRA. FINRA has designated the proposed rule change as constituting a “non-controversial” rule change under paragraph (f)(6) of Rule

19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by 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

FINRA is proposing to amend FINRA Rule 4530 (Reporting Requirements) to provide an exception from the requirements of paragraph (a)(1)(H) of the rule for dealings with a member or associated person subject to statutory disqualification, if that member or associated person has been approved (or is otherwise permitted pursuant to FINRA rules and the federal securities laws) to be a member or to be associated with a member.

The text of the proposed rule change is available on FINRA’s Web site at <http://www.finra.org>, at the principal office of FINRA 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, FINRA 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. FINRA 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

FINRA Rule 4530 requires members to report to FINRA specified events, such as statutory disqualifications, and quarterly statistical and summary information regarding written customer complaints.<sup>4</sup> FINRA uses the information for regulatory purposes to identify and initiate investigations of firms, offices and associated persons that may pose a risk.

FINRA Rule 4530(a)(1)(H) requires a member to report whenever the member itself or an associated person of the member is subject to a “statutory

disqualification” as defined in the Act. The rule also requires a member to report whenever the member or an associated person of the member is involved in the sale of any financial instrument, the provision of any investment advice or the financing of any such activities with any person that is subject to a “statutory disqualification” as defined in the Act. The report must include the name of the person subject to the statutory disqualification and details concerning the disqualification. In addition, the report must be submitted to FINRA within 30 calendar days after the member knows or should have known of the event.

The definition of “statutory disqualification” under the Act includes, among other events, findings by the SEC, Commodity Futures Trading Commission or a self-regulatory organization that a person: (1) Willfully violated the federal securities or commodities laws, or the Municipal Securities Rulemaking Board rules; (2) willfully aided, abetted, counseled, commanded, induced or procured such violations; or (3) failed to supervise another person who commits violations of such laws or rules.<sup>5</sup> Thus, for instance, a member is currently required to report under FINRA Rule 4530(a)(1)(H) each time the member is involved in the sale of any financial instrument, such as participating in a selling syndicate or selling group, with a member that has been found to have willfully violated the federal securities laws. This would be true even if the member that is subject to the willful violation has been approved, or is otherwise permitted pursuant to FINRA rules and the federal securities laws, to continue in membership notwithstanding the disqualification.<sup>6</sup>

For the following reasons, FINRA believes that there is no regulatory value

<sup>5</sup> See 15 U.S.C. 78c(a)(39).

<sup>6</sup> In general, persons subject to a statutory disqualification would be required to obtain approval from FINRA to enter or remain in the securities industry. A firm seeking to continue in membership, notwithstanding the existence of such a disqualification, generally would be required to file an MC-400A application with FINRA. Similarly, a firm seeking to sponsor (*i.e.*, employ or associate with) a disqualified person generally would be required to file an MC-400 application with FINRA. However, as described in *Regulatory Notice 09-19* (April 2009), a firm would not be required to file an application for approval for specific disqualifying events. For instance, a firm that is subject to a statutory disqualification based on a willful violation of the federal securities laws would not be required to file an MC-400A application with FINRA if the sanction is no longer in effect. Such a firm would be permitted to continue in membership notwithstanding the disqualification and without having to file an application with FINRA for approval.

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

<sup>4</sup> The specified events and customer complaint information must be electronically reported to FINRA via an application on FINRA’s Firm Gateway.