

should refer to File Number SR–CME–2012–11 and should be submitted on or before May 11, 2012.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

Section 19(b) of the Act⁴ directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such organization. The Commission finds that the proposed rule change is consistent with the requirements of the Act, in particular with the requirements of Section 17A of the Act,⁵ and the rules and regulations thereunder applicable to CME. Specifically, the Commission finds that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act, which requires, among other things, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the possession or control of the clearing agency or for which it is responsible and to protect investors and the public interest because it should allow CME to enhance its margin evaluation and collection related to clearing FX products.⁶

In its filing CME requested that the Commission approve this proposed rule change prior to the thirtieth day after the date of publication of the notice of the filing. CME has articulated three reasons for so granting approval. One, the products covered by this filing and CME's operations as a derivatives clearing organization for such products are regulated by the CFTC under the CEA. Two, the proposed rule change relates solely to FX products and therefore relate solely to CME's swaps clearing activities and do not significantly relate to CME's functions as a clearing agency for security-based swaps. Three, not approving this request on an accelerated basis will have a significant impact on the swap clearing business of CME as a designated clearing organization.

The Commission finds good cause for granting approval of the proposed rule change prior to the thirtieth day after publication of the notice of its filing because: (i) The proposed rule change does not significantly affect any securities clearing operations of the clearing agency (whether in existence or

contemplated by its rules) or any related rights or obligations of the clearing agency or persons using such service; (ii) the clearing agency has indicated that not providing accelerated approval would have a significant impact on its FX clearing business as a designated clearing organization; and (iii) the activity relating to the non-security clearing operations of the clearing agency for which the clearing agency is seeking approval is subject to regulation by another federal regulator.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR–CME–2012–11) is approved on an accelerated basis.

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

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–66819; File No. SR–FINRA–2011–058]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Amendment No. 1 to Proposed Rule Change To Amend FINRA Rule 6433 (Minimum Quotation Size Requirements for OTC Equity Securities)

April 17, 2012.

I. Introduction

On October 6, 2011, Financial Industry Regulatory Authority, Inc. (“FINRA”) filed with the Securities and Exchange Commission (“SEC” or “Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b–4 thereunder,² a proposed rule change to amend FINRA Rule 6433 (Minimum Quotation Size Requirements for OTC Equity Securities). The proposed rule change was published for comment in the **Federal Register** on October 20, 2011.³ The Commission received seven comment letters on the proposed rule change—two from individual investors, three from an inter-dealer quotation

system and two from a member firm.⁴ FINRA responded to comments on December 23, 2011.⁵ The Commission published an order instituting proceedings pursuant to Section 19(b)(2)(B) of the Act,⁶ to determine whether to approve or disapprove the proposed rule change, in the **Federal Register** on January 24, 2012.⁷ The comment period closed on February 14, 2012, and FINRA's rebuttal period closed on February 28, 2012. The Commission received one comment letter in response to the Proceedings Order.⁸ On April 17, 2012, FINRA filed Amendment No. 1 to the proposed rule change. The text of Amendment No. 1 is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

As stated in the Original Proposal, FINRA is amending FINRA Rule 6433 (Minimum Quotation Size Requirements for OTC Equity Securities) (the “Rule”) to, among other things, (1) Simplify the tier structure, (2) parallel the approach taken by the national securities exchanges for securities priced at or above \$1.00, (3) expand the scope of the Rule to apply to all quotations or orders displayed on an inter-dealer quotation system, (4) incorporate the requirements of FINRA Rule 6434 (Minimum Pricing Increments for OTC Equity Securities)⁹

⁴ Letters to Elizabeth M. Murphy, Secretary, Commission, from Suzanne H. Shatto, Seattle, Washington, dated October 20, 2011; Naphtali M. Hamlet, Seattle, Washington, dated October 21, 2011; Daniel Zinn, General Counsel, OTC Markets Group, Inc., dated November 10, 2011; Michael T. Corrao, Managing Director, Knight Capital Group, Inc., dated November 16, 2011 (“Knight #1”); R. Cromwell Coulson, President and CEO, OTC Markets, dated November 18, 2011; Daniel Zinn, General Counsel, OTC Markets Group, Inc., dated December 29, 2011; Michael T. Corrao, Managing Director, Knight Capital Group, Inc., dated January 13, 2012 (“Knight #2”).

Comment letters are available at www.sec.gov.

⁵ On December 23, 2011, FINRA responded to comment letters received by the SEC as of that date. See letter to Elizabeth M. Murphy, Secretary, Commission, from Stephanie M. Dumont, Senior Vice President and Director of Capital Markets Policy, FINRA (“FINRA Response Letter”).

