

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67825; SR-Phlx-2012-27; SR-Phlx-2012-54]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Relating to Complex Order Fees and Rebates for Adding and Removing Liquidity in Select Symbols

September 11, 2012.

On March 1, 2012 and April 23, 2012, NASDAQ OMX PHLX LLC (“Phlx” or “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 two proposed rule changes relating to the transaction fees for certain Complex Order transactions. ³

In SR-Phlx-2012-27 (filed on March 1, 2012), Phlx proposed to amend the Exchange’s Fee Schedule to increase the transaction fees and rebates for certain Complex Order transactions and create a new rebate for certain Complex Orders. The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act. ⁴ Notice of filing of the proposed rule change was published for comment in the **Federal Register** on March 15, 2012. ⁵

In SR-Phlx-2012-54 (filed on April 23, 2012), Phlx proposed to replace a portion of SR-Phlx-2012-27 to provide additional information concerning the Directed Participant and Market Maker fees for removing liquidity in Complex orders (“Second Proposal,” and, together with SR-Phlx-2012-27, the “Phlx Proposals”). The proposed rule change was immediately effective upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act. ⁶ Notice of filing of the proposed rule change was

published for comment in the **Federal Register** on May 4, 2012. ⁷

The Commission received no comment letters on the Phlx Proposals.

On April 30, 2012, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule changes. ⁸ Thereafter, NASDAQ OMX Group, Inc. submitted a response letter in support of the Phlx Proposals on July 26, 2012. ⁹

Section 19(b)(2) of the Act ¹⁰ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of the filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule changes were published for notice and comment in the **Federal Register** on March 15, 2012 and May 4, 2012, respectively. September 11, 2012 is 180 days from March 15, 2012 and November 10, 2012 is an additional 60 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the Phlx Proposals so that it has sufficient time to consider the Phlx Proposals and the issues raised by those proposals, and the Exchange’s response to such issues in its response letter. ¹¹ The Commission also finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule changes so that it has sufficient time to consider data that has been provided by the Exchange in support of

⁷ See Securities Exchange Act Release No. 66883 (April 30, 2012) 77 FR 26591.

⁸ See Securities Exchange Act Release No. 66884, 77 FR 26595 (May 4, 2012) (“Order Instituting Proceedings”).

⁹ See Letter to Elizabeth M. Murphy, Secretary, Commission, from Joan C. Conley, Senior Vice President & Corporate Secretary, NASDAQ OMX Group, Inc., dated July 26, 2012.

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ For example, in the order instituting proceedings to determine whether to approve or disapprove the proposed rule changes, the Commission sought comment on whether discrimination on the basis of whether a market maker has an off-exchange arrangement to pay an order flow provider to direct its orders to that market maker is a “fair” basis for discrimination among exchange members with respect to the fees charged by the exchange. The Commission also sought comment on whether the Phlx Proposals adequately addressed the reasonableness of the proposed fees (and thus the proposed fee differential).

its proposals, including additional data that it anticipates will be provided by the Exchange. ¹²

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act, ¹³ designates November 10, 2012, and December 30, 2012, as the respective dates by which the Commission should either approve or disapprove the proposed rule changes (SR-Phlx-2012-27 and SR-Phlx-2012-54).

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

Kevin M. O’Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67826; File No. SR-OCC-2012-13]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Correct an Administrative Oversight in SR-OCC-2012-10

September 11, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”), ¹ notice is hereby given that on August 29, 2012, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change described in Items I, II and III below, which Items have been prepared primarily by OCC. OCC filed the proposal pursuant to Section 19(b)(3)(A)(i) ² of the Act, and Rule 19b-4(f)(1) ³ thereunder, so that the proposal was effective upon filing with the Commission. 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 is to correct an administrative oversight in rule filing SR-OCC-2012-10, a rule filing intended

¹² To date, the Exchange has provided data on price improvement for directed customer complex orders, and the rates of interaction with customer complex orders by types of market participant, among other things.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78s(b)(3)(A)(i).

³ 17 CFR 240.19b-4(f)(1).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Complex Order is any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, priced at a net debit or credit based on the relative prices of the individual components, for the same account, for the purpose of executing a particular investment strategy. A Complex Order may also be a stock-option order, which is an order to buy or sell a stated number of units of an underlying stock or exchange-traded fund (“ETF”) coupled with the purchase or sale of options contract(s). See Exchange Rule 1080, Commentary .08(a)(i).

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ See Securities Exchange Act Release No. 66551 (March 9, 2012) 77 FR 15400.

⁶ 15 U.S.C. 78s(b)(3)(A).

to eliminate OCC's pledge program in its entirety.

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

In its filing with the Commission, OCC 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. OCC 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

The purpose of this proposed rule change is to correct an administrative oversight in rule filing SR-OCC-2012-10, a rule filing intended to eliminate OCC's pledge program in its entirety.

In SR-OCC-2012-10, OCC proposed to eliminate its pledge program, which was primarily contained within OCC Rule 614, "Pledge Program." The Commission approved SR-OCC-2012-10 on August 22, 2012. OCC subsequently learned that it inadvertently made an administrative oversight in Item 1 of SR-OCC-2012-10 and did not include the entire text of Rule 614 as "material proposed to be deleted."

OCC now proposes to eliminate the remaining language of Rule 614, which was intended to be deleted in SR-OCC-2012-10.

The proposed changes to OCC's Rules are consistent with the purposes and requirements of Section 17A of the Act⁴ because they will allow OCC to remove a rarely used operational function and focus its resources on core clearing operations. Moreover, OCC believes that elimination of the Program will not materially affect clearing members given its limited and infrequent use. The proposed rule change is not inconsistent with any rules of OCC, including any proposed to be amended.

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

OCC does not believe that the proposed rule change would 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 were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

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

The foregoing proposed rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(i)⁵ of the Act and Rule 19b-4(f)(1)⁶ thereunder because it constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. Notwithstanding the foregoing, OCC will delay implementation of the rule change until it is deemed certified under CFTC Regulation § 40.6. 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 necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-OCC-2012-13 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-OCC-2012-13. 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 such filings also will be available for inspection and copying at the principal office of OCC and on OCC's Web site at <http://www.optionsclearing.com/about/publications/bylaws.jsp>. 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-OCC-2012-13 and should be submitted on or before October 9, 2012.

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-67830; File No. SR-Phlx-2012-112]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Rebates and Fees for Adding and Removing Liquidity in Select Symbols

September 11, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4² thereunder, notice is hereby given that, on August 31, 2012, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II and III below, which Items have been

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁵ 15 U.S.C. 78s(b)(3)(A)(i).

⁶ 17 CFR 240.19b-4(f)(1).

⁴ 15 U.S.C. 78q-1.