

also will provide the last sale price of the Units as traded in the U.S. market.¹⁷ Furthermore, the Commission further believes that the proposal to list and trade the Units is reasonably designed to promote fair disclosure of information that may be necessary to price Units appropriately and to prevent trading when a reasonable degree of transparency cannot be assured. The Trust's Web site will post the daily NAV, a breakdown of the holdings of the Trust.¹⁸ The Commission notes that the Exchange will obtain a representation from the issuer of the Units that the NAV will be calculated on each business day and will be made available to all market participants at the same time.¹⁹ Moreover, investors may obtain gold pricing information from a variety of service providers and newspapers. For example, financial information service providers offer, on a 24-hour basis, gold pricing information based on the spot price of an ounce of gold from various financial information providers.²⁰ Real-time data for gold futures and options prices traded on the COMEX, an affiliate of the Chicago Mercantile Exchange, Inc., are also available by subscription.²¹

The Exchange will consider suspending trading in the Units pursuant to NYSE Arca Rule 8.201(e)(2) if, after the initial 12-month period following commencement of trading: (1) the value of gold is no longer calculated or available on at least a 15-second delayed basis from a source unaffiliated with the Sponsor, Trust, or Custodian, or the Exchange stops providing a hyperlink on its Web site to any such unaffiliated commodity value; or (2) if the IIV is no longer made available on at least a 15-second delayed basis.²² If

¹⁷ See *id.*

¹⁸ The Exchange will provide a link to the Trust on its Web site. See *id.*

¹⁹ See *id.* Under NYSE Arca Equities Rule 7.34(a)(5), if the Exchange becomes aware that the NAV is not being disseminated to all market participants at the same time, it must halt trading on the NYSE Marketplace until such time as the NAV is available to all market participants.

²⁰ See *id.*

²¹ The data is available by subscription from Reuters and Bloomberg. The New York Mercantile Exchange also provides delayed futures and options information on current and past trading session and market news free of charge on its Web site. EBS Market provides an electronic trading platform to institutions for the trading of spot gold, as well as a feed of live streaming prices to Reuters and Moneyline Telerate subscribers. See *id.*

²² See NYSE Arca Equities Rules 8.200(e)(2)(iv) and (v). More generally, NYSE Arca may halt trading in the Units on the Exchange because of market conditions or for reasons that, in the Exchange's view, make trading in the Units inadvisable, including: (1) The extent to which conditions in the underlying gold market have caused disruptions and/or lack of trading; (2)

the IIV is not being disseminated as required, the Exchange may halt trading during the day in which the disruption occurs; if the interruption persists past the day in which it occurred, the Exchange will halt trading no later than the beginning of the trading day following the interruption.²³ The Exchange will halt trading in the Units if the Manager, on behalf of the Trust, directs the Trust's Valuation Agent to suspend the calculation of the value of the net assets of the Trust and the NAV.²⁴

In support of this proposal, the Exchange has made representations, including that:

(1) The Exchange has appropriate rules to facilitate transactions in the Units during all trading sessions.²⁵

(2) The trading surveillance procedures administered by the Financial Industry Regulatory Authority on behalf of the Exchange are adequate to properly monitor Exchange trading of the Units in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws.²⁶

(3) Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders ("ETP Holders") in an Information Bulletin of the special characteristics and risks associated with trading the Units. Specifically, the Information Bulletin will discuss the following: (a) The procedures for purchases and redemptions of Units; (b) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its ETP Holders to learn the essential facts relating to every customer prior to trading the Units; (c) the requirement that ETP Holders deliver a prospectus to investors purchasing newly issued Units prior to or concurrently with the confirmation of a transaction; (d) the possibility that trading spreads and the resulting premium or discount on the Units may widen as a result of reduced liquidity of gold trading during the Core and Late Trading Sessions after the close of the major world gold markets; and (e) trading information.²⁷

whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present; or (3) in the event that the TSX halts trading in the Units. See *id.* at 39405. Additionally, trading in the Units will be subject to trading halts caused by extraordinary market volatility pursuant to NYSE Arca's "circuit breaker" rule. See NYSE Arca Equities Rule 7.12.

²³ See Notice, *supra* note 3, at 39405.

²⁴ See *id.*

²⁵ See *id.*

²⁶ See *id.*

²⁷ See *id.*

(4) A minimum of 100,000 Units will be outstanding at the commencement of trading on the Exchange.²⁸

This order is based on the Exchange's representations.

For the forgoing reasons, the Commission believes the Exchange's proposal to list and trade the Units is consistent with the Exchange Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act,²⁹ that the proposed rule change (SR-NYSEArca-2013-61) be, and it hereby is, approved.

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

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70189; File No. SR-BATS-2013-041]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate Rules Related to CYCLE Routing

August 14, 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 August 1, 2013, BATS Exchange, Inc. (the "Exchange" or "BATS") 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. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

²⁸ See *id.*

²⁹ 15 U.S.C. 78s(b)(2).