⁶ 15 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 66168 (January 17, 2012), 77 FR 3515 (January 24, 2012) (Order Instituting Proceedings to Determine Whether to Disapprove File No. SR–FINRA–2011–058) (“Proceedings Order”).

⁸ See letter to Elizabeth M. Murphy, Secretary, Commission, from Daniel Zinn, General Counsel, OTC Markets Group Inc., dated February 14, 2012.

⁹ See Securities Exchange Act Release No. 62359 (June 22, 2010), 75 FR 37488 (June 29, 2010) (File No. SR–FINRA–2009–054; “Order Approving NMS-Principled Rules for OTC Equity Securities”). FINRA Rule 6434 became effective on February 11,

⁴ 15 U.S.C. 78s(b).

⁵ 15 U.S.C. 78q–1. In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78q–1(b)(3)(F).

⁷ 17 CFR 200.30–3(a)(12).

⁸ 15 U.S.C. 78s(b)(1).

⁹ 17 CFR 240.19b–4.

³ See Securities Exchange Act Release No. 65568 (October 14, 2011), 76 FR 65307 (October 20, 2011) (Notice of Filing of File No. SR–FINRA–2011–058) (“Original Proposal”).

and, importantly, (5) facilitate the display of customer limit orders under FINRA Rule 6460 (Display of Customer Limit Orders) (the “limit order display rule”).¹⁰

In this Amendment No. 1, FINRA is modifying the Original Proposal in response to comment letters as well as further discussions with members, particularly with regard to the lower minimum dollar amount of displayed liquidity required under the proposed tiers.¹¹ For example, commenters expressed concern that the Original

Proposal would remove meaningful minimum dollar value level requirements for displayed liquidity by market makers and suggested that any changes be implemented as a pilot.¹² FINRA believes that these proposed modifications, which increase several minimum tier sizes as compared to the Original Proposal, would address commenters’ concerns by increasing the minimum dollar commitment to the market overall, while nonetheless facilitating investor protection by

providing for increased display of customer limit orders than is currently provided under the limit order display rule. As noted in the FINRA Response Letter, through the extension of limit order display for OTC equity securities, investors may now benefit from enhanced transparency of limit orders, improved prices and increased execution opportunities.¹³

The minimum quotation sizes and liquidity ranges of the Original Proposal and the revised proposals are as follows:

ORIGINAL PROPOSAL

Tier size range	Min. shares	Minimum liquidity range
\$0.0001	\$0.0199 10,000	\$1.00
\$0.02	0.2599 1,000	\$20.00
\$0.26	0.5099 500	\$130.00
\$0.51	0.9999 200	\$102.00
\$1.00	174.99 100	\$100.00
\$175.00 1	\$175.00

REVISED PROPOSAL

Tier size range	Min. shares	Minimum liquidity range
\$0.0001	\$0.0999 10,000	\$1.00
\$0.10	0.1999 5,000	\$500.00
\$0.20	0.5099 2,500	\$500.00
\$0.51	0.9999 1,000	\$510.00
\$1.00	174.99 100	\$100.00
\$175.00 1	\$175.00

These revisions increase the minimum quotation sizes for price points between \$0.02 and \$1.00 (as compared to the Original Proposal). Specifically, the minimum quotation size required for securities priced between \$0.02 and \$0.0999 would be increased from 1,000 shares to 10,000 shares; between \$0.10 and \$0.1999 would be increased from 1,000 shares to 5,000 shares; between \$0.26 and \$0.5099 would be increased from 500 shares to 2,500 shares; and between \$0.51 and \$0.9999 from 200 shares to 1,000 shares. Therefore, under the revised tiers, for securities priced from \$0.10 up to \$1.00, the required minimum dollar value of displayed

liquidity would range from \$500.00 to \$1,274.75—dollar amounts FINRA believes represent both appropriate minimum dollar value of displayed liquidity for members and reasonable dollar values for customer orders to be eligible for display on an inter-dealer quotation system.

Thus, FINRA believes that these revised tier sizes and corresponding liquidity minimum amounts are in the best interest of the market for OTC Equity Securities and investors in that they facilitate the display of additional liquidity by market makers and of approximately 95% of all customer limit orders reviewed.¹⁴ In addition, FINRA expects that—as the SEC has found in

the context of its display rule—the improved display of customer limit orders resulting from the revised minimum quotation sizes will enhance the quality of published quotations for OTC Equity Securities and enhance competition and pricing efficiency in the market for OTC Equity Securities, which also should have a positive impact on capital formation.¹⁵

Further, FINRA believes that the resulting increased display of customer limit orders will improve the public availability of quotation information, increase quote competition, market efficiency, best execution and disintermediation.¹⁶

2011 and FINRA Rule 6460 became effective on May 9, 2011. See Regulatory Notice 10–42 (September 2010).

