

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 NSCC and on NSCC's Web site at <http://dtcc.com/legal/sec-rule-filings.aspx>. 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-NSCC-2014-12 and should be submitted on or before January 2, 2015.

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

**Kevin M. O'Neill,**  
Deputy Secretary.

[FR Doc. 2014-29105 Filed 12-11-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73788; File No. SR-CBOE-2014-089]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Revise the Sales Value Fee

December 8, 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 November

25, 2014, the Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") 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

The Exchange proposes to amend its Fees Schedule. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx>), 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 Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange proposes to amend its Fees Schedule, effective November 28, 2014. Specifically, the Exchange proposes to enable the Exchange to collect the Sales Value Fee<sup>3</sup> (the "Fee") directly from Trading Permit Holders ("TPHs") when the Fee is due pursuant to an on-floor position transfer between unaffiliated TPHs. In addition, the Exchange proposes to remove obsolete language related to the CBOE Stock Exchange, LLC ("CBSX").<sup>4</sup> Finally, the Exchange proposes to remove the

regulatory review process related to the Position Transfer Fee.

Currently, the Sales Value Fee is collected indirectly from TPHs through their clearing firms by OCC on behalf of CBOE. The OCC does not collect the Fee when an on-floor position transfer<sup>5</sup> takes place. The Exchange is proposing to collect the Fee directly from TPHs when there is an on-floor position transfer between unaffiliated TPHs. TPHs will be considered affiliated if one of the TPHs has "control" under Rule 1.1(k) over another TPH.<sup>6</sup>

In addition, the Fees Schedule currently indicates that the Fee is assessed by CBOE to each TPH for the sale of securities when a sale in non-option securities occurs on CBSX with respect to which CBOE is obligated to pay a fee to the SEC under Section 31 of the Exchange Act or a sell order in non-option securities that is routed for execution at a market other than on CBSX, resulting in a covered sale on that market and an obligation of the routing broker providing Routing Services for CBSX to pay the related sales fee of that market. As noted above, CBSX is no longer active; therefore, the Exchange proposes to clarify that the Fee will be assessed by CBOE to TPHs for sales of securities when a sale in option securities occurs with respect to which CBOE is obligated to pay a fee to the SEC under Section 31 of the Exchange Act or when a sell order in option securities is routed for execution at a market other than CBOE, resulting in a covered sale on that market and an obligation of the routing broker providing Routing Services for CBOE, as described in CBOE Rule 6.14B, to pay the related sales fee of that market.

Finally, the Exchange currently provides a service to TPHs seeking to make an off-floor position transfer pursuant to Rule 6.49A whereby a TPH can solicit CBOE to perform a "regulatory review" of the potential transfer to determine whether the proposed transfer meets the off-floor

<sup>5</sup> See Rule 6.49A.

<sup>6</sup> The term "affiliate" of or a person "affiliated with" another person means a person who, directly or indirectly, controls, is controlled by, or is under common control with, such other person. See Rule 1.1(j).

The term "control" means the power to exercise a controlling influence over the management or policies of a person, unless such power is solely the result of an official position with such person. Any person who owns beneficially, directly or indirectly, more than 20% of the voting power in the election of directors of a corporation, or more than 25% of the voting power in the election of directors of any other corporation which directly or through one or more affiliates owns beneficially more than 25% of the voting power in the election of directors of such corporation, shall be presumed to control such corporation. See Rule 1.1(k).

<sup>7</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Pursuant to Section 31 of the Securities Exchange Act of 1934, CBOE pays transaction fees to the SEC based on the volume of securities that are executed on the Exchange. The Sales Value Fee is the mechanism by which CBOE assesses the transaction fees to each TPH.

<sup>4</sup> Trading ended on CBSX on April 30, 2014. See Securities Exchange Act Release No. 34-71880 (April 4, 2014) (Notice) (SR-CBOE-2014-036).

position transfer provisions of Rule 6.49A. The Exchange currently charges the initiating TPH a fee of \$.02 per contract for the “regulatory review” with a cap of \$25,000. The Exchange is proposing to eliminate the “regulatory review” program, as well as the associated fee.

The Exchange is seeking an effective date of November 28, 2014 in order to sync the fee change with the CBOE billing cycle. For example, position transfers that occur on Friday, November 28, 2014 will settle on Monday, December 1, 2014. CBOE billing is applied upon settlement; therefore, on-floor position transfers that are subject to a Sales Value Fee that trade on November 28th will settle on December 1st and be assessed the Sales Value Fee during the December billing cycle.

## 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 Section 6(b) of the Act.<sup>7</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>8</sup> 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 facilitation 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>9</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>10</sup> which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its Trading Permit Holders and other persons using its facilities.

