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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69017; File No. SR-CME-2013-01]

Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Regarding an Increase of CME Corporate Contribution to Interest Rate Swaps Financial Safeguards Package

March 1, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 1, 2013, 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 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 the Terms of Substance of the Proposed Rule Change

CME proposes to amend rules related to its business as a derivatives clearing organization offering interest rate swap (“IRS”) clearing services. More specifically, CME proposes to increase CME’s corporate contribution to the financial safeguards for IRS to \$150,000,000.

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

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

CME is registered as a derivatives clearing organization with the Commodity Futures Trading Commission (“CFTC”) and currently offers clearing services for IRS. With this filing, CME proposes to increase CME’s corporate contribution to the financial safeguards for IRS to \$150,000,000. CME proposes to implement such amendments on March 1, 2013.

CME periodically assesses the structure of its financial safeguards packages. In assessing the financial safeguards available for IRS products, CME determined that an increase to the CME corporate contribution is appropriate. An amendment to CME Rule 8G802.B.1 is proposed which would reflect the increase in such contribution and an amendment to Rule 8G802.H is proposed which would reflect a conforming change to the CME contribution during an IRS Cooling Off Period.

CME notes that it has also submitted the proposed rule change that is the subject of this filing to its primary regulator, the CFTC, in CME Submission 13-045.

CME believes the proposed rule change is consistent with the requirements of the Act, including Section 17A of the Act. The proposed rule change involves improvements to CME’s IRS product offering for investors because it increases the amount of financial resources available to support the default of an IRS Clearing member at CME and as such is designed to promote the prompt and accurate clearance and settlement of securities transactions and derivatives agreements, contracts and transactions, to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency and, in general, help to protect investors and the public interest. Furthermore, the proposed rule change is limited to the clearing of IRS (that is, swaps) and thus relate solely to the CME’s swaps clearing activities pursuant to its registration as a derivatives clearing organization under the Commodity Exchange Act (“CEA”) and do not significantly affect any securities clearing operations of the clearing agency or any related rights or obligations of the clearing agency or persons using such service.

CME further notes that the policies of the CEA with respect to clearing are comparable to a number of the policies underlying the Exchange Act, such as

promoting market transparency for over-the-counter 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

- 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-CME-2013-01 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-CME-2013-01. 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 filing also will be available for inspection and copying at the principal office of CME and on CME's Web site at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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-2013-01 and should be submitted on or before March 28, 2013.

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

Section 19(b) of the Act³ 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 change is consistent with the requirements of the Act, in particular the requirements of Section 17A of the Act,⁴ 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,⁵ 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 or control of the clearing agency or for which it is responsible and to protect investors and the public interest, because the proposed rule change would allow CME to enhance the financial safeguards package that applies to its IRS clearing business.

In its filing, CME requested that the Commission approve the proposed rule change on an accelerated basis for good cause shown. The Commission finds good cause, pursuant to Section 19(b)(2) of the Act,⁶ for approving the proposed rule change prior to the 30th day after the date of publication of notice of filing in the **Federal Register** because (i) the proposed rule changes relate solely to

IRS and therefore relate solely to CME's swaps clearing activities and do not significantly relate to CME's functions as a clearing agency for security-based swaps; and (ii) the proposed rule change would increase the amount of financial resources available to support the default of an IRS Clearing member at CME and therefore will protect investors and the public interest.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-CME-2013-01) be, and hereby is, approved on an accelerated basis.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁸

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2013-05283 Filed 3-6-13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-69009; File No. SR-NSX-2013-07]

Self-Regulatory Organizations; National Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a New Order Type Called the Midpoint-Seeker Order and Amend Rule 11.3(c) Regarding Rounding of Sub-Penny Midpoint Executions

February 28, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 27, 2013, National Stock Exchange, Inc. ("NSX" or the "Exchange") 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 by the Exchange. The Commission is publishing this notice to solicit comment 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 is proposing to amend: (1) NSX Rule 11.3(c) to clarify how the NSX System may execute certain types of undisplayed orders that are pegged to the midpoint between the Protected

BBO in subpennies; and (2) NSX Rule 11.11(c), entitled "Orders and Modifiers" to adopt a new order type called a Midpoint-Seeker Order. The text of the proposed rule change is available on the Exchange's Web site at <http://www.nsx.com>, at the principal office of the Exchange, 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 parts of such statements.

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

1. Purpose

The Exchange is proposing to amend: (1) NSX Rule 11.3(c) to clarify how the NSX System may execute certain types of undisplayed orders that are pegged to the midpoint between the Protected Best Bid or Offer ("BBO")³ in subpennies; and (2) NSX Rule 11.11(c), entitled "Orders and Modifiers" to adopt a new order type called a Midpoint-Seeker Order.

Rounding of Midpoint Orders

The Exchange proposes to amend NSX Rule 11.3(c) to clarify how the NSX System may execute certain types of Zero Display Reserve Orders⁴ that are pegged to the midpoint between the Protected BBO in subpennies. NSX Rule 11.3(c) provides that a Zero Display Reserve Order that is pegged at the midpoint of the Protected BBO may be executed in subpennies, if necessary, to obtain a midpoint price. The Exchange is proposing to amend Rule 11.3(c) in order to clarify how the System rounds executions in securities priced less than \$1.00 per share resulting from a Zero Display Reserve Order pegged at the midpoint to the nearest permissible

³ Exchange Rule 1.5. "Protected BBO" is defined as "the better of the following: (a) [t]he Protected NBBO or (b) [t]he displayed Top of Book."

⁴ Under Exchange Rule 11.11(c)(2)(A), a "Zero Display Reserve Order" is a "Reserve Order with zero display quantity."

³ 15 U.S.C. 78s(b).

⁴ 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).

⁵ 15 U.S.C. 78q-1(b)(3)(F).

⁶ 15 U.S.C. 78s(b)(2).

⁷ *Id.*

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.