

*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-ICC-2012-06 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-ICC-2012-06. 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 Section, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10 a.m. and 3 p.m. Copies of such filings will also be available for inspection and copying at the principal office of ICC and on ICC's Web site at [https://www.theice.com/publicdocs/regulatory\\_filings/ICEClearCredit\\_032712.pdf](https://www.theice.com/publicdocs/regulatory_filings/ICEClearCredit_032712.pdf).

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-ICC-2012-06 and should be submitted on or before May 1, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>3</sup>

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

[FR Doc. 2012-8520 Filed 4-9-12; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66733; File No. SR-BX-2012-020]

**Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change Regarding Registration, Qualification, and Continuing Education Requirements for Associated Persons**

April 4, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 21, 2012, NASDAQ OMX BX, Inc. ("Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III 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 the Rules of the Boston Options Exchange Group, LLC ("BOX") regarding the registration of associated persons. 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.cchwallstreet.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 Exchange is proposing to amend its rules regarding qualification, registration and continuing education of individual associated persons.<sup>3</sup> Specifically, in response to a request by the Division of Trading and Markets of the U.S. Securities and Exchange Commission, the Exchange is proposing to expand its registration and qualification requirements to include additional types of individual associated persons. The Exchange believes the proposed rule change is consistent with Rule 15b7-1,<sup>4</sup> promulgated under the Securities Exchange Act of 1934, as amended ("Exchange Act"),<sup>5</sup> which provides: "No registered broker or dealer shall effect any transaction in \* \* \* any security unless any natural person associated with such broker or dealer who effects or is involved in effecting such transaction is registered or approved in accordance with the standards of training, experience, competence, and other qualification standards\* \* \* established by the rules of any national securities exchange \* \* \*"

Currently, an individual person engaged only in proprietary trading or submitting quotations or orders for a BOX Market Maker is not subject to a registration requirement under the BOX Rules. One purpose of this proposed rule change is to recognize new categories of registration that will subject such individuals to such a requirement. Proposed Chapter II, Section 8 establishes the qualification and registration requirements for associated persons of Participants, and recognizes a new category of limited representative registration for proprietary traders. Proposed changes to Chapter VI, Section 2 establish the qualification and registration requirements for individual persons, Market Maker Authorized Traders

<sup>3</sup> Under Chapter 1, Section 1(a)(3) of the BOX Rules, the term "associated person" or "person associated with a Participant" means any partner, officer, director or branch manager of [sic] Options Participant (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with a Participant or any employee of a Participant. This filing refers specifically to the classification of "individual associated persons" as an organization could fall within the scope of this definition, and it is not BOX's intention to require registration by an organization.

<sup>4</sup> 17 CFR 240.15b7-1.

<sup>5</sup> 15 U.S.C. 78a et seq.

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

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

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

(“MMAT”),<sup>6</sup> who submit quotations and orders to BOX on behalf of Participants which are registered as BOX Market Makers. Further, this proposed rule sets forth the circumstances under which the Exchange may suspend or withdraw the registration of an MMAT.

The proposed Chapter II, Section 8 also establishes registration requirements for a Chief Compliance Officer (“CCO”) for each Participant and for a Financial/Operations Principal for each Participant subject to Exchange Act Rule 15c3-1.<sup>7</sup> Proposed Chapter II, Section 8 also references the registration requirements set forth in Chapter XI of the BOX Rules for associated persons of Participants that conduct a public customer business.<sup>8</sup>

Under the proposal, individual associated persons acting in the capacity of a sole proprietor, officer, partner, director or CCO will be subject to heightened qualification requirements. In addition, an individual associated person that is engaged in the supervision or monitoring of proprietary trading, market-making or brokerage activities and/or that is engaged in the supervision or training of those engaged in proprietary trading, market-making or brokerage activities will be subject to heightened qualification requirements. The Exchange believes that the heightened qualification requirements should enhance the supervisory structure for Participants that do not conduct a public customer business.<sup>9</sup>

Specifically, the Exchange is proposing to require additional associated persons to submit the appropriate application for registration online through the Central Registration

Depository system (“Web CRD”), which is operated by the Financial Industry Regulatory Authority, Incorporated (“FINRA”), successfully complete the qualification examination(s) as prescribed by the Exchange and submit any required registration and examination fees.<sup>10</sup> Proposed Chapter II, Section 8 will require registration and qualification by individual associated persons engaged or to be engaged in the securities business of a Participant.<sup>11</sup> An individual associated person will be considered to be a person engaged in the securities business of a Participant if (i) the individual associated person conducts proprietary trading, acts as a market-maker, effects transactions on behalf of a broker-dealer account, supervises or monitors proprietary trading, market-making or brokerage activities on behalf of the broker-dealer, supervises or conducts training for those engaged in proprietary trading, market-making or brokerage activities on behalf of a broker-dealer account; or (ii) the individual associated person engages in the management of any individual associated person identified in (i) above as an officer, partner or director.<sup>12</sup>

