

thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>15</sup> of the Act to determine whether the proposed rule change should be approved or 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2014-41 on the subject line.

##### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NYSE-2014-41. 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 20549-1090. Copies of the filing will also be available for Web

site viewing and printing at the NYSE's principal office and on its Internet Web site at [www.nyse.com](http://www.nyse.com). 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-NYSE-2014-41 and should be submitted on or before September 2, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>16</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72777; File No. SR-MIAX-2014-39]

### Self-Regulatory Organizations: Miami International Securities Exchange LLC; Notice of Filing of a Proposed Rule Change To List and Trade Options on Shares of the Market Vectors ETFs

August 6, 2014.

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 28, 2014, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Exchange is filing a proposal to list and trade on the Exchange options on shares of the Market Vectors Brazil Small-Cap ETF ("BRF"), Market Vectors Indonesia Index ETF ("IDX"), Market Vectors Poland ETF ("PLND"), and Market Vectors Russia ETF ("RSX").

The text of the proposed rule change is available on the Exchange's Web site at [http://www.miaxoptions.com/filter/wotitle/rule\\_filing](http://www.miaxoptions.com/filter/wotitle/rule_filing), at MIAX's principal office, and at the Commission's Public Reference Room.

<sup>16</sup> 17 CFR 200.30-3(a)(12).

<sup>15</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

#### 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 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 Exchange proposes to list for trading on the Exchange options on the shares of the Market Vectors Brazil Small-Cap ETF,<sup>3</sup> Market Vectors Indonesia Index ETF, Market Vectors Poland ETF, and Market Vectors Russia ETF<sup>4</sup> (collectively the "Market Vector ETFs"). MIAX Rule 402 establishes the Exchange's initial listing standards for equity options (the "Listing Standards"). The Listing Standards permit the Exchange to list options on the shares of open-end investment companies, such as the Market Vectors ETFs, without having to file for approval with the Commission.<sup>5</sup> The Exchange submits that each of the Market Vectors ETFs substantially meet all of the initial listing requirements. In particular, all of the requirements set forth in Rule 402(i) for each of the Market Vectors ETFs are met except for the requirement concerning the existence of a comprehensive surveillance sharing agreement ("CSSA"). However, as explained below, the Exchange submits that sufficient mechanisms exist in order to provide adequate surveillance and regulatory information with respect to the portfolio securities of each of the Market Vectors ETFs.

<sup>3</sup> Options on Market Vectors Brazil Small-Cap ETF are currently listed on Chicago Board Options Exchange, Inc. ("CBOE"), International Securities Exchange ("ISE"), and NASDAQ OMX PHLX ("PHLX").

<sup>4</sup> Options on Market Vectors Russia ETF are currently listed on BATS Options Exchange ("BATS"), BOX Options Exchange ("BOX"), CBOE, PHLX, NYSE AMEX Options ("AMEX"), NYSE ARCA Options ("ARCA"), ISE, and ISE Gemini.

<sup>5</sup> MIAX Rule 402(i) provides the Listing Standards for shares or other securities ("Exchange-Traded Fund Shares") that are traded on a national securities exchange and are defined as an "NMS stock" under Rule 600 of Regulation NMS.

<sup>15</sup> 15 U.S.C. 78s(b)(2)(B).

Market Vectors Brazil Small-Cap ETF (“BRF”)

BRF is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities which track the Market Vectors Brazil Small-Cap Index (“Brazil Index”).<sup>6</sup> The Brazil Index consists of stocks traded primarily on BM&FBOVESPA. BRF employs a “passive” or indexing approach to track the Brazil Index by investing in a portfolio of securities that generally replicates the Brazil Index.<sup>7</sup> Van Eck Associates Corporation (the “Adviser”) expects BRF to closely track the Brazil Index so that, over time, a tracking error of 5%, or less, is exhibited. BRF will normally invest at least eighty percent (80%) of its assets in the securities comprising the Brazil Index. The Exchange believes that these policies prevent BRF from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in BRF could become a surrogate for trading in unregistered securities.

Shares of the BRF (“BRF Shares”) are issued and redeemed, on a continuous basis, at net asset value (“NAV”) in aggregation size of 50,000 shares, or multiples thereof (a “Creation Unit”). Following issuance, BRF Shares are traded on an exchange like other equity securities. BRF Shares trade in the secondary markets in amounts less than a Creation Unit and the price per BRF Share may differ from its NAV which is calculated once daily as of the regularly scheduled close of business of NYSE Arca.<sup>8</sup>

Bank of New York Mellon is the custodian, and transfer agent for BRF. Detailed information on BRF can be found at [www.vaneck.com](http://www.vaneck.com).

