interested parties, in particular, Global Market-listed companies. Moreover, eliminating the automatic review process, which NASDAQ has stated is a burden on its staff, could free up additional resources that may be better used for the regulation and oversight of listed companies.

# **IV. Conclusion**

*It is therefore ordered,* pursuant to Section 19(b)(2) of the Act,<sup>17</sup> that the proposed rule change (SR–NASDAQ–2014–067) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

#### Kevin M. O'Neill,

Deputy Secretary. [FR Doc. 2014–20465 Filed 8–27–14; 8:45 am] BILLING CODE 8011–01–P

# SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72902; File No. SR–C2– 2014–018]

# Self-Regulatory Organizations; C2 Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fees Schedule

August 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> notice is hereby given that on August 12, 2014, C2 Options Exchange, Incorporated (the "Exchange" or "C2") filed with the Securities and Exchange Commission (the "Commission") the 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

C2 proposes to make technical amendments to the C2 rules. The text of the proposed rule change is available on the Exchange's Web site (*http:// www.c2exchange.com/Legal/*), at the Exchange's Office of the Secretary, 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 aspects of such statements.

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

#### 1. Purpose

The Exchange proposes to amend its Fees Schedule. First, the Exchange proposes to amend a sentence in its Fees Schedule that reads: "After three months, all fees as assessed by the Exchange are considered final by the Exchange." The purpose of this statement is to encourage Permit Holders to promptly review their Exchange invoices so that any disputed charges can be addressed in a timely manner. The Exchange notes that this sentence is not intended to preclude the Exchange from assessing fees more than three months after they were incurred. Indeed, the Exchange is required to enforce compliance by its Permit Holders and persons associated with its Permit Holders the rules of the Exchange, including its Fees Schedule.<sup>3</sup> As such, the Exchange must ensure that it assesses the fees set forth in its Fees Schedule so long as the fee(s) were required to be paid pursuant to the C2 Fees Schedule in effect at the time the fees were incurred, even if the Exchange must assess the fees more than three months after they have been incurred. The Exchange believes it would be beneficial to make this clear in the Fees Schedule and provide further clarifying language regarding the finality of fees. Specifically, the Exchange seeks to amend this sentence to state "Any potential billing errors relating to fees assessed by C2 must be brought to the attention of C2's Accounting Department within three months from the invoice date. All fees assessed shall be deemed final and non-refundable after three months from the invoice. The Exchange is not precluded from assessing fees more than three months after they were incurred if those fees were required to be paid pursuant to the

C2 Fees Schedule in effect at the time the fees were incurred." The Exchange notes that this has always been the case, and the clarification is simply reflecting how the current language of the C2 Fees Schedule applies. The Exchange also notes that its practice is to assess fees in a timely manner at the time such fees are incurred. However, the Exchange requires the ability to assess any fee upon discovering an error regardless of how much time has passed since the fee was incurred.

The Exchange next proposes to make an amendment to the Connectivity Charges table. Currently, the Exchange charges Permit Holders a \$500 per month Network Access Port fee for 1gigabit ("1 Gbps") network access connectivity and \$1,000 per month for 10 Gbps network connectivity. The Network Access Ports provide direct access to C2's trading system. Network Access Ports are used to receive unicast (i.e., orders and quotes) and multicast (i.e., market data) traffic. The Exchange notes that a 1 Gbps port may receive both unicast and multicast traffic, whereas a 10 Gbps port may only receive either multicast or unicast traffic. The Exchange seeks to clarify that the Network Access Port fee is assessed separately for unicast and multicast connectivity. Accordingly, if a Permit Holder has 1 Gbps connectivity and receives both unicast and multicast traffic through a single port, the Permit Holder would be charged \$1,000 dollars per month (i.e., \$500 per month for unicast connectivity and \$500 per month for multicast connectivity). Similarly, if a Permit Holder has one 1 Gbps Network Access Port for unicast connectivity only and another 1 Gbps Network Access Port for multicast connectivity only, the Permit Holder would be charged \$1,000 dollars per month (i.e. \$500 per month for each port). As noted above, a single 10-Gbps Network Access Port cannot receive both unicast and multicast traffic. Accordingly, if a Permit Holder wants a 10 Gbps connection, in order to receive both traffic types the Permit Holder would need to purchase two 10 Gbps Network Access Ports (i.e., one to be used for multicast connectivity and one to be used for unicast activity) and would therefore be charged \$2,000 per month (i.e., \$1,000 per month for each port).

#### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Securities Exchange Act of 1934 (the "Act") and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of

<sup>17 15</sup> U.S.C. 78s(b)(2).

<sup>&</sup>lt;sup>18</sup> 17 CFR 200.30–3(a)(12).

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

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

<sup>&</sup>lt;sup>3</sup>15 U.S.C. 78f(b)(1).

Section 6(b) of the Act.<sup>4</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section  $6(b)(\overline{5})^{5}$  requirements that the rules of an exchange 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 securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>6</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>7</sup> which provides that Exchange rules may provide for the equitable allocation of reasonable dues, fees, and other charges among its Permit Holders.

In particular, the Exchange believes that the proposed clarifications to the Fees Schedule will make the Fees Schedule easier to read and alleviate potential confusion. The alleviation of potential confusion will remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest. Specifically, the Exchange believes its amendments to the statement "After three months, all fees as assessed by the Exchange are considered final by the Exchange" provides further clarification as to the finality of assessed fees and prevents potential confusion as to whether or not the Exchange may assess fees more than three months after they were incurred.

The Exchange also believes that the proposed change to specify that separate Network Access Fees are assessed for unicast and multicast connectivity also alleviates potential confusion regarding how the Network Access Fee is assessed, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest. The Exchange believes the proposed rule change is reasonable

because the amount assessed for unicast connectivity and multicast connectivity to Permit Holders using a 1 Gbps Network Access Port is the same. Additionally, the Exchange believes this change is equitable and not unfairly discriminatory because it will apply to all TPHs who use a 1-Gbps Network Access Port equally. The Exchange notes that whether a Permit Holder receives unicast and multicast connectivity via a single 1-Gbps Network Access Port, two separate 1-Gbps Network Access Ports or two separate 10-Gbps Network Access Ports, in each instance, the Permit Holder would be charged for each type of access regardless of how many physical ports they use.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed changes to alleviate confusion are not intended for competitive reasons and only apply to C2.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and paragraph (f) of Rule 19b-4<sup>9</sup> thereunder. 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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– C2–2014–018 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-C2-2014-018. 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 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-C2-2014-018 and should be submitted on or before September 18, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

# Kevin M. O'Neill,

Deputy Secretary. [FR Doc. 2014–20467 Filed 8–27–14; 8:45 am]

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<sup>&</sup>lt;sup>4</sup>15 U.S.C. 78f(b).

<sup>&</sup>lt;sup>5</sup> 15 U.S.C. 78f(b)(5).

<sup>&</sup>lt;sup>6</sup> Id.

<sup>7 15</sup> U.S.C. 78f(b)(4).

<sup>&</sup>lt;sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>917</sup> CFR 240.19b-4(f).

<sup>&</sup>lt;sup>10</sup> 17 CFR 200.30–3(a)(12).