

*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-Phlx-2011-181 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 No. SR-Phlx-2011-181. 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 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-2011-181 and should be submitted on or before January 30, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66083; File No. SR-CME-2011-19]

**Self-Regulatory Organizations;  
Chicago Mercantile Exchange, Inc.;  
Notice of Filing and Order Granting  
Accelerated Approval of Proposed  
Rule Change To Comply With New  
CFTC DCO Regulations**

January 3, 2012.

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 December 20, 2011, the Chicago Mercantile Exchange Inc. ("CME") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I and II below, which items have been prepared primarily by CME. The Commission is publishing this Notice and Order to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

**I. Self-Regulatory Organization's  
Statement of Terms of Substance of the  
Proposed Rule Change**

CME proposes to amend certain of its rules to comply with new CFTC Regulations 39.16(d) (Insolvency of a clearing member) and 39.15(d) (Transfer of customer positions), respectively. The text of the proposed rule change is below. The italicized text indicates additions. Bracketed text indicates deletions.

**CME Rulebook**

**Rule 100—Rule 441—No Change.**

**Chapter 4. Enforcement of Rules**

**Rule 442. NOTIFICATION OF  
SIGNIFICANT EVENTS**

Each Member shall *provide* immediate[ly] *notice to* [fy] the Market Regulation Department (*and each Member that is a Member Firm or a Clearing member shall also provide immediate notice to the Clearing House*), in writing upon becoming aware of any of the following events relating to such Member:

1. any suspension, expulsion, revocation or restriction of such Member's trading privileges or any fine in excess of \$25,000, through an adverse determination, voluntary settlement or otherwise, by any court, commodity or securities exchange or related clearing organization, the Securities and

Exchange Commission, the Commodity Futures Trading Commission or the securities commission or equivalent authority of any state, territory, the District of Columbia or foreign country, the National Futures Association, the Financial Industry Regulatory Authority, Inc. or any self-regulatory or regulatory organization;

2. any indictment of the Member or any of its officers for, any conviction of the Member or any of its officers of, or any confession of guilt or plea of guilty or nolo contendere by the Member or any of its officers to 1) any felony or 2) any misdemeanor involving, arising from, or related to the purchase or sale of any commodity, security, futures contract, option or other financial instrument or involving or arising from fraud or moral turpitude; and/or

3. any *filing of a* [involuntary] bankruptcy petition or *insolvency, receivership or equivalent proceeding of which the member is a subject.* [that has been filed against such Member, or i] *In the case of a voluntary bankruptcy, insolvency, receivership or equivalent proceeding, the Member also shall notify the Market Regulation Department, and the Clearing House in the case of a Member that is a Member Firm or Clearing Member* when such Member [has filed or has] forms[ed] a definite intention to file *such* proceeding [for bankruptcy].

Nothing in this Rule shall limit or negate any other reporting obligations that any member may have to the Exchange or any other regulator or person.

\* \* \* \* \*

**Rule 443—Rule 852—No Change.**

**Chapter 8. Clearing House and  
Performance Bonds**

**Rule 853. TRANSFERS OF TRADES  
AND CUSTOMER ACCOUNTS**

**853.A. Transfers of Trades**

1. Subject to the limitations of Rule 854, existing trades may be transferred either on the books of a clearing member or from one clearing member to another clearing member provided:

i[1]. The transfer merely constitutes a change from one account to another account provided the underlying beneficial ownership in said accounts remains the same; or

ii[2]. An error has been made in the clearing of a trade and the error is discovered and the transfer is completed within two business days after the trade date.

[B]2. Subject to the limitations of Rule 854, Exchange staff may, upon request by the clearing member(s), approve a

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

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

<sup>14</sup> 17 CFR 200.30-3(a)(12).

transfer of existing trades either on the books of the same clearing member, or from the books of one clearing member to the books of another clearing member if the transfer is in connection with, or as a result of, a merger, asset purchase, consolidation or similar non-recurring transaction between two or more entities where one or more entities become the successor in interest to one or more other entities.