The Exchange has reviewed BRF and determined that the BRF Shares satisfy the initial listing standards, except for the requirement set forth in MIA X Rule 402(i)(5)(ii)(B) which requires BRF to meet the following condition:

- Component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement

<sup>6</sup> Market Vectors Index Solutions created and maintains the Market Vectors Brazil Small-Cap Index.

<sup>7</sup> As of March 20, 2014, BRF was comprised of 82 securities. CIA HERING had the greatest individual weight at 3.39%. The aggregate percentage weighting of the top 5 and 10 securities in the Fund were 15.04% and 27.66%, respectively.

<sup>8</sup> The regularly scheduled close of trading on NYSE Arca is normally 4:00 p.m. Eastern Time (“ET”) and 4:15 p.m. for ETFs.

do not represent 20% or more of the weight of the index.

The Exchange currently does not have in place a surveillance agreement with BOVESPA.

The Exchange submits that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA. The Exchange notes that BM&FBOVESPA is under the regulatory oversight of the *Comissao de Valores Mobiliarios* (“CMV”), which has the responsibility for both Brazilian exchanges and over-the-counter markets. The Exchange further notes that the Commission executed a memorandum of understanding with the CMV dated as of July 24, 2012 (“Brazil-US MOU”), which provides a framework for mutual assistance in investigatory and regulatory issues. Based on the relationship between the SEC and CMV and the terms of the Brazil-US MOU, the Exchange submits that both the Commission and the CMV could acquire information from and provide information to the other similar to that which would be required in a CSSA between exchanges. Moreover, the Commission could make a request for information under the Brazil-US MOU on behalf of an SRO that needed the information for regulatory purposes. Thus, should MIA X need information on Brazilian trading in the Brazil Index component securities to investigate incidents involving trading of BRF options, the SEC could request such information from the CMV under the Brazil-US MOU. While this arrangement certainly would be enhanced by the existence of direct exchange to exchange surveillance sharing agreements, it is nonetheless consistent with other instances where the Commission has explored alternatives when the relevant foreign exchange was unwilling or unable to enter into a CSSA.<sup>9</sup>

The practice of relying on surveillance agreements or MOUs between regulators when a foreign exchange was unable, or unwilling, to provide an information sharing agreement was affirmed by the Commission in the Commission’s New Product Release (“New Product Release”).<sup>10</sup> The Commission noted in

<sup>9</sup> See, e.g., Securities Exchange Act Release No. 36415 (October 25, 1995), 60 FR 55620 (November 1, 1995) (SR-CBOE-95-45) (Order Approving Proposed Rule Change Relating to the Listing and Trading of Options on the CBOE Mexico 30 Index).

<sup>10</sup> See Securities Exchange Act Release No. 40761 (December 8, 1998), 63 FR 70952, 70959 at fn. 101 (December 22, 1998).

the New Product Release that if securing a CSSA is not possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange has recently contacted BM&FBOVESPA with a request to enter into a CSSA. Until the Exchange is able to secure a CSSA with BM&FBOVESPA, the Exchange requests that the Commission allow the listing and trading of options on BRF without a CSSA, upon reliance of the Brazil-US MOU entered into between the Commission and the CMV. The Exchange believes this request is reasonable and notes that the Commission has provided similar relief in the past. For example, the Commission approved the Philadelphia Stock Exchange, Inc. (“PHLX”) to rely on an MOU between the Commission and the CMV instead of a direct CSSA with BM&FBOVESPA in order to list and trade options on Telebras Portoflio Certificate American Depository Receipts.<sup>11</sup> Additionally, the Commission approved, on a pilot basis, proposals of competing exchanges to list and trade options on the iShares MSCI Emerging Markets Fund<sup>12</sup> and the iShares MSCI Mexico Index Fund.<sup>13</sup>

The Commission’s approval of this request to list and trade options on the BRF would otherwise render BRF compliant with all of the applicable Listing Standards.

