

other activities; and (ii) the transaction is effected in compliance with the rules of the Commission, which, at a minimum, assure that the transaction is not inconsistent with the maintenance of fair and orderly markets and yields priority, parity and precedence in execution to orders for the account of persons who are not members or associated with members of the exchange.¹⁸ In addition, Rule 11a1-1(T) under the Act specifies that a transaction effected on a national securities exchange for the account of a member which meets the requirements of Section 11(a)(1)(G)(i) of the Act is deemed, in accordance with the requirements of Section 11(a)(1)(G)(ii), to be not inconsistent with the maintenance of fair and orderly markets and to yield priority, parity, and precedence in execution to orders for the account of non-members or persons associated with non-members of the exchange, if such transaction is effected in compliance with certain requirements.¹⁹

Under the proposals, the Exchanges would add G orders priced better than the closing price to the list of “must execute” interest to be allocated in whole or part at the close. Only G orders priced better than the closing price would be eligible to execute as part of the “must execute” interest, and then only after execution of all other “must execute” interest.²⁰

¹⁸ See 15 U.S.C. 78k(a)(1)(G).

¹⁹ Rule 11a1-1(T)(a)(1)-(3) provides that each of the following requirements must be met: (1) A member must disclose that a bid or offer for its account is for its account to any member with whom such bid or offer is placed or to whom it is communicated, and any member through whom that bid or offer is communicated must disclose to others participating in effecting the order that it is for the account of a member; (2) immediately before executing the order, a member (other than the specialist in such security) presenting any order for the account of a member on the exchange must clearly announce or otherwise indicate to the specialist and to other members then present for the trading in such security on the exchange that he is presenting an order for the account of a member; and (3) notwithstanding rules of priority, parity, and precedence otherwise applicable, any member presenting for execution a bid or offer for its own account or for the account of another member must grant priority to any bid or offer at the same price for the account of a person who is not, or is not associated with, a member, irrespective of the size of any such bid or offer or the time when entered. See 17 CFR 240.11a1-1(T)(a)(1)-(3).

²⁰ In its proposal, the Exchanges note that Section 11(a)(1)(G) of the Act does not require better-priced G orders to yield. See Notices, 77 FR at 40135 and 40131. See also 17 CFR 240.11a1-1(T)(a)(3), which requires that a “member presenting for execution a bid or offer for its own account or for the account of another member shall grant priority to any bid or offer at the same price for the account of a person who is not, or is not associated with, a member irrespective of the size of any such bid or offer or the time when entered.” The priority of G orders with a price equal to the closing price in relation

The Commission believes that it is consistent with the requirements of the Act for G orders priced better than the closing price to execute before “may execute” interest priced equal to the closing price. Such G orders could offer contra-side interest a chance at price improvement if executed prior to the close. Further, because the rules will require G orders priced better than the closing price to yield to all other eligible orders priced better than the closing price, the Commission believes that the proposal, with respect to such priority, is consistent with Section 11(a)(1)(G) of the Act²¹ and Rule 11a1-1(T)(a)(3) thereunder.²²

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²³ that the proposed rule changes (SR-NYSE-2012-19 and SR-NYSEMKT-2012-13), as modified by Amendment No. 1, be, and hereby are, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2012-20839 Filed 8-23-12; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67696; File No. SR-ICC-2012-12]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing of Proposed Rule Change To Amend Schedule 502 of the ICE Clear Credit Rules To Provide for Clearing of Additional Single Name Investment Grade CDS Contracts

August 20, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder² notice is hereby given that on August 9,

to other “may execute” interest will remain unchanged under the proposal.

²¹ 15 U.S.C. 78k(a)(1)(G).

²² 17 CFR 240.11a1-1(T). The Commission notes that this exemption is available only for orders for the account of Exchange members. The Commission also reminds the Exchanges and their members that, in addition to yielding priority to non-member orders at the same price, members submitting “G orders” must also meet the other requirements under section 11(a)(1)(G) and Rule 11a1-1(T) to effect transactions for their own accounts in reliance on this exception (or satisfy the requirements of another exception).

