(''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to increase position and exercise limits for EEM options. The proposed rule change was published for comment in the **Federal Register** on July 26, 2012.[3] The Commission received no comment letters on this proposal.

Section 19(b)(2) of the Act [4] 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 September 9, 2012. The Commission is extending this 45-day time period.

The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider this proposed rule change, which would increase the position and exercise limits for EEM options.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[5] designates October 24, 2012 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–CBOE–2012–066).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[6]

Kevin M. O'Neill,

Deputy Secretary.

COM048[FR Doc. 2012–22393 Filed 9–11–12; 8:45 am]

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 67478 (July 20, 2012), 77 FR 43897.

[4] 15 U.S.C. 78s(b)(2).

[5] 15 U.S.C. 78s(b)(2).

[6] 17 CFR 200.30–3(a)(31).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67792; File No. SR–MSRB–2012–07]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Amendments to the Real-Time Transaction Reporting System Information System and Subscription Service

September 6, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''the Exchange Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on August 24, 2012, the Municipal Securities Rulemaking Board (''MSRB'') 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 MSRB. 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 MSRB is filing with the Commission a proposed rule change consisting of amendments to the Real-Time Transaction Reporting System (''RTRS'') information system and subscription service (collectively, ''proposed rule change''). The proposed rule change will enhance the transaction data publicly disseminated from RTRS in real-time by including the exact par value on all transactions with a par value of $5 million or less and including an indicator of ''MM+'' in place of the exact par value on transactions where the par value is greater than $5 million. The exact par value of transactions where the par value is greater than $5 million would be disseminated from RTRS five business days later.

The text of the proposed rule change is available on the MSRB's Web site at *www.msrb.org/Rules-and-Interpretations/SEC-Filings/2012-Filings.aspx,* at the MSRB's principal office, 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 MSRB 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 MSRB has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

1. Purpose

RTRS is a facility for the collection and dissemination of information about transactions occurring in the municipal securities market. Currently, transaction information disseminated from RTRS includes the exact par value on all transactions with a par value of $1 million or less but includes an indicator of ''1MM+'' in place of the exact par value on transactions where the par value is greater than $1 million. The exact par value of such transactions is disseminated from RTRS five business days later. The proposed rule change would enhance the transaction data publicly disseminated from RTRS in real-time by including the exact par value on all transactions with a par value of $5 million or less and including an indicator of ''MM+'' in place of the exact par value on transactions where the par value is greater than $5 million. The exact par value of transactions where the par value is greater than $5 million would be disseminated from RTRS five business days later.

Background

MSRB Rule G–14, on transaction reporting, requires brokers, dealers and municipal securities dealers (collectively ''dealers'') to report all transactions in municipal securities to RTRS within fifteen minutes of the time of trade, with limited exceptions. Since the implementation of RTRS in 2005, the MSRB has made transaction data available to the public through subscription services designed to achieve the widest possible dissemination of transaction information with the goal of ensuring the fairest and most accurate pricing of municipal securities transactions.

In addition to subscription services, MSRB makes publicly available for free transaction data on the Electronic Municipal Market Access (EMMA®) Web site. Since the launch of EMMA as a pilot in 2008, MSRB has incorporated into the display of market-wide and security specific information all transaction data disseminated from RTRS so that transaction information would be available on the EMMA Web site simultaneously with the availability of information to subscribers to the RTRS subscription service.

Large Trade Size Masking

In connection with the MSRB's predecessor end-of-day trade reporting system and the subsequent development of RTRS, MSRB received comments that, given the prevalence of thinly traded securities in the municipal securities market, it sometimes is possible to identify institutional investors and dealers by the exact par value included on trade reports. It was noted that, where the market for a specific security is thin and only one or two dealers are active, revealing the exact par amount also may convey information about a dealer's inventory (*i.e.,* size of position and acquisition cost) and allow other dealers to use this information to trade against the dealer's position, thus reducing the incentive for a dealer to take large positions in these circumstances.