The Exchange shall continue to use its best efforts to obtain a CSSA with BM&FBOVESPA, which shall reflect the following: (1) Express language addressing market trading activity, clearing activity, and customer identity; (2) BM&FBOVESPA’s reasonable ability to obtain access to and produce

<sup>11</sup> See Securities Exchange Act Release No. 40298 (August 3, 1998), 63 FR 43435 (August 13, 1998) (SR-Phlx-1998-33).

<sup>12</sup> See Securities Exchange Act Release Nos. 53824 (May 17, 2006), 71 FR 30003 (May 24, 2006) (SR-Amex-2006-43); 54081 (June 30, 2006), 71 FR 38911 (July 10, 2006) (SR-Amex-2006-60); 54553 (September 29, 2006), 71 FR 59561 (October 10, 2006) (SR-Amex-2006-91); 55040 (January 3, 2007), 72 FR 1348 (January 11, 2007) (SR-Amex-2007-01); and 55955 (June 25, 2007), 72 FR 36079 (July 2, 2007) (SR-Amex-2007-57); 56324 (August 27, 2007), 72 FR 50426 (August 31, 2007) (SR-ISE-2007-72).

<sup>13</sup> See Securities Exchange Act Release Nos. 72213 (May 21, 2014), FR 30699 (May 28, 2014) (SR-MIA X-2014-19); 56778 (November 9, 2007), 72 FR 65113 (November 19, 2007) (SR-Amex-2007-100); 57013 (December 20, 2007), 72 FR 73923 (December 28, 2007) (SR-CBOE-2007-140); 57014 (December 20, 2007), 72 FR 73934 (December 28, 2007) (SR-ISE-2007-111).

requested information; and (3) based on the CSSA and other information provided by the BM&FBOVESPA, the absence of existing rules, law or practices that would impede the Exchange from obtaining foreign information relating to market activity, clearing activity, or customer identity, or in the event such rules, laws, or practices exist, they would not materially impede the production of customer or other information.

#### Market Vectors Indonesia Index ETF (“IDX”)

IDX is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities which track the Market Vectors Indonesia Index (“Indonesia Index”).<sup>14</sup> The Indonesia Index consists of stocks traded primarily on the Indonesia Stock Exchange. IDX employs a “passive” or indexing approach to track the Indonesia Index by investing in a portfolio of securities that generally replicates the Indonesia Index.<sup>15</sup> The Adviser expects IDX to closely track the Indonesia Index so that, over time, a tracking error of 5%, or less, is exhibited. IDX will normally invest at least eighty percent (80%) of its assets in the securities comprising the Indonesia Index. IDX may concentrate its investments in a particular industry or group of industries to the extent that the Indonesia Index concentrates in an industry or group of industries. The Exchange believes that these requirements and policies prevent the IDX from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in IDX could become a surrogate for trading in unregistered securities.

Shares of the IDX (“IDX Shares”) are issued and redeemed, on a continuous basis, at NAV in aggregation size of 50,000 shares, or multiples thereof (a “Creation Unit”). Following issuance, IDX Shares are traded on an exchange like other equity securities. IDX Shares trade in the secondary markets in amounts less than a Creation Unit and the price per IDX Share may differ from its NAV which is calculated once daily as of the regularly scheduled close of business of NYSE Arca.<sup>16</sup>

Bank of New York Mellon is the custodian, and transfer agent for IDX. Detailed information on IDX can be found at [www.vaneck.com](http://www.vaneck.com).

The Exchange has reviewed IDX and determined that the IDX Shares satisfy the initial listing standards, except for the requirement set forth in MIA X Rule 402(i)(5)(ii)(B) which requires IDX to meet the following condition:

- Component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index.

The Exchange currently does not have in place a surveillance agreement with the Indonesia Stock Exchange. The Exchange submits that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA. The Exchange notes that the Indonesia Stock Exchange is under the regulatory oversight of the Indonesia Financial Services Authority (“FSA”), which has the responsibility for Indonesian stock exchanges. The Exchange further notes that both the Commission and FSA are signatories to the International Organization of Securities Commissions (“IOSCO”) Multilateral Memorandum of Understanding (“MMOU”), which provides a framework for mutual assistance in investigatory and regulatory issues. Based on the relationship between the SEC and FSA and the terms of the MMOU, the Exchange submits that both the Commission and the FSA could acquire information from and provide information to the other similar to that which would be required in a CSSA between exchanges. Moreover, the Commission could make a request for information under the MMOU on behalf of an SRO that needed the information for regulatory purposes. Thus, should MIA X need information on Indonesian trading in the Indonesia Index component securities to investigate incidents involving trading of IDX options, the SEC could request such information from the FSA under the MMOU. While this arrangement certainly would be enhanced by the existence of direct exchange to exchange surveillance sharing agreements, it is nonetheless consistent with other instances where the Commission has explored alternatives when the relevant

