

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

Kevin M. O'Neill,

Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66485; File No. SR-FICC-2012-01]

### Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing of Proposed Rule Change To Make a Technical Correction to the Rule Relating to the Calculation of Funds-Only Settlement Amounts for Repo Brokers

February 28, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder notice is hereby given that on February 14, 2012, the Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by FICC. 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 proposed rule change consists of modifications to Rule 19, Section 4 of the rules of the Government Securities Division ("GSD") of FICC.

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

In its filing with the Commission, FICC 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. FICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.<sup>3</sup>

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

The purpose of this filing is to make technical corrections to GSD Rule 19 (Special Provisions For Brokered Repo Transactions), Section 4 (Calculations of Funds-Only Settlement Amounts for Repo Brokers) as described below. GSD Rule 19, Section 4 states that FICC may retain any amount of a Credit Forward Mark Adjustment Payment that is in excess of the Cap<sup>4</sup> and that interest earned on such amount shall be paid to the Repo Broker on the subsequent business day. The second part of this sentence is incorrectly stated because FICC pays interest to those who were debited forward mark adjustment amounts not those who were credited such amounts. On the following day (*i.e.*, the day after the broker received the Credit Forward Mark Adjustment Payment) when the broker is debited the interest for the use of funds it received as a credit, the broker will be debited the interest on the amount that it actually received as a credit (*i.e.*, it will not be debited interest for the amount of Credit payment withheld above the Cap). The rule is also revised to state that Repo Brokers with more than one Segregated Repo Account must aggregate Debit Forward Mark Adjustments and Credit Forward Mark Adjustment Payments in those accounts for purposes of the Cap. The Repo Brokers currently comply with this correction and the revision reflects current practice.

FICC believes that the proposed rule change is consistent with Section 17A of the Act and the rules and regulations thereunder because it makes technical corrections to its rules to ensure that they are consistent and accurate.

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

FICC 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

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify

the Commission of any written comments received by FICC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the proposed rule change or

(B) Institute proceedings to determine whether the proposed rule change should be 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-FICC-2012-01 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-FICC-2012-01. 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.,

<sup>12</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> The Commission has modified the text of the summaries prepared by FICC.

<sup>4</sup> The GSD rules define "Cap" as any Debit Forward Mark Adjustment Payment or Credit Forward Mark Adjustment Payment up to a dollar amount, as determined by FICC from time to time, that is automatically collected from or paid to the Repo Broker, as applicable.

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 FICC's principal office and on FICC's Web site at [http://dtcc.com/downloads/legal/rule\\_filings/2012/ficc/SR\\_FICC\\_2012\\_01.pdf](http://dtcc.com/downloads/legal/rule_filings/2012/ficc/SR_FICC_2012_01.pdf). 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-FICC-2012-01 and should be submitted on or before March 26, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

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

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66487; File No. SR-C2-2012-007]

### Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule of Market Data Express, LLC

February 28, 2012.

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 February 15, 2012, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been substantially 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 amend the Fee Schedule of Market Data Express, LLC ("MDX"), an affiliate of C2. The text of the proposed rule change is available on the Exchange's Web site (<http://www.c2exchange.com/Legal/>), 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 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 establish a monthly fee of \$500 per data port that MDX will charge for access to certain market data with respect to the trading of options on C2's market.<sup>3</sup>

C2 currently collects and processes market data with respect to options quotes and orders and the prices of trades that are executed on the Exchange. This market data includes the "best bid and offer," or "BBO", consisting of all outstanding quotes and standing orders at the best available price level on each side of the market, with aggregate size ("BBO data," sometimes referred to as "top of book data"). Data with respect to executed trades is referred to as "last sale" data. C2 formats its BBO data and last sale data according to Options Price Reporting Authority ("OPRA") specifications and sends the data to OPRA for redistribution to the public.

MDX provides to "Customers"<sup>4</sup> a real-time, low latency data feed that includes the C2 BBO data and last sale data. (This data feed is sometimes referred to in this filing as the "BBO Data Feed"). The BBO and last sale data contained in the BBO Data Feed is identical to the data that C2 sends to

OPRA.<sup>5</sup> In addition, the BBO Data Feed includes certain data that is not included in the data sent to OPRA, namely, totals of customer versus non-customer contracts at the BBO, All-or-None contingency orders priced better than or equal to the BBO, and BBO data and last sale data for complex strategies (e.g., spreads, straddles, buy-writes, etc.).

MDX currently charges Customers a "direct connect fee" of \$1,000 per connection per month as well as a "per user fee" of \$25 per month per "Authorized User" or "Device" for receipt of the BBO Data Feed by Subscribers. An "Authorized User" is defined as an individual user (an individual human being) who is uniquely identified (by user ID and confidential password or other unambiguous method reasonably acceptable to MDX) and authorized by a Customer to access the BBO Data Feed supplied by the Customer. A "Device" is defined as any computer, workstation or other item of equipment, fixed or portable, that receives, accesses and/or displays data in visual, audible or other form. Either a C2 Trading Permit Holder or a non-C2 Trading Permit Holder may be a Customer. All Customers are assessed the same fees.

MDX provides ports that allow Customers to direct connect to MDX to receive the data feed. Currently, such ports are provided to Customers free of charge. However, MDX recently made an investment to upgrade the equipment involved in the ports, and maintenance and upkeep of such ports has gotten costly, as well. As such, MDX proposes to assess a monthly fee of \$500 per data port in order to recoup such costs and maintain such equipment in the future, as well as cover other administrative costs. This amount is similar to the amount of fees assessed by other exchanges for access to similar data feed ports.<sup>6</sup>

The proposed fees would be implemented on March 1, 2012.

<sup>5</sup> The Exchange notes that MDX makes available to Customers the BBO data and last sale data that is included in the BBO Data Feed no earlier than the time at which the Exchange sends that data to OPRA. The Exchange also notes that it also makes the BBO data and last sale data that is included in the BBO Data Feed available directly to its Trading Permit Holders, and permits them to redistribute the data to their customers.

<sup>6</sup> See Securities Exchange Act Release No. 64964 (July 26, 2011) (SR-EDGA-2011-22) and Securities Exchange Act Release No. 64963 (July 26, 2011) (SR-EDGX-2011-21) (in which EDGA Exchange, Inc. ("EDGA") and EDGX Exchange, Inc. ("EDGX") each assess a monthly fee of \$500 per port for access to logical ports used to receive market data) and also Rule 7015(g) of the NASDAQ Stock Market LLC ("NASDAQ") (in which NASDAQ assesses a monthly fee of \$600 per Internet port that is used to deliver market data).

<sup>5</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> The Commission notes that the MDX Fee Schedule is available at <https://www.cboe.org/MDX/CSM/OBOOKMain.aspx>.

<sup>4</sup> A "Customer" is any entity that receives the BBO Data Feed directly from MDX's system and then distributes it either internally or externally to Subscribers. A "Subscriber" is a person (other than an employee of a Customer) that receives the BBO Data Feed from a Customer for its own internal use.