To address these concerns, transaction information disseminated through RTRS subscription services and displayed on EMMA includes an indicator of ''1MM+'' for any trade with a par value greater than $1 million. This indicator is replaced with the exact par value of the trade five business days later. The MSRB implemented this approach to help to preserve the anonymity of trading parties while not detracting in a substantial way from the benefits of price transparency.[3] The MSRB noted that it would review this masking policy as it gains experience with real-time transparency.[4]

In January 2012, the Government Accountability Office (''GAO'') published a report on municipal securities market structure, pricing, and regulation, as required by Section 977 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.[5] In this report the GAO, among other conclusions, concluded that individual investors generally have less information about transaction prices than institutional investors. The GAO, which had interviewed a broad range of market participants, including institutional investors, observed that: ''Some of these [institutional] investors said that even though MSRB's RTRS system did not disclose total transaction amounts for trades over $1 million—which the system reports as trade amounts of '$1+ million'—they typically were aware of the amount and the price of these large transactions through their relationships with broker-dealers.''

A foundational principal of RTRS is that all market participants would have equal access to transaction information. The GAO observation that certain market participants are able to determine, through their relationships with dealers, the par amount of large transactions for which the par value is masked in RTRS subscription services and on EMMA undermines the purpose of masking the exact par value. Further, if certain market participants are able to determine exact par values yet the information disseminated by RTRS masks exact par values, then the foundational principal of RTRS has been compromised since the equality of access to transaction information is lost for the five business day period that certain institutional customers have access to the exact par value while the rest of the marketplace must await the unmasking of such information by RTRS five business days after the trade was reported.

To ensure that as many market participants as possible have access to the same amount of information about each transaction disseminated from RTRS and to further promote price transparency consistent with the MSRB's intent to review its masking policy as it gained experience with real-time transparency, the proposed rule change would enhance the transaction data publicly disseminated from RTRS in real-time by including the exact par value on all transactions with a par value of $5 million or less. While the MSRB considered discontinuing masking of the exact par value on transactions where the par value is greater than $1 million, with the result that RTRS subscription services and EMMA would include the exact par value on all transactions when initially disseminated to the public, as more fully discussed in the MSRB's statement on comments received on the proposed rule change, dealers and institutional investors oppose eliminating the practice of masking large trade sizes and cited concerns related to adverse impacts on liquidity. However, these commenters stated that raising the par value threshold for masking large trade sizes would provide additional transparency to the municipal market without adversely impacting liquidity. Based upon 2011 trade data, the number of trades that were subject to the over $1 million trade size mask was 342,906 and, if the trade size mask was raised to par values over $5 million, this number would have been 97,124 trades.

The MSRB believes that raising the par value threshold to par values over $5 million would be an appropriate first step to take in the short term as it would greatly reduce the number of trades subject to the par value mask. The MSRB plans to continue to evaluate whether this threshold can be raised further or completely eliminated with a view towards bringing full transparency of exact par values to the municipal market in real-time.[6] As part of the MSRB's Long-Range Plan for Market Transparency Products,[7] the MSRB plans to undertake an initiative to reengineer RTRS. Through the RTRS reengineering initiative, additional industry comment will be solicited on long-term measures for increasing transparency of large trade sizes or alternative methods of disseminating such information. MSRB also plans to evaluate any impacts on liquidity from the near-term increase of the trade size mask threshold to $5 million to assist it in determining whether any future changes to this threshold are merited or could result in unanticipated consequences.

Effective Date of Proposed Rule Change

The MSRB proposes that the proposed rule change be made effective on November 5, 2012 to coincide with other planned changes to RTRS.[8]

2. Statutory Basis

The MSRB believes that the proposed rule change is consistent with Section 15B(b)(2)(C) of the Exchange Act, which provides that the MSRB's rules shall:

> be 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities and municipal financial products, to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

[3] *See* MSRB Notice 2003–12 (April 7, 2003).

[4] *See* MSRB Notice 2004–13 (June 1, 2004). *See also* Exchange Act Release No. 49902 (June 22, 2004), 69 FR 38925 (June 29, 2004), *approved* Exchange Act Release No. 50294 (August 31, 2004), 69 FR 54170 (September 7, 2004).

[5] U. S. Government Accountability Office, Municipal Securities: Overview of Market Structure, Pricing, and Regulation, GAO–12–265, January 17, 2012.

[6] As part of the proposed rule change, the MSRB plans to use a different indicator for disseminating those par values that are greater than $5 million. Currently, the MSRB disseminates an indicator of ''1MM+'' to indicate par values greater than $1 million. Instead of changing this to ''5MM+'', the MSRB plans to include an indicator of ''MM+'' so that the par value threshold could be changed in the future without requiring subscribers to make system changes to accommodate a new indicator.

[7] *See* MSRB Notice 2012–06 (February 23, 2012).

