II. Description of the Proposal

The Exchange proposes to amend Commentary .04 to NYSE Amex Options Rule 903 to permit the Exchange to add additional strikes until the close of trading on the second business day prior to the expiration of a monthly, or standard, option in the event of unusual market conditions. NYSE Amex Options Rule 903 currently permits the Exchange to open additional series of individual stock options until the first calendar day of the month in which the option expires or until the fifth business day prior to expiration if unusual market conditions exist. The Exchange claims that, under its current rules, if unusual market conditions occur anytime from five to two days prior to expiration, then market participants are unable to obtain a contract tailored to manage their risk. According to the Exchange, options market participants generally prefer to focus their trading in strike prices that immediately surround the price of the underlying security. If, however, the price of the underlying stock moves significantly, the Exchange argues that there may be a market need for additional strike prices to adequately account for market participants’ risk management in a stock.

Accordingly, the Exchange proposes to permit the listing of additional strikes until the close of trading on the second business day prior to expiration of a monthly option in unusual market conditions. The Exchange represents that the proposed change does not raise any capacity concerns on the Exchange because the proposed change presents no material concerns on the Exchange because the proposal does not raise any capacity concerns on the Exchange because the implementation of the fifth business day restriction on listing additional strikes, improved communications and the adoption of the Streamline Options Series Adds by OCC allows notification of new strikes in real time throughout the industry.

III. Discussion and Commission Findings

After careful review of the proposed rule change, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. The Commission notes that the proposed change extends the timeframe during which the Exchange may list additional series of individual stock options in unusual market conditions. The Commission believes that the proposed change will provide the investing public and other market participants with additional opportunities to tailor their investment and hedging decisions, thus allowing investors to better manage their risk exposure with additional series.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR–NYSEMKT–2012–41) be, and it hereby is, approved.

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

Kevin M. O’Neill,
Deputy Secretary.
[FR Doc. 2012–30890 Filed 12–21–12; 8:45 am]
BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION


December 19, 2012.

I. Introduction

On October 23, 2012, the Municipal Securities Rulemaking Board (“MSRB”) filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b–4 thereunder, a proposed rule change consisting of amendments to Rule G–8 (books and records); Rule G–14 RTRS Procedures; Rule G–32 (disclosures in connection with primary offerings); Rule G–34 (CUSIP numbers, new issue, and market information requirements); and the Electronic Municipal Market Access ("EMMA") system facility, to streamline the manner in which underwriters, in connection with new issues of municipal securities, satisfy certain of their submission requirements under Rule G–32. The proposed rule change was published for comment in the Federal Register on November 8, 2012. The Commission received no comment letters regarding the proposed rule change. This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The MSRB proposes to amend Rules G–32 and G–34 to streamline certain

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

Kevin M. O’Neill, Deputy Secretary.
[FR Doc. 2012–30890 Filed 12–21–12; 8:45 am]
new issue submission requirements. Rules G–32 and G–34 set forth the reporting requirements for new issues of municipal securities. Rule G–32 requires underwriters to submit certain information about new issues of municipal securities to the MSRB on or prior to the date of first execution by completing electronic Form G–32 through EMMA’s Primary Market Disclosure Service. Information submitted pursuant to Rule G–32 becomes available to the public on the EMMA Web site immediately upon submission. Under Rule G–34, a date is generally more extensive than the information that underwriters must submit to EMMA under Rule G–32 and includes many, but not all of, the same items. For any primary offering of municipal securities that is a new issue eligible for submission of information to NIIDS under Rule G–34, the MSRB proposes to require that the underwriter submit all information required under Rule G–32(b)(i)(A) at such times and in such manner as required under Rule G–34(b)(i)(C). The submission of information per Rule G–34(b)(i)(C) in a full and timely manner shall be deemed to be in compliance with the submission requirement of Rule G–32(b)(i)(A). In addition, the revised Rule G–32(b)(i)(A)(1) would require that any items of information required to be included on Form G–32, but for which no corresponding data element is then available through NIIDS, be submitted to EMMA at the times and in the manner prescribed by Rule G–32(b)(vi) and set forth in the EMMA Dataport Manual.

For any primary offering of municipal securities that is a new issue eligible for submission of information to NIIDS under Rule G–34(b)(i)(C) or that is exempt from such submission requirement under Rule G–34(d), the underwriter will be required to initiate the submission of Form G–32 information on or prior to the date of first execution and complete the submission at such times and in such manner as required under Rule G–32(b)(vi) and set forth in the EMMA Dataport Manual.

Rule G–34(a)(ii)(C) currently exempts certain types of short-term instruments from the NIIDS submission requirement. The MSRB is amending Rule G–34(a)(ii)(C) to remove exceptions for notes maturing in less than nine months, variable rate instruments, and auction rate products. Accordingly, underwriters for these types of issues will now be required to announce the Time of Formal Award and the Time of First Execution and to use NIIDS to disseminate information about new issues. The MSRB is retaining the exception for commercial paper, and underwriters will continue to be able to use other means to announce relevant new issue information promptly in a manner reasonably designed to reach market participants that may trade the new issue. Rule G–34(a)(ii)(C) currently requires underwriters to designate a Time of First Execution that is no less than two hours after all information has been transmitted to NIIDS. Because the hours counted in determining the responsibilities of an underwriter include only the hours of 9:00 a.m. and 5:00 p.m. Eastern Time, in the event a dealer submits data to NIIDS to make an issue trade eligible between 3:00 p.m. and 5:00 p.m. on a trading day, the two-hour dissemination period carries through to the first hours of the following day. The MSRB proposes to amend Rule G–34(a)(ii)(C)(1)(b) to permit underwriters who submit information to NIIDS between 3:00 p.m. and 5:00 p.m. Eastern Time to designate a Time of First Execution as early as 9:00 a.m. Eastern Time on the next RTRS Business Day, regardless of whether two Business Hours have elapsed. In addition, Rule G–34(a)(ii)(C)(1)(b)(ii) would permit underwriters for new issues of variable rate instruments with a planned settlement cycle of one day or less to designate a Time of First Execution any time after all information required by Rule G–34(a)(ii)(C) has been transmitted to NIIDS.

The MSRB is also amending Rule G–8(a)(xiii) to require underwriters to keep records of all documents, notices, and information required to be submitted under Rule G–32(b), but only to the extent that the information is not included in the information that is submitted through NIIDS in satisfaction of the requirements of Rule G–32(b) and properly maintained pursuant to Rule G–8(a)(xxiii). The proposed rule change also includes certain technical changes to Rule G–14 RTRS Procedures, Rule G–32, and Rule G–34.
III. Discussion and Commission Findings

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.

The Commission has carefully considered the proposed rule change and finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the MSRB. In particular, the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act, which provides that the MSRB’s rules shall be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster fair competition, and to protect investors, to the greatest extent permitted by the rules, from any unfair or discriminatory practice in the markets subject to self-regulation. The Commission believes that the proposed rule change is designed to remove impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, to reduce impediments to and perfect the mechanism of a free and open market in municipal securities and municipal financial products, and, in general, to protect investors, municipal entities, obligated persons, and the public interest.