foreign exchange was unwilling or unable to enter into a CSSA.<sup>17</sup>

The practice of relying on surveillance agreements or MOUs between regulators when a foreign exchange was unable, or unwilling, to provide an information sharing agreement was affirmed by the Commission in the New Product Release.<sup>18</sup> The Commission noted in the New Product Release that if securing a CSSA is not possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange has recently contacted the Indonesia Stock Exchange with a request to enter into a CSSA. Until the Exchange is able to secure a CSSA with the Indonesia Stock Exchange, the Exchange requests that the Commission allow the listing and trading of options on IDX without a CSSA, upon reliance of the MMOU entered into between the Commission and the FSA. The Exchange believes this request is reasonable and notes that the Commission has provided similar relief in the past. Additionally, the Commission approved, on a pilot basis, proposals of competing exchanges to list and trade options on the iShares MSCI Emerging Markets Fund<sup>19</sup> and the iShares MSCI Mexico Index Fund.<sup>20</sup>

The Commission’s approval of this request to list and trade options on the IDX would otherwise render IDX compliant with all of the applicable Listing Standards.

The Exchange shall continue to use its best efforts to obtain a CSSA with the Indonesia Stock Exchange, which shall reflect the following: (1) Express language addressing market trading activity, clearing activity, and customer identity; (2) the Indonesia Stock Exchange’s reasonable ability to obtain access to and produce requested information; and (3) based on the CSSA and other information provided by the Indonesia Stock Exchange, the absence of existing rules, law or practices that would impede the Exchange from obtaining foreign information relating to market activity, clearing activity, or customer identity, or in the event such rules, laws, or practices exist, they would not materially impede the

<sup>14</sup> Market Vectors Index Solutions created and maintains the Market Vectors Indonesia Index.

<sup>15</sup> As of June 30, 2014, IDX was comprised of 52 securities. ASTRA INTERNATIONAL had the greatest individual weight at 8.05%. The aggregate percentage weighting of the top 5 and 10 securities in the Fund were 35.65% and 54.01%, respectively.

<sup>16</sup> See *supra* note 8.

<sup>17</sup> See *supra* note 9.

<sup>18</sup> See *supra* note 10.

<sup>19</sup> See *supra* note 12.

<sup>20</sup> See *supra* note 13.

production of customer or other information.

#### Market Vectors Poland Index ETF (“PLND”)

PLND is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities which track the Market Vectors Poland Index (“Poland Index”).<sup>21</sup> The Poland Index consists of stocks traded primarily on the Warsaw Stock Exchange. PLND employs a “passive” or indexing approach to track the Poland Index by investing in a portfolio of securities that generally replicates the Poland Index.<sup>22</sup> The Adviser expects PLND to closely track the Poland Index so that, over time, a tracking error of 5%, or less, is exhibited. PLND will normally invest at least eighty percent (80%) of its assets in the securities comprising the Poland Index. PLND may concentrate its investments in a particular industry or group of industries to the extent that the Poland Index concentrates in an industry or group of industries. The Exchange believes that these requirements and policies prevent the PLND from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in PLND could become a surrogate for trading in unregistered securities.

Shares of the PLND (“PLND Shares”) are issued and redeemed, on a continuous basis, at NAV in aggregation size of 50,000 shares, or multiples thereof (a “Creation Unit”). Following issuance, PLND Shares are traded on an exchange like other equity securities. PLND Shares trade in the secondary markets in amounts less than a Creation Unit and the price per PLND Share may differ from its NAV which is calculated once daily as of the regularly scheduled close of business of NYSE Arca.<sup>23</sup>

Bank of New York Mellon is the custodian, and transfer agent for PLND. Detailed information on PLND can be found at [www.vaneck.com](http://www.vaneck.com).

The Exchange has reviewed PLND and determined that the PLND Shares satisfy the initial listing standards, except for the requirement set forth in MIAAX Rule 402(i)(5)(ii)(B) which requires PLND to meet the following condition:

- Component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index.