[8] *See* MSRB Notice 2012–42 (August 10, 2012).

The MSRB believes that the proposed rule change is consistent with the Exchange Act. The proposed rule change would remove impediments to and perfect the mechanism of a free and open market in municipal securities by increasing the number of transactions disseminated from RTRS in real-time that include the exact par value, which would ensure more market participants have equal access to information about transactions disseminated from RTRS. This change would contribute to the MSRB's continuing efforts to improve market transparency and to protect investors, municipal entities, obligated persons and the public interest.

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

The MSRB does not believe the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. Information disseminated by RTRS is available to all persons on an equal and non-discriminatory basis. The information disseminated from RTRS real-time, including the exact par value on all transactions with a par value of $5 million or less, will be available to all subscribers simultaneously with the availability of the information through the EMMA web portal. In addition to making the information available for free on the EMMA web portal to all members of the public, the MSRB makes the information collected by RTRS available by subscription on an equal and non-discriminatory basis without imposing restrictions on subscribers from, or imposing additional charges on subscribers for, re-disseminating such information or otherwise adding value-added services and products based on such information on terms determined by each subscriber.[9]

In addition, the proposed rule change would not impose any burden on dealers or any other market participant in connection with the reporting of data to the MSRB since dealers already are, and would continue to be, required to report the full principal amount of transactions to the MSRB, regardless of trade size. Thus, no change in submitter inputs to RTRS would be required. The large trade size indicator is applied automatically by the MSRB's systems and will require minimal programming efforts on the part of the MSRB. The MSRB estimates that implementing the proposed rule change will require one to two weeks of work for the equivalent of one full time employee. Some subscribers to the RTRS subscription service may bear minimal one-time programming and/or database costs to be able to accept and process a value of ''MM+'' rather than ''1MM+,'' likely of equal or lesser magnitude than the costs the MSRB would bear in making its own programming changes. The MSRB believes that an effective date of November 5, 2012 will provide subscribers with sufficient time to make any required changes in due course without causing material disruptions to their information technology plans or budgets.

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

On June 1, 2012, the MSRB published a notice requesting comment on enhancing the transaction data publicly disseminated in real-time from RTRS by including the exact par value on all transactions disseminated (''June 2012 Notice'').[10] The June 2012 Notice solicited input on whether the masking of trade size has been effective at achieving its initial purpose. In addition, the June 2012 Notice sought comment on whether the benefits, if any, of retaining such masking outweigh the potential negative effects of withholding such information known to certain institutional investors from the broader marketplace. Further, the MSRB sought comment on whether other methods exist for market participants to determine the exact or relative size of large trades and to infer the identity of parties to the transaction from the RTRS trade data history, such as through public filings by certain institutional investors through the SEC's EDGAR system or other sources, that otherwise undermine the effectiveness of trade size masking in achieving its initial purpose. Finally, the June 2012 Notice requested that market participants believing that such masking should be continued should provide justification for doing so in light of the GAO findings and the foundational principles for RTRS, as well as suggestions for alternatives to discontinuing par value masking that would further the initial purpose of such practice while reducing or eliminating the selective dissemination of such information.

In response to the June 2012 Notice, comment letters were received from: Benchmark Solutions, Bond Dealers of America (''BDA''), Government Finance Officers Association (''GFOA''), Investment Company Institute (''ICI''), Securities Industry and Financial Markets Association (''SIFMA''), and Stifel Nicolaus. Summaries of those comments and the MSRB's responses follow.

All commenters were supportive of providing additional transparency of exact par values of large trades; however, commenters differed on whether the practice of masking large trade sizes should be eliminated altogether.

Benchmark Solutions and GFOA stated support for eliminating the practice of masking large trade sizes. Benchmark Solutions stated that disseminating exact par values in real-time would provide investors with equal access to information and facilitate pricing bonds in the traded security as well as in other comparable securities.[11] While GFOA acknowledged the reasons why the practice of masking large trade sizes was originally implemented, it stated that MSRB should ''look to developing appropriate guidance to address those concerns rather than using the masking of pricing information as a means to this end.''

