

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71145; File No. SR-OC-2013-03]

Self-Regulatory Organizations; OneChicago, LLC; Notice of Filing of Proposed Rule Change To Amend Rules 143 and 417 Relating to Block Trade Reporting

December 19, 2013.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 (the "Act"),¹ notice is hereby given that on December 18, 2013, OneChicago, LLC ("OneChicago," "OCX," or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. OneChicago has also filed this proposed rule change with the Commodity Futures Trading Commission ("CFTC"). OneChicago filed a written certification with the CFTC under Section 5c(c) of the Commodity Exchange Act ("CEA") on September 10, 2012.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

On September 10, 2012, OneChicago filed with the CFTC to launch a pilot program to decrease its minimum block size to twenty-five contracts, update its Rule 143, and consolidate its block trade reporting requirements in Rule 417. OneChicago is currently filing identical changes with the SEC as they relate to reporting and recordkeeping; the reporting and recordkeeping changes herein are filed separately from the minimum block size pilot program that OneChicago filed with the CFTC on September 10, 2012.

Rule 143 is being amended to clarify that "OCX.BETS" is a trade reporting and trade matching central order book for block trades and EFP (Exchange of Future for Physical) trades.

The filing will also amend various sections of Rule 417. Subparagraph (a)

of Rule 417 will be amended to remove the phrase "outside the OneChicago System," making it clear that market participants may enter block transactions directly on OCX.BETS as well as by privately negotiating the transactions and then reporting them to OCX.BETS. The filing will also amend subparagraph (a)(i) of Rule 417 by codifying in that subparagraph the minimum block size, which had previously been stated in a Notice to Members.

Rule 417(d) will be amended to clarify that the reporting and recordkeeping requirements in that rule apply to bilateral block trades. Additional text is being added to subparagraph (d) to establish the reporting and recordkeeping requirements that apply to block trades transacted on OCX.BETS, rather than those block trades bilaterally transacted and merely reported to OCX.BETS. The proposed additions to Rule 417(d) further distinguish between reporting and recordkeeping requirements of trades transacted on OCX.BETS; specifically, Rule 417 will distinguish between the requirements for block orders capable of being immediately entered into OCX.BETS and the requirements for block orders that cannot be immediately entered into OCX.BETS.

Finally, subparagraph (h) will be added to Rule 417. Subparagraph (h) will state that block trades can be competitively executed on the OCX.BETS system by placing anonymous bids or offers, or can be privately negotiated and reported as bilateral transactions using the OCX.BETS system.

The text of the proposed rule change is attached as *Exhibit 4* to the filing submitted by the Exchange but is not attached to the published notice of the filing.

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

In its filing with the Commission, OneChicago 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 self-regulatory organization 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

1. Purpose

The purpose of OneChicago's filing is to consolidate and clarify its block trading reporting and recordkeeping rules, which had previously been listed in a Notice to Members. OneChicago believes that codifying these requirements in the OCX Rulebook, as opposed to a Notice to Members, will help apprise market participants of their reporting and recordkeeping obligations.

Rule 143 will be amended to expand the definition of OCX.BETS. Previously OCX.BETS was merely defined as "the OneChicago Block & EFP Trading System." The filing will expand that definition to explain that OCX.BETS is a trade reporting and trade matching central order book for block trades and EFP trades.

Rule 417(a) will be amended to delete the phrase "outside the OneChicago System" because the term "OneChicago System" had been amended in the OCX Rulebook to include OCX.BETS. That amendment was made in Notice to Members 2007-03, which was issued on July 20, 2007, and filed with the CFTC and the SEC. Since OCX.BETS has both block reporting and trading functionality, Rule 417(a) needs to be amended to clarify that block trades will no longer be limited to bilateral transactions that take place outside the OneChicago System, but rather can take place on or off the OneChicago System.

