

further funding the Exchange regulatory program.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹¹ and paragraph (f) of Rule 19b-4¹² thereunder. At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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-C2-2012-046 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-C2-2012-046. 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 10:00 a.m. and 3:00 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-C2-2012-046 and should be submitted on or before January 30, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68574; File No. SR-Phlx-2012-130]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Order Approving Proposed Rule Change To Amend Performance Evaluations With Respect to Quote Submissions of Streaming Quote Traders and Remote Streaming Quote Traders

January 3, 2013.

I. Introduction

On October 31, 2012, NASDAQ OMX PHLX LLC ("Exchange" or "Phlx") filed with the Securities and Exchange Commission ("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 performance evaluations with respect to Streaming Quote Traders ("SQTs") and Remote Streaming Quote Traders ("RSQTs"). The proposed rule change was published for comment in the **Federal Register** on November 19, 2012.³ The

¹³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 68217 (November 13, 2012), 77 FR 69525.

Commission received no comments on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

The Exchange proposes to amend the performance evaluations with respect to SQTs and RSQTs. Exchange Rule 510 sets forth standards by which the Exchange periodically conducts an evaluation of SQTs and RSQTs to determine whether they have fulfilled performance standards relating to, among other things, quality of markets, efficient quote submission to the Exchange (including quotes submitted through a third party vendor), competition among market makers, observance of ethical standards, and administrative factors.

Specifically, the Exchange proposes to amend the evaluation standards with respect to quote submission. According to the Exchange, Phlx reviews the percentage of total quotes that represent the Phlx best bid or offer, quoting requirements pursuant to Exchange Rule 1014, the number of requests for a quote spread parameter and efficient quote submission. To evaluate efficient quote submission, the Exchange currently considers how an SQT or RSQT optimizes the submission of quotes through the Specialized Quote Feed⁴ by evaluating the number of individual quotes per quote block received by the Exchange.

Instead of evaluating the number of individual quotes per quote block, the Exchange proposes to utilize quote-to-trade and quote-to-contracts traded ratios to evaluate SQTs and RSQTs. According to the Exchange, the quote-to-trade and quote-to-contract traded data would provide statistical information on spreads and efficiency, which would allow the Exchange to obtain more precise information to evaluate performance.

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to national

⁴ Exchange Rule 1080.01(a) provides that "[a] specialist, [remote streaming quote trader] or [streaming quote trader] may establish an option pricing model via a specialized connection, which is known as a specialized quote feed ("SQF"). Specialists, [streaming quote traders] and [remote streaming quote traders] individually determine which model to select per option and may change models during the trading day. Each pricing model requires the specialist, [streaming quote traders] and [remote streaming quote traders] to input various parameters, such as interest rates, volatilities (delta, vega, theta, gamma, etc.) and dividends."

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f).

securities exchanges.⁵ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,⁶ which requires that the rules of an exchange be designed, among other things, to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Commission believes that the proposal should provide the Exchange with a better metric to evaluate the quote submission quality of SQTs and RSQTs. In particular, the Exchange represented that it could capture the following data in a report for each SQT and RSQT: executed contracts, trade count, total quotes, executed contract to quote ratio and trade count to quote ratio. The Commission believes that such additional information, which is not available today, should enable the Exchange to better judge the quality of quotes provided. The proposal would analyze the number of contracts executed, in addition to the number of quotes received by the Exchange. The Commission believes that the number of executed contracts to quote ratio should provide the Exchange with more useful information to judge actual liquidity supplied on the Exchange. The proposal would also analyze the number of trades to quotes. The Commission believes that this aspect of the proposal is reasonably designed to enable the Exchange to better evaluate smaller participants, who may execute lesser size, but who may still have a high trade-to-quote ratio if they are present at the national best bid or offer. Finally, the Exchange has represented that these standards which would be applied to all members and member organizations of the Exchange in a uniform matter that is equitable and not unfairly discriminatory.⁷

For the reasons stated above, the Commission believes that the proposal is consistent with the requirements of the Act and is designed to promote just and equitable principles of trade, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

⁶ 15 U.S.C. 78f(b)(5).

⁷ See email from Angela Dunn, Associate General Counsel, Phlx, to Steve Kuan, Special Counsel, Commission, dated January 3, 2013.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-Phlx-2012-130), be, and it hereby is, approved.

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

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013-00201 Filed 1-8-13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68578; File No. SR-BOX-2012-025]

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend the Fee Schedule for Trading on BOX

DATE: January 3, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 26, 2012, BOX Options Exchange LLC (the "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,³ and Rule 19b-4(f)(2) 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

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Fee Schedule for trading on BOX. In particular, the Exchange proposes to amend certain Exchange Fees for Professionals set forth in Section I of the Fee Schedule so that Professional accounts are assessed the same fees as Broker-Dealers. While changes to the Fee Schedule pursuant to this proposal will be effective upon filing, the changes will become

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

operative on January 2, 2013. 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://boxexchange.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 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 Exchange proposes to amend the Fee Schedule for trading on BOX. In particular, the Exchange proposes to amend certain Exchange Fees for Professionals set forth in Section I of the Fee Schedule so that Professional accounts are assessed the same fees as Broker-Dealers.

For Auction Transactions,⁵ the Exchange proposes to increase Professional fees for Improvement Orders in the PIP and Responses in the Solicitation and Facilitation mechanisms from \$0.15 to \$0.35, the same fee Broker-Dealers are currently charged. Note that Exchange Fees for Primary Improvement Orders, Facilitation Orders, and Solicitation Orders will continue to be based upon a Participant's monthly average daily volume ("ADV") in Auction Transactions as calculated at the end of each month as set forth in Section I.A. of the Fee Schedule. The Exchange notes that the proposed fees for Professionals are within the range of Professional fees presently assessed in the industry.⁶

⁵ Auction Transactions are those transactions executed through the Price Improvement Period ("PIP"), Solicitation, and Facilitation auction mechanisms.

⁶ Professional customers are charged \$0.33 per contract for Select Symbols on the International Securities Exchange ("ISE"), \$0.32 per contract for taking liquidity on NYSE Amex, and \$0.45 or more per contract on the NASDAQ Options Market ("NOM") for adding or removing liquidity in non-