BDA, ICI, SIFMA and Stifel Nicolaus stated opposition to eliminating the practice of masking large trade sizes. BDA stated that institutional investors ''may materially alter their trading practices'' if exact par values are disseminated in real-time, which ''may prove disruptive to the municipal markets.'' Stifel Nicolaus noted that disseminating exact par values in real-time could ''eliminate the anonymity of the buyer and seller * * * [which] is valued in the market and assists in the maintenance of liquidity.'' SIFMA noted that ''a significant portion of trading activity in the municipal market involves dealers taking bonds into inventory with no identified buyers'' and without the anonymity provided by large trade size masking, it stated that some dealers that regularly engage in large block trades ''may become less willing to bid on investors' positions.'' However, SIFMA acknowledged that other dealers ''stated that eliminating the mask would not have an effect on their market activity.'' ICI stated that ''increased transparency could diminish market liquidity'' and noted that ''secondary market liquidity for investors is provided by dealers that are willing to risk their capital pending the

[9] The MSRB notes that subscribers may be subject to proprietary rights of third parties in information provided by such third parties that is made available through the subscription.

[10] *See* MSRB Notice 2012–29 (June 1, 2012).

[11] Benchmark Solutions also provided comments related to shortening the fifteen minute timeframe for dealers to report transactions to RTRS. In the future, the MSRB plans to request comment on shortening the fifteen minute reporting deadline and this comment will be considered with any other comments received at that time.

location of customers who are willing to purchase a block of bonds.''

As an alternative to eliminating the practice of masking large trade sizes altogether, ICI, SIFMA and Stifel Nicolaus suggested that the trade size masking threshold in RTRS be raised from the current $1 million level to those trades in par values that exceed $5 million.[12]

Discussion. Representatives of both dealers and institutional investors stated consistent concerns about the potential adverse effects on liquidity that could arise from eliminating the practice of masking large trade sizes. The MSRB notes that these commenters did not refute the GAO observation that certain market participants are able to determine, through their relationships with dealers, the par amount of large transactions for which the par value is masked, but acknowledges the commenters' view that a certain level of anonymity continues to exist in the reports of large trades for which the exact par value is masked. The MSRB is sensitive to the views of those commenters that argued for eliminating the practice of masking large trade sizes as it would ensure that a foundational principal of RTRS to provide all market participants with equal access to transaction information is achieved. However, the comments received did not provide specific evidence that the benefits to transparency from disseminating exact par values in real-time outweigh potential adverse impacts on liquidity and the MSRB does not currently have its own data to assess any such impact. Thus, while the MSRB continues to believe that the municipal securities market will benefit from full transparency on all transactions, the MSRB has determined that it would be appropriate to take an initial interim step toward that ultimate goal that will allow the MSRB to assess the impact of such transparency on trades in sizes ranging between $1 million and $5 million. Information derived from such interim step would assist the MSRB in determining whether increased trade size transparency results in adverse effects on market liquidity.

[12] In response to the question in the June 2012 Notice of whether other methods exist for market participants to determine the exact or relative size of large trades and to infer the identity of parties to the transaction from the RTRS trade data history, SIFMA noted that the SEC's EDGAR system does not serve as a source of such information and that while there are ''publicly available sources of information [that] detail[ ] portfolio holdings of certain institutional investors * * * it is sometimes not possible to reliably determine actual trade sizes for 1MM+ trade reports from publicly available information.''

While dealers and institutional investors oppose eliminating the practice of masking large trade sizes, these commenters stated that raising the par value threshold for masking large trade sizes would provide additional transparency to the municipal market without adversely impacting liquidity. Based upon 2011 trade data, the number of trades that were subject to the over $1 million trade size mask was 342,906 and if the trade size mask was raised to par values over $5 million, this number would have been 97,124 trades. MSRB believes that raising the par value threshold to par values over $5 million would be an appropriate first step to take in the short term as it would greatly reduce the number of trades subject to the par value mask. However, as noted above, the MSRB plans to continue to evaluate whether this threshold can be raised with a view towards bringing full transparency of exact par values to the municipal market in real-time.

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 (i) as the Commission may designate up to 90 days of such date 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 such 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–MSRB–2012–07 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–MSRB–2012–07. 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 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the MSRB's offices. 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–MSRB–2012–07, and should be submitted on or before October 3, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012–22395 Filed 9–11–12; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67794; File No. SR–CBOE–2012–068]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Suspension of and Order Instituting Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To Amend the Customer Large Trade Discount

September 6, 2012.

I. Introduction

On July 11, 2012, Chicago Board Options Exchange, Incorporated (''CBOE'' or ''Exchange'') filed with the

[13] 17 CFR 200.30–3(a)(12).