The Exchange currently does not have in place a surveillance agreement with the Warsaw Stock Exchange.

The Exchange submits that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA. The Exchange notes that the Warsaw Stock Exchange is under the regulatory oversight of the Polish Financial Supervision Authority (“KNF”), which has the responsibility for Polish stock exchanges. The Exchange further notes that both the Commission and KNF are signatories to the IOSCO MMOU, which provides a framework for mutual assistance in investigatory and regulatory issues. Based on the relationship between the SEC and KNF and the terms of the MMOU, the Exchange submits that both the Commission and the KNF could acquire information from and provide information to the other similar to that which would be required in a CSSA between exchanges. Moreover, the Commission could make a request for information under the MMOU on behalf of an SRO that needed the information for regulatory purposes. Thus, should MIAAX need information on Polish trading in the Poland Index component securities to investigate incidents involving trading of PLND options, the SEC could request such information from the KNF under the MMOU. While this arrangement certainly would be enhanced by the existence of direct exchange to exchange surveillance sharing agreements, it is nonetheless consistent with other instances where the Commission has explored alternatives when the relevant foreign exchange was unwilling or unable to enter into a CSSA.<sup>24</sup>

The practice of relying on surveillance agreements or MOUs between regulators when a foreign exchange was unable, or unwilling, to provide an information sharing agreement was affirmed by the Commission in the New Product Release.<sup>25</sup> The Commission noted in the New Product Release that if securing a CSSA is not possible, an exchange

should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange has recently contacted the Warsaw Stock Exchange with a request to enter into a CSSA. Until the Exchange is able to secure a CSSA with the Warsaw Stock Exchange, the Exchange requests that the Commission allow the listing and trading of options on PLND without a CSSA, upon reliance of the MMOU entered into between the Commission and the KNF. The Exchange believes this request is reasonable and notes that the Commission has provided similar relief in the past. Additionally, the Commission approved, on a pilot basis, proposals of competing exchanges to list and trade options on the iShares MSCI Emerging Markets Fund<sup>26</sup> and the iShares MSCI Mexico Index Fund.<sup>27</sup>

The Commission’s approval of this request to list and trade options on the PLND would otherwise render PLND compliant with all of the applicable Listing Standards.

The Exchange shall continue to use its best efforts to obtain a CSSA with the Warsaw Stock Exchange, which shall reflect the following: (1) Express language addressing market trading activity, clearing activity, and customer identity; (2) the Warsaw Stock Exchange’s reasonable ability to obtain access to and produce requested information; and (3) based on the CSSA and other information provided by the Warsaw Stock Exchange, the absence of existing rules, law or practices that would impede the Exchange from obtaining foreign information relating to market activity, clearing activity, or customer identity, or in the event such rules, laws, or practices exist, they would not materially impede the production of customer or other information.

#### Market Vectors Russia Index ETF (“RSX”)

RSX is registered pursuant to the Investment Company Act of 1940 as a management investment company designed to hold a portfolio of securities which track the Market Vectors Russia Index (“Russia Index”).<sup>28</sup> The Russia Index consists of stocks traded primarily on the Moscow Exchange. RSX employs

<sup>26</sup> See *supra* note 12.

<sup>27</sup> See *supra* note 13.

<sup>28</sup> Market Vectors Index Solutions created and maintains the Market Vectors Russia Index.

<sup>21</sup> Market Vectors Index Solutions created and maintains the Market Vectors Poland Index.

<sup>22</sup> As of June 30, 2014, PLND was comprised of 30 securities. PZU had the greatest individual weight at 8.13%. The aggregate percentage weighting of the top 5 and 10 securities in the Fund were 36.20% and 60.49%, respectively.

<sup>23</sup> See *supra* note 8.

<sup>24</sup> See *supra* note 9.

<sup>25</sup> See *supra* note 10.

a “passive” or indexing approach to track the Russia Index by investing in a portfolio of securities that generally replicates the Russia Index.<sup>29</sup> The Adviser expects RSX to closely track the Russia Index so that, over time, a tracking error of 5%, or less, is exhibited. RSX will normally invest at least eighty percent (80%) of its assets in the securities comprising the Russia Index. The Exchange believes that these requirements and policies prevent the RSX from being excessively weighted in any single security or small group of securities and significantly reduce concerns that trading in RSX could become a surrogate for trading in unregistered securities.