The Exchange is also proposing to recognize a new category of limited representative registration for individual persons associated with a BOX Options Participant that is a “proprietary trading firm” as defined in Supplementary Material .07 to the proposed Section 8.<sup>13</sup> Further, the Exchange is proposing to extend the registration requirements to Market Maker Authorized Traders, i.e., individual persons submitting to BOX

quotations or orders for Participants registered as BOX Market Makers.<sup>14</sup>

With respect to the new qualification examination associated with the proposed rule changes,<sup>15</sup> the Exchange has developed, with other self-regulatory organizations (“SROs”), the Series 56 examination that would be applicable to proprietary traders. A subset of individuals associated with Participants, those engaged only in proprietary trading, may use the Series 56 examination to qualify for registration under the new category of limited representative registration as a proprietary trader.<sup>16</sup> Persons who conduct a public customer business do not fit in the registration category proposed for proprietary traders and as noted in note 6 above, must continue to comply with the registration requirements in Chapter XI of the BOX Rules and register and be qualified by passing the General Securities Registered Examination (Series 7). The Exchange believes the Series 7 examination covers a great deal of material that is not relevant to proprietary trading functions. Instead, the Series 56 covers both equities and options trading rules, but not all of the rules applicable to firms and persons conducting business with public customers. The Exchange will describe the Series 56 in greater detail in a separate proposed rule change and the Exchange will notify its Participants via regulatory circular that the Series 56 examination will be acceptable for compliance with the requirements proposed in Chapter II, Section 8.

Of course, persons registering as proprietary trader representatives or an MMAT would be subject to the continuing education requirements set forth in Chapter XI, Section 5 of the BOX Rules. Additionally, the Exchange will require all associated persons required to register under proposed Chapter II, Section 8 that are not already registered in Web CRD to register (i.e., complete a Form U4) within 60 days of the approval date of this filing by the

<sup>6</sup> Persons with similar functions at other Exchanges are subject to registration requirements. See, e.g., Rule 801 of the International Securities Exchange, LLC (“ISE”), Rule 11.6 of BATS Exchange, Inc., and Rule 6.34A of the NYSE Arca, Inc.

<sup>7</sup> 17 CFR 240.15c3-1.

<sup>8</sup> These proposed rule changes are consistent with those previously adopted by the Chicago Board of Options Exchange (“CBOE”) and International Securities Exchange, LLC (“ISE”). See Securities Exchange Act Release Nos. 62977 (September 22, 2010), 75 FR 59773 (September 28, 2010) (“CBOE Registration Proposal”); 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010) (“CBOE Approval Order”), and 63843 (February 4, 2011), 76 FR 7884 (February 11, 2011) (“ISE Approval Order”).

<sup>9</sup> Proposed Chapter II, Section 8 specifies that individual associated persons of a Participant that conducts a public customer business, including Registered Options Principals and Registered Representatives, are also subject to the registration requirements set forth in Chapter XI, Sections 2 and 3 of the BOX Rules. It also specifies that individual persons entering quotations or orders for a Participant registered as a BOX Market Maker must also comply with the registration requirements set forth in Chapter VI, Section 2 of the BOX Rules for Market Maker Authorized Traders.

<sup>10</sup> Under the proposal, each individual associated person subject to the registration requirements in proposed Chapter II, Section 8 will be required to electronically file a Uniform Application for Securities Industry Registration (“Form U4”) through Web CRD.

<sup>11</sup> An individual with an indirect ownership interest in a Participant that is engaged in the securities business of such Participant is required to register under proposed Chapter II, Section 8.

<sup>12</sup> This requirement is consistent with FINRA’s registration requirement for “Principals” (as defined in NASD Rule 1021). BOX is declining to adopt the term “Principal” in the proposed rule change to avoid confusion with existing terms, such as “Option Principal.”

<sup>13</sup> For purposes of this requirement, a Participant is considered to conduct only proprietary trading if it has the following characteristics: (i) The Participant is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act; (ii) all funds used or proposed to be used by the Participant are the Participant’s own capital, traded through the Participant’s own accounts; (iii) the Participant does not, and will not, have customers; and (iv) all persons registered on behalf of the Participant acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Participant.

<sup>14</sup> See proposed Chapter VI, Section 2.