3[C]. Exchange staff may, with the consent of the clearing member(s) involved, permit the transfer of existing trades if, in staff's opinion, the situation so requires and such transfer is in the best interests of the Exchange.

4[D]. Provided that the transfer is permitted pursuant to Sections 1[A], 2[B], or 3[C], above, transactions in all physically delivered futures contracts except for FX futures contracts must be recorded and carried on the books of the receiving firm at the original trade dates; all other transactions may be recorded and carried at either the original trade date or the transfer date. Futures transactions may be transferred using either the original trade price or the most recent settlement price; options transactions may be transferred using either the original trade price or a trade price of zero.

[E]5. All transfers shall be reported to the Clearing House in a form acceptable to the Exchange for the type of transactions involved. The proper indicator must be included in the transfer such that the transactions, including the transaction(s) to reverse an error, clear as transfers. The clearing members involved shall maintain a full and complete record of all transactions together with all pertinent memoranda.

#### 853.B. Transfers of Customer Accounts

1. *Subject to the limitations of Rule 853.A, after receipt of a signed instruction from a Clearing Member (the "Carrying Clearing Member") to transfer all or a portion of a customer account to another Clearing Member (the "Receiving Clearing Member"), and provided that such instruction contains the customer's name and account number (and, if the transfer is not of the entire account, a description of which portion is to be transferred), and provided that the Receiving Clearing Member agrees to accept the account, the Exchange shall promptly transfer the account (or the relevant portion thereof), without requiring any close-out or rebooking of positions in connection with the transfer, provided that:*

*i. The transferred positions will satisfy Exchange performance bond requirements at the Receiving Clearing Member; and*

*ii. Any remaining positions in the customer account at the Carrying Clearing Member will satisfy Exchange performance bond requirements.*

\* \* \* \* \*

#### Rule 854—End—No Change.

#### II. Self-Regulatory Organization's Statement of Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, CME included statements concerning the purpose 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 III below. CME 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 Purpose of, and Statutory Basis for, the Proposed Rule Change

CME proposes to amend certain of its rules to comply with new CFTC Regulations 39.16(d) (Insolvency of a clearing member) and 39.15(d) (Transfer of customer positions). The new CFTC regulations were part of a comprehensive set of principle-based regulations adopted by the CFTC that establish certain standards of compliance for derivatives clearing organizations ("DCOs") like CME.

New CFTC Regulation 39.16(d), which becomes effective on January 9, 2011, requires each DCO to have a rule that requires clearing members to provide prompt notice to the DCO if the clearing member becomes the subject of a bankruptcy petition, receivership proceeding, or the equivalent. New CFTC Regulation 39.15(d), also effective on January 9, 2012, requires each DCO to have rules providing that the DCO will promptly transfer all or a portion of a customer's account from one clearing member to another, provided that the conditions in the Regulation are satisfied. In order to comply with these CFTC requirements, CME proposes to amend current CME Rules 442 and Rule 853 as set forth above. CME will consider whether any future changes would be necessary to the language of CME Rule 853 to the extent CME begins clearing securities products. The proposed effective date for these revisions is January 4, 2012.

CME also made a filing, CME Submission 11-491, with its primary regulator, the Commodity Futures Trading Commission, with respect to the proposed rule changes.

CME believes the proposed changes are consistent with the requirements of

the Exchange Act. CME, a DCO, is required to implement the proposed changes to comply with recent changes to CFTC regulations. CME notes that the policies of the Commodity Exchange Act ("CEA") with respect to clearing are comparable to a number of the policies underlying the Exchange Act, such as promoting market transparency for derivatives markets, promoting the prompt and accurate clearance of transactions and protecting investors and the public interest.

##### B. Self-Regulatory Organization's Statement on Burden on Competition

CME does not believe that the proposed rule change will have any impact, or impose any burden, on competition.

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

CME has not solicited, and does not intend to solicit, comments regarding this proposed rule change. CME has not received any unsolicited written comments from interested parties.