Shares of the RSX (“RSX Shares”) are issued and redeemed, on a continuous basis, at NAV in aggregation size of 50,000 shares, or multiples thereof (a “Creation Unit”). Following issuance, RSX Shares are traded on an exchange like other equity securities. RSX Shares trade in the secondary markets in amounts less than a Creation Unit and the price per RSX Share may differ from its NAV which is calculated once daily as of the regularly scheduled close of business of NYSE Arca.<sup>30</sup>

Bank of New York Mellon is the custodian, and transfer agent for RSX. Detailed information on RSX can be found at [www.vaneck.com](http://www.vaneck.com).

The Exchange has reviewed RSX and determined that the RSX Shares satisfy the initial listing standards, except for the requirement set forth in MIA X Rule 402(i)(5)(ii)(B) which requires RSX to meet the following condition:

- Component securities of an index or portfolio of securities on which the Exchange-Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance agreement do not represent 20% or more of the weight of the index.

The Exchange currently does not have in place a surveillance agreement with the Moscow Exchange. The Exchange submits that the Commission, in the past, has been willing to allow a national securities exchange to rely on a memorandum of understanding entered into between regulators in the event that the exchanges themselves cannot enter into a CSSA. The Exchange notes that the Moscow Exchange is under the regulatory oversight of the Federal Commission on Securities Market of Russia (“FCSM”), which has

the responsibility for Russian stock exchanges. The Exchange further notes that Commission executed a memorandum of understanding with the Federal Commission on Securities and the Capital Market of the Government of the Russian Federation (“FCSCM”), a forerunner of the FCSM, dated as of December 6, 1995 (“Russia-US MOU”). Based on the relationship between the SEC and FCSM and the terms of the Russia-US MOU, the Exchange submits that both the Commission and the FCSM could acquire information from and provide information to the other similar to that which would be required in a CSSA between exchanges. Moreover, the Commission could make a request for information under the Russia-US MOU on behalf of an SRO that needed the information for regulatory purposes. Thus, should MIA X need information on Russian trading in the Russia Index component securities to investigate incidents involving trading of RSX options, the SEC could request such information from the FCSM under the Russia-US MOU. While this arrangement certainly would be enhanced by the existence of direct exchange to exchange surveillance sharing agreements, it is nonetheless consistent with other instances where the Commission has explored alternatives when the relevant foreign exchange was unwilling or unable to enter into a CSSA.<sup>31</sup>

The practice of relying on surveillance agreements or MOUs between regulators when a foreign exchange was unable, or unwilling, to provide an information sharing agreement was affirmed by the Commission in the New Product Release.<sup>32</sup> The Commission noted in the New Product Release that if securing a CSSA is not possible, an exchange should contact the Commission prior to listing a new derivative securities product. The Commission also noted that the Commission may determine instead that it is appropriate to rely on a memorandum of understanding between the Commission and the foreign regulator.

The Exchange has recently contacted the Moscow Exchange with a request to enter into a CSSA. Until the Exchange is able to secure a CSSA with the Moscow Exchange, the Exchange requests that the Commission allow the listing and trading of options on RSX without a CSSA, upon reliance of the Russia-US MOU entered into between the Commission and the FCSM. The Exchange believes this request is

reasonable and notes that the Commission has provided similar relief in the past. Additionally, the Commission approved, on a pilot basis, proposals of competing exchanges to list and trade options on the iShares MSCI Emerging Markets Fund<sup>33</sup> and the iShares MSCI Mexico Index Fund.<sup>34</sup>

The Commission’s approval of this request to list and trade options on the RSX would otherwise render RSX compliant with all of the applicable Listing Standards.

The Exchange shall continue to use its best efforts to obtain a CSSA with the Moscow Exchange, which shall reflect the following: (1) Express language addressing market trading activity, clearing activity, and customer identity; (2) the Moscow Exchange’s reasonable ability to obtain access to and produce requested information; and (3) based on the CSSA and other information provided by the Moscow Exchange, the absence of existing rules, law or practices that would impede the Exchange from obtaining foreign information relating to market activity, clearing activity, or customer identity, or in the event such rules, laws, or practices exist, they would not materially impede the production of customer or other information.