<sup>15</sup> See Securities Exchange Act Rel. No. 64699, (June 17, 2011), 76 FR 36945 (June 23, 2011), (SR-CBOE-2011-056) Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Adopt the Selection Specifications and Content Outline for the Proprietary Traders Examination Program (Series 56). The Series 56 examination recognized by the Exchange for the category of Proprietary Trader became available on Web CRD on June 20, 2011.

<sup>16</sup> The Exchange, with other SROs, has developed the Series 56 examination that would be applicable to proprietary traders required to register under the proposed rule. The Exchange will submit a non-controversial rule change to the Commission that, when effective, will allow the Exchange to Adopt the Selection Specifications and Content Outline for the Series 56 Examination Program [sic].

U.S. Securities and Exchange Commission.<sup>17</sup>

This proposal does not require proprietary traders or MMATs who have already registered and have passed the Series 7 examination to register under the new proprietary trader category or to pass the Series 56 because the Exchange believes this would be redundant. Persons whom are registered with the Exchange and have passed the Series 7 may, of course, perform the functions of a proprietary trader or MMAT, because these new registration categories are limited registration categories. This proposal does not preclude associated persons from passing the Series 7 examination, registering with the Exchange, and then functioning as a proprietary trader or MMAT.

BOX expects that new BOX Options Participants might consider these new registration alternatives when applying to be a Participant. Accordingly, BOX believes that the [sic] these alternatives should be helpful to attracting new Participants, while at the same time preserving the important goals of appropriate registration and qualification for persons in the securities business. Additionally, proprietary trading or market making firms who hire new associated persons might choose to register those persons using the Series 56 exam. Unlike the associated persons of proprietary trading and market making firms covered by this proposal, associated persons of firms that conduct business with public customers continue to be subject to registration with the Exchange and have to pass the Series 7 examination. These individual associated persons are not eligible for the new registration category and examination.

The Exchange is proposing to identify in Chapter II, Section 8 several categories of persons that are exempt from these additional registration requirements. The categories of individual associated persons that are exempt from the registration requirements include: (i) Individual associated persons functioning solely and exclusively in a clerical or ministerial capacity; (ii) individual associated persons that are not actively engaged in the securities business; (iii) individual associated persons functioning solely and exclusively to meet a need for nominal corporate officers or for capital participation; and (iv) individual associated persons whose functions are solely and

exclusively related to transactions in commodities, transactions in security futures and/or effecting transactions on the floor of another national securities exchange and who are registered as floor members with such exchange. The Exchange believes these registration exemptions are appropriate because it would not consider individuals that fall into the exemptions to be actively engaged in securities business unless they are registered as floor members on another national securities exchange, in which case, they are already registered as floor members and not required to register with the Exchange. The Exchange believes incorporating these exemptions into the rule provides additional clarity to individual associated persons as to who will or will not be required to register with the Exchange under the proposed rule. Any applicable FINRA registration requirements would continue to apply to Participants that are also members of FINRA.

Additionally, under the proposal, the Exchange may, in exceptional cases and where good cause is shown, waive the qualification examination requirement. Similar rules are in place at the New York Stock Exchange, Inc. ("NYSE") and FINRA.<sup>18</sup> In determining whether a waiver shall be granted, the Exchange shall consider, among other things, previous industry employment, training and/or the successful completion of similar qualification examinations of other self-regulatory organizations.

The Exchange also is proposing to require the designation of a Financial/Operations Principal by each Participant that is subject to Exchange Act Rule 15c3-1, and the designation of a CCO by each Participant. Under the proposed rule, the Financial/Operations Principal and CCO are required to register and pass the appropriate qualification examination.<sup>19</sup> The Financial/Operations Principal and CCO play important roles within a Participant's business by acting as the persons responsible for the firm's compliance with applicable net capital, recordkeeping, and other financial and operational rules and regulations. The registration requirements for a Financial/Operations Principal and for a CCO are consistent with CBOE Rule

3.6A<sup>20</sup> (which in turn are consistent with FINRA Rule 3130 and NASD Rule 1022). The proposal includes a limited exemption from the requirement to pass the appropriate qualification examination by a CCO. Specifically, a person that has been designated as a CCO on Schedule A of Form BD for at least two years immediately prior to January 1, 2002, and who has not been subject within the last ten years to any statutory disqualification as defined in Section 3(a)(39) of the Act; a suspension; or the imposition of a \$5,000 or more fine for a violation(s) of any provision of any securities law or regulation, or any agreement with, rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such self-regulatory organization in connection with a disciplinary proceeding, shall be required to register in the category of registration appropriate to the function to be performed as prescribed by the Exchange, but shall be exempt from the requirement to pass the heightened qualification examination as prescribed by the Exchange. The Exchange believes that implementing this proposed change will help meet the important goals of appropriate registration and qualification for all persons engaged in the securities business.