#### III. 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 may be submitted by using 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-CME-2011-19 on the subject line.

- Paper comments should be sent 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-CME-2011-19. 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 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 CME. 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-CME-2011-19 and should be submitted on or before January 30, 2012.

#### IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

In its filing, CME requested that the Commission approve this request on an accelerated basis for good cause shown. CME cites the reason for granting this request on an accelerated basis as CME's operations as a DCO, subject to regulation by the CFTC under the CEA. These rule changes are being made according to regulations promulgated by the CFTC, which were previously subject to notice and comment. Not approving this request on an accelerated basis will have a significant impact on CME's operations as a DCO.

Section 19(b) of the Act<sup>3</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. The Commission finds that the proposed rule changes are consistent with the requirements of the Act, in particular the requirements of Section 17A of the Act,<sup>4</sup> and the rules and regulations thereunder applicable to CME. Specifically, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act which requires, among other things, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency because it should allow CME to enhance its risk management efforts, both in motoring the financial status of clearing members

and porting customer accounts among clearing members.<sup>5</sup>

The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,<sup>6</sup> for approving the proposed rule change prior to the 30th day after the date of publication of notice in the **Federal Register** because the proposed rule change institutes the regulations of another regulatory agency, and those regulations were subject to notice and comment.

#### V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-CME-2011-19) is approved on an accelerated basis.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-98 Filed 1-6-12; 8:45 am]

**BILLING CODE 8011-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66081; File No. SR-OCC-2011-18]

#### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to DCO 60 Day Regulations

January 3, 2012.

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 December 20, 2011, Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change described in Items I and II below, which items have been prepared primarily by OCC. The Commission is publishing this Notice and Order to solicit comments on the proposed rule change from interested persons and to approve the proposed rule change on an accelerated basis.

#### I. Self-Regulatory Organization's Statement of Terms of Substance of the Proposed Rule Change

The Options Clearing Corporation ("OCC" or the "Corporation") proposes to amend its By-Laws and Rules as set forth below in order to ensure OCC's

technical compliance with final regulations promulgated by the Commodity Futures Trading Commission ("CFTC") applicable to derivatives clearing organizations ("DCOs"). Material proposed to be added to OCC's By-Laws and Rules as currently in effect is italicized and material proposed to be deleted is enclosed in bold brackets.

#### THE OPTIONS CLEARING CORPORATION

#### BY-LAWS

\* \* \* \* \*

#### ARTICLE VI

#### CLEARANCE OF EXCHANGE TRANSACTIONS

\* \* \* \* \*

#### General Clearance Rule

#### SECTION 1. [no change]

##### ...Interpretations and Policies

.01-.02 [no change]

*.03 (a) Except as otherwise provided in the By-Laws or Rules (including Chapter XI thereof), the Corporation will promptly transfer all or any portion of a carrying Clearing Member's segregated futures customer account maintained in accordance with Section 3(f) of this Article VI or segregated futures professional account maintained in accordance with Section 3(j) of this Article VI, and will, at the same time, transfer related funds (if any) upon the request of the carrying Clearing Member and the confirmation of the receiving Clearing Member that it will accept such transfer, provided that the request for transfer and confirmation of transfer are received by the Corporation in accordance with the procedures and within such timeframes as required by the Corporation.*

*(b) Any transfer effected pursuant to this Interpretation and Policy .03 shall be subject to such policies and procedures as the Corporation determines are reasonably necessary for the protection of the Corporation, other Clearing Members, customers and the general public and the Corporation may refuse any transfer request that does not comply with such policies and procedures.*

*(c) Any carrying Clearing Member requesting a transfer pursuant to this Interpretation and Policy .03 shall be deemed to have represented to the Corporation that: (1) such transfer is being made upon the instruction of the customer of the carrying Clearing Member to make such transfer, (2) the customer instructing the carrying Clearing Member to transfer its positions is not currently in default to the carrying*

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

<sup>4</sup> 15 U.S.C. 78q-1. In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 15 U.S.C. 78s(b)(2).

<sup>7</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.