SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Allow the Mortgage-Backed Securities Division To Provide Guaranteed Settlement and Central Counterparty Services

January 10, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) 1 and Rule 19b–4 thereunder 2 on March 12, 2008, the Fixed Income Clearing Corporation (“FICC”) filed with the Securities and Exchange Commission (“Commission”), and on November 21, 2011, amended a proposed rule change to allow the Mortgage-Backed Securities Division (“MBSD”) to provide guaranteed settlement and central counterparty services. The proposed rule change was published for comment in the Federal Register on December 12, 2011. 3 The Commission received one comment letter on the proposal. 4

Prior to amendments introduced by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), Section 19(b)(2) of the Act 5 provided that, within thirty-five days of the publication of notice of the filing of a proposed rule change, or within such longer period as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, the Commission shall either approve the proposed rule change or institute proceedings to determine whether the proposed rule change should be disapproved. 6 The thirty-fifth day after publication of notice of this filing is Monday, January 16, 2012, a national holiday. The last business day preceding that date is Friday, January 13, 2012.

The proposed rule change would modify the rules of FICC’s MBSD to allow MBSD to provide guaranteed settlement and central counterparty (“CCP”) services to the mortgage-backed securities market. As FICC notes in the proposed rule change, the conversion of the MBSD to a CCP would increase the amount of risk to FICC because FICC would assume risk currently borne by bilateral counterparties in the market. The Commission finds it appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the risk management implications of the proposed rule change in light of, among other things, initiatives FICC proposed to develop under the proposed rule change and any other initiatives FICC may develop during the extended period.

Accordingly, pursuant to Section 19(b)(2) of the Act, 7 the Commission designates March 9, 2012, as the date by which the Commission should either approve or institute proceedings to determine whether to disapprove the proposed rule change.

For the Commission by the Division of Trading and Markets, pursuant to delegated authority. 8

Kevin M. O’Neill,
Deputy Secretary.

[FR Doc. 2012–587 Filed 1–12–12; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Add a Rule Regarding the Brokerplex Order Entry, Recordation, and Management System

January 9, 2012.

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 December 28, 2011, the Chicago Stock Exchange, Inc. (“CHX” or “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 Exchange. CHX has filed the proposal pursuant to Section 19(b)(3)(A) of the Act 3 and Rule 19b–4(f)(6) thereunder, 4 which renders the proposal 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

CHX proposes to add Article 17, Rule 5 (Brokerplex) to include an explicit description of the Exchange’s Brokerplex order entry, recordation, and management system. The text of this proposed rule change is available on the Exchange’s Web site at (www.chx.com) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. The CHX 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 is proposing to add new Rule 5 to Article 17 (Institutional Brokers) to set forth the terms governing the operation of the Brokerplex® system. Brokerplex is an Exchange-owned order and trade entry, recordation and management system developed and operated by the CHX for use by Participant Firms registered with the Exchange as Institutional Brokers under Article 17 (“Institutional Brokers”). The Exchange provides the Brokerplex trading system for use by Institutional Broker Representatives (“IBRs”), as defined in Rule 1 of this Article and the Interpretations and Policies thereto, who are affiliated with Institutional Brokers. Brokerplex can be used by IBRs to receive, transmit and hold orders from their clients while seeking execution within the CHX

4 See Letter from Christopher Killian, Managing Director, Securities Industry and Financial Markets Association, to Elizabeth M. Murphy, Secretary, Commission, dated December 19, 2011.
6 Because the original rule proposal was received by the Commission prior to the Dodd-Frank Act amendments to Section 19(b)(2) of the Act, the operative timing and procedural requirements for Commission action are those that applied at the time the Commission received the original rule proposal.