Commission designates the proposal operative upon filing.

At any time within the 60-day period beginning on the date 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.

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 e-mail to rule-comments@sec.gov. Please include File Number SR–NYSE–2010–53 on the subject line.

Paper Comments

• Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NYSE–2010–53. This file number should be included on the subject line if e-mail 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,14 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, on official business days between the hours of 10 a.m. and 3 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–NYSE–2010–53 and should be submitted on or before October 18, 2010.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.15

FlorencE h. harmon, Deputy Secretary.

[FR Doc. 2010–24176 Filed 9–24–10; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval of Proposed Rule Change Relating to Sprott Physical Gold Shares

September 20, 2010.

I. Introduction

On June 7, 2010, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission the proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 19341 and Rule 19b–4 thereunder2 to clarify that OCC will clear and treat as options on securities any option contract on Sprott Physical Gold Shares that are traded on a securities exchange and will clear and treat as security futures any futures contracts on Sprott Physical Gold Shares. The proposed rule change was published for comment in the Federal Register on June 28, 2010.3 No comment letters were received on the proposal. This order approves the proposal.

II. Description of the Proposal

The proposed rule change will add an interpretation following the definition of “fund share” in Article I, Section 1(F)(8), of OCC’s By-Laws to clarify that OCC will clear and treat as options on securities any option contract on Sprott Physical Gold Shares that are traded on a securities exchange and will clear and treat as security futures any futures contracts on Sprott Physical Gold Shares.4 This treatment is essentially the same as that extended to other options that OCC currently clears by rule changes approved by the Commission.5

In its capacity as a “derivatives clearing organization” registered as such with the CFTC, OCC also filed this proposed rule change for prior approval by the CFTC pursuant to provisions of the Commodity Exchange Act (“CEA”) in order to foreclose potential liability based on an argument that the clearing by OCC of such options as securities options constitutes a violation of the CEA.

III. Discussion

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and derivative transactions.6 By amending its By-Laws to make clear that OCC will clear and treat as options on securities any option contract on Sprott Physical Gold Shares that is traded on a securities exchange and will clear and treat as security futures any futures contracts on Sprott Physical Gold Shares, OCC’s rule change should help clarify OCC’s treatment of such contracts and accordingly should help to promote the prompt and accurate clearance and settlement of securities transactions and of derivative transactions. In accordance with the Memorandum of Understanding entered into between the CFTC and the Commission on March 11, 2008, and in particular the addendum thereto concerning Principles Governing the Review of Novel Derivative Products, the Commission believes that novel derivative products that implicate areas of overlapping regulatory concern should be permitted to trade in either a CFTC or Commission-regulated environment or both in a manner consistent with laws and regulations (including the appropriate use of all available exemptive and interpretive authority).


4 The specific language of the new interpretation can be found on OCC’s Web site at http://www.theocc.com/about/publications/bylaws.jsp.


IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act \(^7\) and the rules and regulations thereunder. It is therefore ordered, pursuant to Section 19(b)(2) of the Act, \(^8\) that the proposed rule change (File No. SR–OCC–2010–09) be and hereby is approved. \(^9\)

For the Commission by the Division of Trading and Markets, pursuant to delegated authority. \(^10\)

Florence E. Harmon,
Deputy Secretary.

[FR Doc. 2010–24174 Filed 9–24–10; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Provide an Additional Order Type Which Will Give Options Participants Greater Control Over the Circumstances in Which Their Orders Are Executed

September 21, 2010.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), \(^1\) and Rule 19b–4 thereunder, \(^2\) notice is hereby given that on September 13, 2010, NASDAQ OMX BX, Inc. (the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend Chapter V, Section 14 (Order Entry) of the Rules of the Boston Options Exchange Group, LLC ("BOX") to provide an additional order type which will give Options Participants greater control over the circumstances in which their orders are executed. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet Web site at http://nasdaqomxbx.chiwallstreet.com/NASDAQOMXBX/Filings/.

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 self-regulatory organization 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 this proposed rule change is to provide an additional order type, the “Session Order”, which will give Options Participants greater control over the circumstances in which their orders are cancelled or executed. By designating the Session Order duration type for an order, an Options Participant will be able to specify on an order basis that the designated Session Order it has sent to BOX should be cancelled as soon as the Options Participant loses its connection to the BOX system and its ability to either directly modify or cancel the order. \(^3\)

The proposal will offer protection to Options Participants’ orders in the event that they lose communication with the BOX Trading Host \(^4\) due to a loss of connectivity between their system and BOX or when there is a disconnection between internal BOX components.

An order sent to BOX with this Session Order duration type will remain active in the BOX trading system until one of the following events (“Triggering Event”) occurs:

- The connection between the Options Participant and BOX that was used to enter the order is interrupted;
- There is a disconnection between internal BOX components used to process orders, causing a component to lose its connection to the Options Participant or the Trading Host while in possession of the Session Order;
- A component of the Trading Host experiences a system error in which it is unable to process open orders while in possession of the Session Order.

Upon the occurrence of one of these Triggering Events, meaning the Options Participant has lost its ability to either directly modify or cancel the order, only those Session Orders residing in the affected BOX internal system(s) will be automatically cancelled by BOX. Any Triggering Events are connection or component specific. Therefore, when a particular external connection between BOX and the Options Participant is interrupted, only those Session Orders that came through the interrupted connection will be automatically cancelled by BOX. Similarly, when the Triggering Event is a disconnection between internal BOX components, the BOX system will only automatically cancel Session Orders related to the component that is not “responding”. The cancellation of the Session Orders from an affected connection will neither impact nor determine the treatment of the orders of the same or other Options Participants entered into the Trading Host via a separate and distinct connection. All Session Orders will be cancelled at the end of the normal trading day.

A Session Order will not be cancelled and shall remain active in the BOX market if the order is not allowed to be cancelled pursuant to another BOX Rule or it is in one of the following BOX system processes when a Triggering Event occurs:

- The order is being exposed to the BOX market pursuant to the NBBO trade through filter process; \(^5\)
- The order is a Directed Order to which the Executing Participant has not yet responded; \(^6\)
- The order has been routed to an away exchange pursuant to the Routing Rules. \(^7\)

When a Session Order is automatically cancelled, BOX will immediately generate a cancellation message to notify the Options Participant that its order is no longer active. After the Session Order(s) are

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\(^9\) In approving the proposed rule change, the Commission considered the proposal’s impact on efficiency, competition and capital formation. 15 U.S.C. 78f(j).


\(^3\) Session Order duration type is not available for POP Orders, Primary Improvement Orders or Improvement Orders. See proposed Section 16(d)(3) of Chapter V of the BOX Rules.

\(^4\) References herein to the term Trading Host will have the meaning as set forth in Section 1(a)(67) of Chapter I of the BOX Rules.

\(^5\) See Section 16(b) of Chapter V of the BOX Rules.

\(^6\) See Section 5(c)(ii) of Chapter VI of the BOX Rules.

\(^7\) See Section 5 of Chapter XII of the BOX Rules.