All individuals who engage in supervisory functions of the Participant's securities business shall be required to register and pass the appropriate heightened qualification examination(s) relevant to their particular category of registration. Each BOX Participant must have at least two such persons. The Exchange is proposing to require registration and successful completion of a heightened qualification examination by at least two individuals [sic] for any person who is an (i) officer; (ii) partner; (iii) director; (iv) supervisor of proprietary trading, market-making or brokerage activities; and/or (v) supervisor of those engaged in proprietary trading, market-making or brokerage activities with respect to those activities.<sup>21</sup> The Exchange believes it is appropriate that any

<sup>20</sup> The duties of a Financial/Operations Principal include taking appropriate actions to assure that the Participant complies with applicable financial and operational requirements under SRO rules and the Exchange Act. The Exchange notes that it is not the Designated Examining Authority for any BOX Participant, but for consistency with other SRO rules, is proposing to include the designation of a Financial/Operations Principals in the BOX Rules.

<sup>21</sup> With the exception of its application to sole proprietors, this requirement is consistent with the registration requirement set forth in NASD Rule 1021 addressing registration of two Principals (as defined in NASD Rule 1021).

<sup>17</sup> Web CRD has been enhanced by FINRA to allow for general registration of applicable associated persons.

<sup>18</sup> See NASD Rule 1070 (Qualification Examinations and Waiver of Requirements) and NYSE Rule 345 (Employees—Registration, Approval, Records).

<sup>19</sup> The appropriate qualification examination for a Financial/Operations Principal is the Series 27 exam. The appropriate qualification examination for a CCO is the Series 14 exam. These categories of registration and the accompanying qualification examinations are available to the Exchange through Web CRD.

person acting in a supervisory capacity be required to comply with heightened requirements regarding their qualification and registration.

The Exchange may waive the requirement to have two officers, partners, directors, and/or supervisors registered if a Participant conclusively demonstrates that only one such person should be required to register. For example, a Participant could conclusively demonstrate that only one individual is required to register if such Participant is owned by one individual (such as a single member limited liability company), such individual acts as the only trader on behalf of the Participant, and the Participant employs only one other individual who functions only in a clerical capacity. The ability to waive this registration requirement is consistent with similar FINRA rules regarding principal registration.<sup>22</sup>

The Exchange notes that Participants that are sole proprietors may also be granted a waiver from the requirement that two officers, partners, directors, and/or supervisors be registered. Further, the Exchange is also proposing to allow a Participant that conducts only proprietary trading and has 25 or fewer registered persons to have only one officer or partner registered under this section rather than two. This exception is similar to that of several other exchanges and reflects that such Participants do not necessitate the same level of supervisory structure as those Participants that have customers or are larger in size. For purposes of this requirement, a Participant is considered to conduct only proprietary trading if it has the following characteristics: (i) The Participant is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member but is a member of another registered securities exchange not registered solely under Section 6(g) of the Exchange Act; (ii) all funds used or proposed to be used by the Participant are the Participant's own capital, traded through the Participant's own accounts; (iii) the Participant does not, and will not, have customers; and (iv) all persons registered on behalf of the Participant acting or to be acting in the capacity of a trader must be owners of, employees of, or contractors to the Participant. The description of what constitutes proprietary trading for purposes of this requirement is appropriate in that it provides additional clarity for associated persons to evaluate whether two individuals are required to register. The Exchange believes these potential waivers are appropriate to allow proprietary trading

firms and sole proprietor firms to comply with the regulatory supervisory requirements in a reasonable manner.

Proposed Chapter II, Section 8 also sets forth the requirements for examinations where there is a lapse in registration. Specifically, an individual associated person shall be required to pass the appropriate qualification examination for the category of registration if the individual associated person's registration has been revoked by the Exchange as a disciplinary sanction or whose most recent registration has been terminated for a period of two or more years. The Exchange believes that implementing this proposed change will help meet the important goals of appropriate registration and qualification for all persons engaged in the securities business.

