organization is exempt until December 2, 2012 from the requirements in Rule 17g–5(a)(3) [17 CFR 240.17g–5(a)(3)] for credit ratings where:

(1) The issuer of the security or money market instrument is not a U.S. person (as defined under Securities Act Rule 902(k)); and

(2) The nationally recognized statistical rating organization has a reasonable basis to conclude that the structured finance product will be offered and sold upon issuance, and that any arranger linked to the structured finance product will effect transactions of the structured finance product after issuance, only in transactions that occur outside the U.S.

By the Commission.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2011–30053 Filed 11–21–11; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt a “Post-Only” Order Type

November 16, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),1 and Rule 19b–42 thereunder, notice is hereby given that on November 8, 2011, The NASDAQ Stock Market LLC (the “Exchange” or “NASDAQ”) filed with the Securities and Exchange Commission (the “SEC” or “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

NASDAQ is filing with the Commission a proposal for the NASDAQ Options Market (“NOM”) to amend Chapter VI, Trading Systems, Section 1, Definitions, and Section 6, Acceptance of Quotes and Orders, to adopt a “Post-Only Order,” as described further below.

The text of the proposed rule change is available at http://nasdaq.cchwallstreet.com/, at NASDAQ’s principal office, 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 purpose of the proposed rule change is to introduce a new order type to NOM which is intended to attract new business. Specifically, a Post-Only Order is an order that will not remove liquidity from the System. A Post-Only Order is to be ranked and executed on the Exchange or cancelled, as appropriate, without routing away to another market. Post-Only Orders are evaluated at the time of entry with respect to locking or crossing other orders as follows: (i) if a Post-Only Order would lock or cross an order on the System, the order will be re-priced to $0.01 below the current low offer (for bids) or above the current best bid (for offers) and displayed by the System at one minimum price increment below the current low offer (for bids) or above the current best bid (for offers); and (ii) if a Post-Only Order would not lock or cross an order on the System but would lock or cross the national best bid or offer as reflected in the protected quotation of another market center, the order will be handled pursuant to Chapter VI, Section 7(b)(3)(C).

The following examples illustrate how a Post-Only Order will be handled. If NOM is the only options market on the NBBO with a market of $1.00–$1.06, then a Post-Only Order to buy at $1.05 would be handled as follows: Because it would lock the NBBO (the NBO is $1.04), but not the NOM BBO, it would be processed as explained in Chapter VI, Section 1(e)(11)(i) and Chapter VI, Section 7(b)(3)(c) it would be re-priced to $1.04 and displayed at $1.03. In this case, the Post-Only Order to buy at $1.05 is being treated as the same as a non-Post Only limit order that is designated as non-routable. Similarly, if a market participant were to enter a Post-Only order to buy at $1.05, a price which crosses the NBBO, the result would be the same: The order would be re-priced to $1.04 and displayed at $1.03.

Post-Only Orders received prior to the opening cross or after market close will not be accepted. Post-Only Orders may not have a time-in-force designation of Good Til Cancelled (“GTC”).3

The Exchange proposes to add this definition to its rules in Chapter VI as new Section 1(e)(11). The Exchange also proposes to refer to Post-Only Orders in Section 6(a)(2) of its rules, where there is a list of order types. Many equities and options markets currently have similar orders, and the definition of this new order type is consistent with the definitions contained in other exchanges’ rules.4 In addition, repricing to avoid locking and crossing other markets currently applies to nonroutable orders on NOM pursuant to Chapter VI, Section 7(b)(3)(C) in the same way.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act in general, and furthers the objectives of Section 6(b)(5) of the Act 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, and to remove impediments to and perfect the mechanisms of a free and open market.

3 See NOM Rules, Chapter VI, Section 1(g).
4 See e.g., BATS Rule 21.1(d)(9).

The Exchange also proposes to refer to Post-Only Orders in Section 6(a)(2) of its rules, where there is a list of order types. Many equities and options markets currently have similar orders, and the definition of this new order type is consistent with the definitions contained in other exchanges’ rules. In addition, repricing to avoid locking and crossing other markets currently applies to nonroutable orders on NOM pursuant to Chapter VI, Section 7(b)(3)(C) in the same way.

3 See NOM Rules, Chapter VI, Section 1(g).
4 See e.g., BATS Rule 21.1(d)(9).
and a national market system, and, in
general, to protect investors and the
public interest, because it offers an
additional order type on NOM, which
should offer investors new trading
opportunities on the Exchange,
consistent with just and equitable
principles of trade. Furthermore, the
Post-Only Order is designed to
encourage displayed liquidity and offer
NOM market participants greater
flexibility to post liquidity on NOM,
consistent with removing impediments
to and perfecting the mechanisms of a
free and open market and a national
market system.

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

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.

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

No written comments were either
solicited or received.

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

Because the foregoing proposed rule
change does not: (i) Significantly affect
the protection of investors or the public
interest; (ii) impose any significant
burden on competition; and (iii) become
effective pursuant to 19(b)(3)(A)
of the Act7 and Rule 19b–4(f)(6)8
thereunder.

All submissions should refer to File
Number SR–NASDAQ–2011–152. 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
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–NASDAQ–2011–152 and
should be submitted on or before
December 13, 2011.

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–NASDAQ–2011–152 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.

For the Commission, by the Division of
Trading and Markets, pursuant to delegated
authority.9

Kevin M. O’Neill,
Deputy Secretary.

[FR Doc. 2011–30056 Filed 11–21–11; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE
COMMISSION

[Release No. 34–65763; File No. SR–BX–
2011–077]

Self-Regulatory Organizations;
NASDAQ OMX BX, Inc.; Notice of Filing
and Immediate Effectiveness of
Proposed Rule Change To Add Good-
Till-Cancelled and Discretionary
Orders

November 16, 2011.

Pursuant to Section 19(b)(1) of the
Securities Exchange Act of 1934
(“Act”),1 and Rule 19b–42
thereunder, notice is hereby given that on November 10, 2011, NASDAQ OMX BX, Inc.
(“Exchange” or “BX”) filed with the
Securities and Exchange Commission
(“SEC” or “Commission”) the proposed
rule change as described in Items I and
II, 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

BX is filing with the Commission a
proposed rule change to adopt the
following two new Time in Force
conditions in Rule 4751(h): System
Hours Good-till-Cancelled (“SGTC”)
and Market Hours GTC (“MGTC”), as
described below. BX also proposes to
amend Rules 4751(f), 4755, Order Entry
Parameters, and 4756, Entry and Display
of Quotes and Orders, to add
Discretionary Orders.

The text of the proposed rule change
is available at http://
nasdaqomxbx.chiwallstreet.com/, at
BX’s principal office, 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

---

the Commission written notice of its intent to file
the proposed rule change at least five business days
prior to the date of filing of the proposed rule
change, or such shorter time as designated by the
Commission. The Exchange has satisfied this
requirement.