## 2. Statutory Basis

MIA X believes that its proposed rule change is consistent with Section 6(b) of the Act<sup>35</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>36</sup> in particular, in that it is 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 facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest. In particular, the Exchange believes listing and trading of options on the Market Vectors ETFs will benefit investors by providing them with valuable risk management tools.

### *B. Self-Regulatory Organization’s Statement on Burden on Competition*

The Exchange believes this proposed rule change will benefit investors by providing additional methods to trade options on the Market Vectors ETFs, and by providing them with valuable risk management tools. Specifically, the

<sup>29</sup> As of June 30, 2014, RSX was comprised of 51 securities. GAZPROM OAO–SPON ADR had the greatest individual weight at 8.38%. The aggregate percentage weighting of the top 5 and 10 securities in the Fund were 35.90% and 60.25%, respectively.

<sup>30</sup> See *supra* note 8.

<sup>31</sup> See *supra* note 9.

<sup>32</sup> See *supra* note 10.

<sup>33</sup> See *supra* note 12.

<sup>34</sup> See *supra* note 13.

<sup>35</sup> 15 U.S.C. 78f(b).

<sup>36</sup> 15 U.S.C. 78f(b)(5).

Exchange believes that market participants on MIAX would benefit from the introduction and availability of options on the Market Vectors ETFs in a manner that is similar to other exchanges and will provide investors with yet another venue on which to trade these products. The Exchange notes that the rule change is being proposed as a competitive response to other competing options exchanges that already list and trade options on the Market Vectors ETFs and believes this proposed rule change is necessary to permit fair competition among the options exchanges. For all the reasons stated above, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition.

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

Written comments were neither solicited nor received.

**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 Exchange consents, the Commission shall: (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](mailto:rule-comments@sec.gov). Please include File Number SR-MIAX-2014-39 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange

Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-MIAX-2014-39. 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 principal office 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-MIAX-2014-39 and should be submitted on or before September 2, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>37</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

**DEPARTMENT OF STATE**

**[Public Notice: 8824]**

**Shipping Coordinating Committee; Notice of Committee Meeting**

The Shipping Coordinating Committee (SHC) will conduct an open meeting at 9:30 a.m. on Wednesday, August 27, 2014, in Conference Room 4 of the Department of Transportation Headquarters Conference Center, West Building, 1200 New Jersey Avenue SE., Washington, DC 20590. The primary purpose of the meeting is to prepare for the first Session of the International

Maritime Organization's (IMO) Sub-Committee on Carriage of Cargoes and Containers to be held at the IMO Headquarters, United Kingdom, September 8-12, 2014.

The agenda items to be considered include:

- Adoption of the agenda
- Decisions of other IMO bodies
- Amendments to CSC 1972 and associated circulars
- Development of international code of safety for ships using gases or other low flashpoint fuels (IGF Code)
- Amendments to the IMSBC Code and supplements
- Amendments to the IMDG Code and supplements
- Unified interpretation to provisions of IMO safety, security and environment related Conventions
- Consideration of reports of incidents involving dangerous goods or marine pollutants in packaged form on board ships or in port areas
- Revised guidelines for packing of cargo transport units
- Biennial agenda and provisional agenda for CCC 2
- Election of Chairman and Vice-Chairman for 2015

Members of the public may attend this meeting up to the seating capacity of the room. Upon request, members of the public may also participate via teleconference, up to the capacity of the teleconference phone line. To facilitate the building security process, and to request reasonable accommodation, those who plan to attend, or participate via the teleconference line, should contact the meeting coordinator, Ms. Amy Parker, by email at [Amy.M.Parker@uscg.mil](mailto:Amy.M.Parker@uscg.mil) or by phone at (202) 372-1423, not later than August 18, 2014, 7 business days prior to the meeting. Requests made after August 18, 2014 might not be able to be accommodated. Please note that due to security considerations, a valid, government issued photo identification must be presented to gain entrance to the DOT Headquarters building. DOT Headquarters is accessible by metro via the Navy Yard Metrorail Station, taxi, and privately owned conveyance. However, parking in the vicinity of the building is extremely limited. Additional information regarding this and other IMO SHC public meetings may be found at: [www.uscg.mil/imo](http://www.uscg.mil/imo).

This announcement might appear in the **Federal Register** less than 15 days prior to the meeting. The Department of State finds that there is an exceptional circumstance in that this advisory committee meeting must be held on August 27, in order to adequately

<sup>37</sup> 17 CFR 200.30-3(a)(12).