Additionally, the Exchange proposes to update Chapter XI, Section 5 of the BOX Rules regarding continuing education requirements so that it is consistent with other SRO rules.<sup>23</sup> Specifically, the Exchange proposes to add a provision detailing the procedures required for in-house delivery of the regulatory element. The required procedures address responsibility for the education program, site requirements, technology requirements, supervision requirements, and administration of the program. Participants are required to file with their Designated Examining Authority, [sic] a letter of attestation signed by a senior officer or partner, attesting to the establishment of the required procedures, and must annually represent that they have continued to maintain all required procedures for the previous year. While BOX does not have a floor, for consistency with other SRO rules, the Exchange also proposes to delete language that excludes those people whose activities are limited solely to the transaction of business on a floor from the definition of "registered person" for purposes of Chapter XI, Section 5 of the BOX Rules.<sup>24</sup> The Exchange believes that implementing this proposed change will help meet the important goals of appropriate qualification and continuing education for all persons engaged in the securities business.

Finally, this filing proposes to make non-substantive changes to Chapter XI, Section 2 (Registration of Options Principals), Section 3 (Registration of Representatives) and Section 4 (Termination of Registered Persons) of the BOX Rules to define and reference

certain terms consistently within these rules and with proposed Chapter II, Section 8. Specifically, these rules currently contain inconsistent references to the use of the Central Registration Depository, and the registration and termination forms required to be filed under the rules. Additionally, these rules contain reference [sic] to the National Association of Securities Dealers which is now known as the Financial Industry Regulatory Authority or "FINRA."

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>25</sup> in general, and Section 6(b)(5) of the Act,<sup>26</sup> in particular, in that it is designed 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 for a free and open market and a national market system and, in general, to protect investors and the public interest. Specifically, the enhanced registration and qualification requirements will provide additional protection to investors and further promote the public interest. Additionally, the proposed rule change is intended to provide uniformity across the various SROs with respect to the registration and qualification requirements for individual persons. The Exchange believes that implementing this proposed rule change will help meet the important goals of subjecting all persons engage in the securities business to appropriate registration requirements, qualification requirements through the examination process, and continuing education requirements, including those persons associated with proprietary trading firms and BOX market makers.

In addition, the Exchange believes that the proposed rule change is consistent with Section 6(c) of the Exchange Act,<sup>27</sup> in general, and furthers the objectives of Section 6(c)(3)(B) of the Act,<sup>28</sup> which provides, among other things, that a national securities exchange may bar a natural person from becoming associated with a member if such natural person does not meet the standards of training, experience and competence as prescribed by the rules of the national securities exchange. The Exchange also believes that the

<sup>25</sup> 15 U.S.C. 78f(b).

<sup>26</sup> 15 U.S.C. 78f(b)(5).

<sup>27</sup> 15 U.S.C. 78f(c).

<sup>28</sup> 15 U.S.C. 78f(c)(3)(B).

<sup>22</sup> See NASD Rule 1021(e).

<sup>23</sup> E.g., CBOE Rule 9.3A and ISE Rule 604.

<sup>24</sup> See CBOE Rule 9.3A and ISE Rule 604.

proposed rule change furthers the objectives of Section 6(c)(3)(C) of the Exchange Act,<sup>29</sup> which provides, among other things, that a national securities exchange may bar any person from becoming associated with a member if such person does not agree to supply the exchange with such information with respect to its dealings with the member as may be specified by the rules of the exchange and to permit the examination of its books and records to verify the accuracy of any information so supplied. The Exchange believes the Series 56 examination program establishes the appropriate qualifications for an individual associated person that is required to register as a Proprietary Trader under proposed Chapter II, Section 8 of the BOX Rules, including, but not limited to, Market-Makers, proprietary traders and individuals effecting transactions on behalf of other broker-dealers. The Exchange also believes the Series 56 addresses industry topics that establish the foundation for the regulatory and procedural knowledge necessary for individuals required to register as Market Maker Authorized Trader [sic] under proposed Chapter VI, Section 2 of the BOX Rules.

#### *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*

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

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be 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-BX-2012-020 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-BX-2012-020. 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 on business days between the hours of 10 a.m. and 3 p.m. in the Commission's Public Reference Room located at 100 F Street NE., Washington, DC 20549. 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-BX-2012-020 and should be submitted on or before May 1, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>30</sup>

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

[FR Doc. 2012-8521 Filed 4-9-12; 8:45 am]

BILLING CODE 8011-01-P

### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66741; No. SR-NASDAQ-2012-040]

### **Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify NASDAQ's Transaction Execution Fee and Credit Schedule**

April 5, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 23, 2012, The NASDAQ Stock Market LLC ("NASDAQ" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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**

NASDAQ proposes to modify the Exchange's transaction execution fee and credit schedule in Rule 7018. NASDAQ will implement the proposed change on April 2, 2012. The text of the proposed rule change is available at [nasdaq.cchwallstreet.com](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 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 those 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,

<sup>30</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>29</sup> 15 U.S.C. 78f(c)(3)(C).