²³ 15 U.S.C. 78s(b)(2).

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

2012, ICE Clear Credit LLC (“ICC”) 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 primarily by ICC. 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 purpose of proposed rule change is to provide for the clearance of the following twenty additional investment grade Standard North American Corporate Single Name CDS contracts: Nucor Corporation; V.F. Corporation; The Procter & Gamble Company; Encana Corporation; Weatherford International Ltd.; Chevron Corporation; Nexen Inc.; Energy Transfer Partners, L.P.; Apache Corporation; Kimco Realty Corporation; Prudential Financial, Inc.; Prologis, L.P.; HCP, Inc.; Lincoln National Corporation; The Travelers Companies, Inc.; Textron Financial Corporation; Textron Inc.; The Williams Companies, Inc.; Pacific Gas and Electric Company; and Starwood Hotels & Resorts Worldwide, Inc. (the “Additional Single Names”).

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

In its filing with the Commission, ICC 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. ICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.³

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

As with the Standard North American Corporate Single Names currently cleared, ICC plans to provide for the clearance of contracts with a restructuring type of no restructuring, standardized maturity dates up to the 10-year tenor and both standardized coupons. One of the Additional Single Names (Starwood Hotels & Resorts Worldwide, Inc.) was recently added by Markit as one of the one hundred

³ The Commission has modified the text of the summaries prepared by ICC.

twenty-five single constituents of its Markit CDX North American Investment Grade Series 18 Index, and is not currently being cleared by ICC. Another of the Additional Single Names (Textron Financial Corporation) is a constituent of the Series 8 through 12 of the Markit CDX North American Investment Grade Index, and has not been cleared previously by ICC. All other Additional Single Names are not constituents of Series 8 through 18 of the Markit CDX North American Investment Grade Index. The Additional Single Names do not require any changes to the body of the ICC Rules. ICC will clear the Additional Single Names pursuant to ICC's existing Rules. The Additional Single Names do not require any changes to the ICC risk management framework including the ICC margin methodology, guaranty fund methodology, pricing parameters, or pricing model. The only change being submitted is the inclusion of the Additional Single Names to Schedule 502 of the ICC Rules. The Additional Single Names have been reviewed by the ICC Risk Department, the ICC Trading Advisory Committee, and the ICC Risk Committee.

ICC believes that the clearing of the Additional Single Names is consistent with the purposes and requirements of Section 17A of the Act⁴ and the rules and regulations thereunder applicable to ICC because it will facilitate the prompt and accurate settlement of security-based swaps and contribute to the safeguarding of securities and funds associated with security-based swap transactions.

Self-Regulatory Organization's Statement on Burden on Competition

ICC does not believe the proposed rule change would 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 been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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. Please include File Number SR-ICC-2012-12 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-ICC-2012-12. 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 Section, 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 filings will also be available for inspection and copying at the principal office of ICC and on ICC's Web site at https://www.theice.com/publicdocs/regulatory_filings/ICEClearCredit_080912.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-ICC-2012-12 and should be submitted on or before September 14, 2012.

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

Elizabeth M. Murphy,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67692; File No. SR-ICC-2012-13]

Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Schedule 502 of the ICC Rules To Provide for Clearing of Additional Markit CDX North American Investment Grade Indices

August 20, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder² notice is hereby given that on August 10, 2012, ICE Clear Credit LLC ("ICC") 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 primarily by ICC. ICC filed the proposed rule change pursuant to Section 19(b)(3)(A)³ of the Act and Rule 19b-4(f)(4)(ii)⁴ thereunder, so that the proposed rule change was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of proposed rule change is to provide for the clearance of the following credit default swaps: Markit CDX North American Investment Grade Series 11 Index with a seven year maturity, maturing on December 20, 2015, Markit CDX North American Investment Grade Series 12 Index with

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(4)(ii).

⁴ 15 U.S.C. 78q-1.