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. The Fee allows the Exchange to recoup transaction fees that the Exchange pays to the SEC pursuant to Section 31 of the Securities Exchange Act, and the Exchange incurs the Section 31 fees because of the trading activity of TPHs. Therefore, the Exchange believes that it is reasonable and equitable to assess the Fee to TPHs. Additionally, the Exchange does not believe the proposed change is unfairly discriminatory as it applies equally to all TPHs that are performing on-floor position transfers between unaffiliated entities.

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

CBOE 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. CBOE does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes apply to all TPHs. The Exchange does not believe the proposed rule change will impose any burden on intermarket competition because it only applies to position transfers occurring on CBOE.

## 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>11</sup> and paragraph (f) of Rule 19b-4<sup>12</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.

## 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-CBOE-2014-089 on the subject line.

### Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR-CBOE-2014-089. 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-CBOE-2014-089 and should be submitted on or before January 2, 2015.

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

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> *Id.*

<sup>10</sup> 15 U.S.C. 78f(b)(4).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014-29180 Filed 12-11-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73780; File No. SR-EDGX-2014-28]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 13.9 of EDGX Exchange, Inc. Related to Communication and Routing Service Known as ConnectEdge

December 8, 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 November 25, 2014, EDGX Exchange, Inc. (the "Exchange" or "EDGX") 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 Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it 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 Exchange filed a proposal to amend Rule 13.9 related to a communication and routing service known as ConnectEdge. The Exchange also proposes to add fees related to ConnectEdge to its fee schedule.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.directedge.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 proposes to amend Rule 13.9 related to a communication and routing service known as ConnectEdge. The Exchange also proposes to add fees related to ConnectEdge to its fee schedule. The Exchange currently offers and proposes to continue offering ConnectEdge on a voluntary basis in a capacity similar to a vendor. ConnectEdge is a communication service that provides Members<sup>5</sup> an additional means to receive market data from and route orders to any destination connected to Exchange's network. ConnectEdge does not provide any advantage to subscribers for connecting to the Exchange's affiliates<sup>6</sup> as compared to other method of connectivity available to subscribers. The servers of the Member need not be located in the same facilities as the Exchange in order to subscribe to ConnectEdge. Members may also seek to utilize ConnectEdge in the event of a market disruption where other alternative connection methods become unavailable.

Specifically, this service allows Members to route orders to other exchanges and market centers that are connected to the Exchange's network. This communications or routing service would not effect trade executions and would not report trades to the relevant Securities Information Processor. An order sent via the service does not pass through the Exchange's matching engine

before going to a market center outside of the Exchange (*i.e.*, a participant could choose to route an order directly to any market center on the Exchange's network). A participant would be responsible for identifying the appropriate destination for any orders sent through the service and for ensuring that it had authority to access the selected destination; the Exchange would merely provide the connectivity by which orders (and associated messages) could be routed by a participant to a destination and from the destination back to the participant.<sup>7</sup>

The Exchange will charge a monthly connectivity fee to Members utilizing ConnectEdge to route orders to other exchanges and broker-dealers that are connected to the Exchange's network. The amount of the connectivity fee varies based solely on the bandwidth selected by the Member. Specifically, the Exchange proposes to charge \$350 for 1 Mb, \$700 for 5 Mb, \$950 for 10 Mb, \$1,500 for 25 Mb, \$2,500 for 50 Mb, and \$3,500 for 100 Mb.

ConnectEdge would also allow participants to receive market data feeds from the exchanges connected to the Exchange's network. In such case, the Member would pay the Exchange a connectivity fee, which varies and is based solely on the amount of bandwidth required to transmit the selected data product to the Member. The proposed connectivity fees are set forth in the Exhibit 5 attached hereto and range from \$100 to \$3,500 based on the market data product the vendor selects. The Members would pay any fees charged by the exchange providing the market data feed directly to that exchange.

###### 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of Section 6(b) of the Act,<sup>8</sup> in general, and Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it promotes just and equitable principles of trade, removes impediments to, and perfects the mechanism of, a free and open market and a national market system, and, in general, protects investors and the public interest. Specifically, the

<sup>7</sup> This service is an alternative to a service that the Exchange already provides to its Members—current order-sending Members route orders through access provided by the Exchange to the Exchange that either check the Exchange for available liquidity and then route to other destinations or, in certain circumstances, bypass the Exchange and route to other destinations. See Exchange Rule 11.9(b)(2) (setting forth routing options whereby Members may select their orders be routed to other market centers).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

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

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>5</sup> The term "Member" is defined as "any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act." See Exchange Rule 1.5(n).

<sup>6</sup> The Exchange's affiliated exchanges are EDGA Exchange, Inc. ("EDGA"), BATS Exchange, Inc. ("BATS"), and BATS Y-Exchange, Inc. ("BYX").