

subsection (a)(v)(B) of Rule 1020 to Registered Options Trader.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>8</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, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system by correcting an inadvertent error in subsection (a)(v)(B) of Rule 1020 regarding the term Registered Options Trader.

### 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.

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

No written comments were either solicited or received.

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

Pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(3) thereunder,<sup>10</sup> Phlx has designated this proposal as one that is concerned solely with the administration of the self-regulatory organization. Accordingly, the Exchange believes that this proposal is immediately effective and operative upon filing.

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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2011-98 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-Phlx-2011-98. This file number should be included on the subject line if e-mail 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 a.m. and 3 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 No. SR-Phlx-2011-98 and should be submitted on or before August 11, 2011.

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

Cathy H. Ahn,  
Deputy Secretary.

[FR Doc. 2011-18341 Filed 7-20-11; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64889; File No. SR-BATS-2011-018]

### Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change To Adopt Rules for the Qualification, Listing and Delisting of Companies on the Exchange

July 14, 2011.

#### I. Introduction

On May 12, 2011, BATS Exchange, Inc. (the "Exchange" or "BATS") 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 adopt rules for the qualification, listing and delisting of companies on the Exchange. The proposed rule change was published for comment in the **Federal Register** on June 1, 2011.<sup>3</sup> The Commission received no comment letters regarding the proposal.

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 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 July 16, 2011.

The Commission is hereby extending the 45-day 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

<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. 64546 (May 25, 2011), 76 FR 31660 (June 1, 2011) ("Notice").

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

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

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

<sup>10</sup> 17 CFR 240.19b-4(f)(3).

rule change. In particular, the extension of time will ensure that the Commission has sufficient time to consider and take action on the Exchange's proposal, which will be part of a comprehensive set of proposals, including, but not limited to, the establishment of new trading rules and a BATS official closing price for securities primarily listed on BATS.

Accordingly, pursuant to Section 19(b)(2)(A)(ii)(I) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates August 30, 2011, as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change File No. SR-BATS-2011-018.

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

**Cathy H. Ahn,**

*Deputy Secretary.*

[FR Doc. 2011-18340 Filed 7-20-11; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-64896; File No. SR-BX-2011-045]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change Requesting Permanent Approval of Pilot Program To Permit BOX To Accept Inbound Routes by NOS

July 15, 2011.

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 July 13, 2011, NASDAQ OMX BX, Inc. ("BX" or the "Exchange") 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 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 request permanent approval of the Exchange's pilot program to permit the Boston Options Exchange ("BOX") to accept inbound routes by NASDAQ Options

Services, LLC ("NOS") of Nasdaq Options Market ("NOM") Exchange Direct Orders without checking the NOM book and 2) NOM non-System securities, including Exchange Direct Orders.<sup>3</sup>

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.com/NASDAQOMXPHLX/Filings/>, at the principal office of the Exchange, 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 self-regulatory organization 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 self-regulatory organization 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

Currently, NOS is the approved outbound routing facility of the NASDAQ Stock Market (the "NASDAQ Exchange") for NOM, providing outbound routing from NOM to other market centers.<sup>4</sup> The Exchange and the

<sup>3</sup> Pursuant to Chapter VI, Section 1(b) of the NOM rules, "System Securities" are all options that are currently trading on NOM pursuant to Chapter IV of the NOM rules. All other options are "Non-System Securities." [sic] Chapter VI, Section 1(e)(7) of the NOM Rules, Exchange Direct Orders are orders that route directly to other Options Markets on an immediate-or-cancel basis without checking the NOM book for liquidity.

<sup>4</sup> NOM Rule Chapter VI, Section 11(c). Under NOM Rule Chapter VI, Section 11(c): (1) NOM routes orders in options via NOS, which serves as the sole "routing facility" of NOM; (2) the sole function of the routing facility is to route orders in options to away markets pursuant to NOM rules, solely on behalf of NOM; (3) NOS is a member of an unaffiliated self-regulatory organization, which is the designated examining authority for the broker-dealer; (4) the routing facility is subject to regulation as a facility of the NASDAQ Exchange, including the requirement to file proposed rule changes under Section 19 of the Act; (5) use of NOS to route order to other market centers is optional; (6) NOM must establish and maintain procedures and internal controls reasonably designed to adequately restrict the flow of confidential and proprietary information between the NASDAQ Exchange and its facilities (including the routing facility), and any other entity; and (7) the books, records, premises, officers, directors, agents, and

NASDAQ Exchange have previously adopted rules to permit BOX to receive inbound routes of certain option orders, specifically (1) Exchange Direct Orders without checking the NOM book prior to routing, and (2) NOM non-system securities, by NOS on a pilot basis.<sup>5</sup> The Exchange specifically has adopted a rule to prevent potential information advantages resulting from the affiliation between BOX and NOS, as related to NOS's authority to route orders from NOM to BOX.<sup>6</sup> NOS's authority to route these orders to BOX is subject to a pilot period ending on August 16, 2011.<sup>7</sup> The Exchange hereby seeks permanent approval to permit BOX to accept inbound routes of (1) Exchange Direct Orders without checking the NOM book and (2) NOM non-System securities, including Exchange Direct Orders that NOS routes from NOM.

Pursuant to prior rule filings with the Commission, BOX and NOS inbound routing relationship with respect to certain orders has operated on a pilot basis. In connection with this pilot program, BX committed to the following:

1. The Exchange and FINRA would enter into a regulatory services agreement ("Regulatory Contract") pursuant to which FINRA has been allocated regulatory responsibilities to review NOS's compliance with BOX's rules through FINRA's examination program.<sup>8</sup> The Exchange, however, retained ultimate responsibility for enforcing its rules with respect to NOS except to the extent that they are covered by an agreement with FINRA pursuant to Rule 17d-2<sup>9</sup> under the Act ("17d-2 Agreement"), in which case the regulatory responsibility is allocated to FINRA as provided in Rule 17d-2(d).

2. The Exchange and FINRA would monitor NOS for compliance with the

employees of the routing facility, as a facility of the NASDAQ Exchange, shall be subject at all times to inspection and copying by the NASDAQ Exchange and the Commission.

<sup>5</sup> See Securities Exchange Act Release Nos. 60349 (July 20, 2009), 74 FR 37071 (July 27, 2009) (SR-BX-2009-035); 60354 (July 21, 2009), 74 FR 37074 (July 27, 2009) (SR-NASDAQ-2009-065); 62555 (July 22, 2010), 75 FR 44835 (July 29, 2010) (SR-BX-2010-051); 63364 (November 23, 2010), 75 FR 74121 (November 30, 2010) (SR-BX-2010-078); 64530 (May 20, 2011), 76 FR 30746 (May 26, 2011) (SR-BX-2011-027).

<sup>6</sup> See Chapter XXXIX, Section 2(c) of the Grandfathered Rules of the Exchange.

<sup>7</sup> See Securities Exchange Act Release No. 64530 (May 20, 2011), 76 FR 30746 (May 26, 2011) (SR-BX-2011-027).

<sup>8</sup> The Exchange also states that NOS is subject to independent oversight by FINRA, its Designated Examining Authority, for compliance with financial responsibility requirements. See Securities Exchange Act Release No. 60349 (July 20, 2009), 74 FR 37071 (July 27, 2009) (SR-BX-2009-035).

<sup>9</sup> 17 CFR 240.17d-2.

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

<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.