Subparagraph (d) of Rule 417 will be amended to specify that the reporting and recordkeeping requirements in that subparagraph apply to bilateral block trades. The purpose of this specification is to allow for the insertions of the second and third paragraph in subparagraph (d), which together identify the reporting and recordkeeping requirements for trades entered directly into OCX.BETS, and not just those trades reported to OCX.BETS. The reporting requirements had previously been described in Notice to Members 2010-13, which was reissued as Notice to Members 2012-25. Those insertions are further divided to clarify the requirements for block orders that are capable of being immediately entered into OCX.BETS, as opposed to block orders which cannot be immediately entered into OCX.BETS.

Specifically, for block orders capable of being immediately entered into OCX.BETS, each authorized trade reporter entering the order must input for each block order the price, quantity, product, expiration month, account

¹ 15 U.S.C. 78s(b)(7).

origin code, and account designation. On the other hand, an authorized trade reporter handling a block order which cannot be immediately entered into OCX.BETS must prepare a written order ticket that includes the account designation, date, time of receipt, buy or sell, the contract and expiration month, the quantity of contracts, and the requested price. Such orders must be entered into OCX.BETS when it becomes executable or when it has been privately negotiated.

Finally, Rule 417(h) will be added to clarify the two methods by which block trades can be traded. First, block trades can be competitively executed on OCX.BETS by placing anonymous bids or offers (utilizing the central limit order book functionality of OCX.BETS). Block trades can also be privately negotiated and reported to the OCX.BETS system as bilateral trades.

2. Statutory Basis

OneChicago believes that the proposed rule change is consistent with Section 6(b) of the Act,² in general, and furthers the objectives of Section 6(b)(5) of the Act,³ in particular, in that it is designed to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanism of a free and open market and national market system. OneChicago believes that clarifying and consolidating its reporting and recordkeeping requirements for parties to block trades will foster cooperation and coordination with persons engaged in block trades because block participants will more easily locate and identify their reporting and recordkeeping requirements.

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

OneChicago does not believe that the rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the proposed rule change is equitable and not unfairly discriminatory because it merely consolidates and clarifies the obligations of parties to block trades, and does not impose any new, material requirements on market participants. OneChicago believes the rule change enhances competition on our marketplace, as market participants can choose whether to execute blocks directly on OCX.BETS or to privately negotiate blocks and then report them to

OCX.BETS. Additionally, market participants may also choose to execute block size transactions in our CBOEdirect based Central Order Book.

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

Comments on the OneChicago proposed rule change have not been solicited and none have been received.

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

OneChicago filed the proposed rule change with the CFTC on September 10, 2012, and the proposed rule change became effective with the CFTC on September 25, 2012. OneChicago did not file the proposed rule changes concurrently with the SEC. Instead, OneChicago filed the proposed rule change on December 18, 2013.⁴

At any time within 60 days of the date of effectiveness⁵ of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of Section 19(b)(1) 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-OC-2013-03 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.

⁴ Section 19(b)(7)(B) of the Act provides that a proposed rule change filed with the SEC pursuant to section 19(b)(7)(A) of the Act shall be filed concurrently with the CFTC.

⁵ Section 19(b)(7)(C) of the Act provides, *inter alia*, that "[a]ny proposed rule change of a self-regulatory organization that has taken effect pursuant to [Section 19(b)(7)(B) of the Act] may be enforced by such self-regulatory organization to the extent such rule is not inconsistent with the provisions of this title, the rules and regulations thereunder, and applicable Federal law."

All submissions should refer to File Number SR-OC-2013-03. 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 filing also will be available for inspection and copying at the principal offices of the Exchange. 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-OC-2013-03, and should be submitted on or before January 16, 2014.

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71140; File No. SR-BATS-2013-063]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Exchange, Inc.

December 19, 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 December 9, 2013, BATS Exchange, Inc. (the

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

² 15 U.S.C. 78f(b).

³ 15 U.S.C. 78f(b)(5).