¹⁰ See Order Approving NMS-Principled Rules for OTC Equity Securities.

¹¹ See, e.g., Knight #1 and Knight #2.

¹² See, e.g., Knight #1 and Knight #2.

¹³ As previously stated by the SEC, customer limit order display is beneficial to the markets:

The financial markets as a whole should benefit from [limit order display] because the price discovery process will be enhanced, market transparency will be improved and price competition will be promoted. By their very nature, these benefits are broad-based and pervasive.

Securities Exchange Act Release No. 36310 (September 29, 1995), 60 FR 52792 (October 10, 1995).

¹⁴ FINRA analyzed a random sample of over 100 million customer limit orders in OTC Equity Securities that were reported to FINRA during a six-month period.

¹⁵ See Securities Exchange Act Release No. 37619A, 61 FR 48290 (September 12, 1996) (“SEC Display Rule Adopting Release”).

¹⁶ See also SEC Display Rule Adopting Release.

The revised tiers also would continue to yield the other benefits discussed in the Original Proposal, including simplifying the existing Rule by reducing the number of minimum quotation tiers from nine tiers to six tiers and requiring a round lot of one hundred shares for all securities priced at or above \$1.00.¹⁷

FINRA is proposing that the proposed rule change be implemented for all OTC Equity Securities displayed on an inter-dealer quotation system on a pilot basis for a period of one year from the effective date. The effective date of the minimum quotation size pilot will be 120 days from Commission approval. FINRA will provide the Commission with trading data, as necessary, to evaluate the impact of the pilot.

III. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended by Amendment No. 1, 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-FINRA-2011-058 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-FINRA-2011-058. 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 such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2011-058 and should be submitted on or before May 7, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66816; File No. SR-NYSEArca-2012-28]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change To List and Trade Shares of the JPM XF Physical Copper Trust Pursuant to NYSE Arca Equities Rule 8.201

April 16, 2012.

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the "Act")² and Rule 19b-4 thereunder,³ notice is hereby given that, on April 2, 2012, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "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 change from interested persons.

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

The Exchange proposes to list and trade shares of JPM XF Physical Copper Trust (the "Trust") pursuant to NYSE Arca Equities Rule 8.201. The text of the proposed rule change is available at the Exchange, the Commission's Public Reference Room, and www.nyse.com.

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, 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 list and trade JPM XF Physical Copper Shares ("Shares") of the Trust under NYSE Arca Equities Rule 8.201. Under NYSE Arca Equities Rule 8.201, the Exchange may propose to list and/or trade pursuant to unlisted trading privileges ("UTP") "Commodity-Based Trust Shares."⁴ The Commission has previously approved listing on the Exchange under NYSE Arca Equities Rule 8.201 of other issues of Commodity-Based Trust Shares. The Commission has approved listing on the Exchange of the streetTRACKS Gold Trust and iShares COMEX Gold Trust.⁵ The Commission also has approved listing of the iShares Silver Trust on the Exchange⁶ and, previously, listing of the iShares Silver Trust on the

⁴ Commodity-Based Trust Shares are securities issued by a trust that represent investors' discrete identifiable and undivided interest in and ownership of the net assets of the Trust.

⁵ See Securities Exchange Act Release No. 56224 (August 8, 2007), 72 FR 45850 (August 15, 2007) (SR-NYSEArca-2007-76) (approving listing on the Exchange of the streetTRACKS Gold Trust); Securities Exchange Act Release No. 56041 (July 11, 2007), 72 FR 39114 (July 17, 2007) (SR-NYSEArca-2007-43) (order approving listing on the Exchange of iShares COMEX Gold Trust).

⁶ See Securities Exchange Act Release Nos. 58956 (November 14, 2008), 73 FR 71074 (November 24, 2008) (SR-NYSEArca-2008-124) (approving listing on the Exchange of the iShares Silver Trust).

¹⁷ A round lot of 100 shares applies to most NASDAQ and NYSE listed securities. The Commission notes that those OTC Equity Securities priced at or above \$175 are proposed to have a minimum quotation size that would equal the round lot size applicable to those securities, which is one share.

¹⁸ 17 CFR 200.30-3(a)(57).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.