³⁰ 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).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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

The Exchange filed a proposal to eliminate Rules 11.13(a)(3)(A) and 21.9(a)(2)(A), which are the provisions that authorize the CYCLE Routing option, effective as of September 3, 2013.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com>, at the principal office of the Exchange, 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 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 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 is proposing to eliminate Rules 11.13(a)(3)(A) and 21.9(a)(2)(A), which are the provisions that authorize the CYCLE Routing option on the Exchange's equities platform ("BATS Equities") and options platform ("BATS Options"). Few participants currently utilize the CYCLE Routing Option, and the Exchange is planning to decommission the functionality as of September 3, 2013. Therefore, the Exchange proposes this rule change to delete the language that authorizes this capability from its rules and hold the rule number in reserve.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁵ Specifically, the proposal is consistent with Section 6(b)(5) of the Act,⁶ which requires exchange rules to promote just

and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. The Exchange believes the proposed rule changes fulfill these requirements because they eliminate language authorizing a functionality that the Exchange plans to decommission as of September 3, 2013. By removing reference to this soon-to-be retired functionality, the Exchange will avoid investor confusion.

B. Self-Regulatory Organization's Statement on Burden on Competition

BATS believes the proposal is consistent with Section 6(b)(8) of the Act⁷ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change will eliminate Rules authorizing a functionality that will be decommissioned by the Exchange as of September 3, 2013. Thus, reference to this functionality will no longer serve a legitimate purpose. Accordingly, the Exchange does not believe that the proposed rule change will have any effect on competition.

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 written comments on the proposed rule change.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest, does not impose any significant burden on competition, and, by its terms, does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

At any time within 60 days of the filing of such 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-BATS-2013-041 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.

All submissions should refer to File Number SR-BATS-2013-041. 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 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-BATS-2013-041 and should be submitted on or before September 10, 2013.

⁷ 15 U.S.C. 78f(b)(8).

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70200; File No. SR-Topaz-2013-01]

Self-Regulatory Organizations; Topaz Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish the Schedule of Fees

August 14, 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 August 5, 2013, the Topaz Exchange, LLC (the "Exchange" or "Topaz") 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 change from interested persons.

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

Topaz is proposing to establish a Schedule of Fees by adopting fees and rebates for all Regular Orders in standard options and Mini Options traded on Topaz. The proposed fees and rebates will apply to transactions that take and make liquidity in symbols traded on the Exchange. The text of the proposed rule change is available on the Exchange's Web site, at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and the 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule filing is to establish a Schedule of Fees by adopting fees and rebates for Regular Orders³ that make or take liquidity in standard options and Mini Options traded on Topaz.⁴

Fees and Rebates

The Exchange proposes to assess per contract transaction fees in all option classes traded on the Exchange to market participants that take liquidity from the Exchange's orderbook and provide rebates to those participants that make liquidity. The fees depend on the category of market participant submitting orders to the Exchange.

The proposed Schedule of Fees identifies the following categories of market participants: (i) Market Maker;⁵ (ii) Non-Topaz Market Maker;⁶ (iv) [sic]⁷ Firm Proprietary⁸/Broker-Dealer;⁹ (v) Professional Customer;¹⁰

³ A Regular Order is an order that consists of only a single option series and is not submitted with a stock leg.

⁴ The fees proposed herein are similar to the maker/taker fees currently assessed by NASDAQ Options Market ("NOM"). NOM currently charges a fee for adding liquidity to the following class of market participants on that exchange: (i) Firm, (ii) Broker-Dealer, and (iii) Non-NOM Market Maker. NOM also charges a fee for removing liquidity to the following class of market participants: (i) Customer, (ii) Professional, (iii) Firm, (iv) Non-NOM Market Maker, (v) NOM Market Maker and (vi) Broker-Dealer. NOM also provides a rebate for adding liquidity to the following class of market participants: (i) Customer, (ii) Professional, and (iii) NOM Market Maker. See NOM Price List, Chapter XV, Options Pricing, at <http://www.nasdaqtrader.com/Micro.aspx?id=optionsPricing>.

⁵ The term Market Makers refers to "Competitive Market Makers" and "Primary Market Makers" collectively. Market Maker orders sent to the Exchange by an Electronic Access Member are assessed fees at the same level as Market Maker orders. See footnote 2, Schedule of Fees, Section I and II.

⁶ A Non-Topaz Market Maker, or Far Away Market Maker ("FARMM"), is a market maker as defined in Section 3(a)(38) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), registered in the same options class on another options exchange.

⁷ The Commission notes that three ordered lists in the Exchange's filing appear to have been misnumbered.

⁸ A Firm Proprietary order is an order submitted by a member for its own proprietary account.

⁹ A Broker-Dealer order is an order submitted by a member for a non-member broker-dealer account.

¹⁰ A Professional Customer is a person who is not a broker/dealer and is not a Priority Customer.

and (vi) Priority Customer.¹¹ The fees to be assessed for Regular Orders that take liquidity in standard options that are in the Penny Pilot¹² (including SPY) are: (i) \$0.48 per contract for Market Maker, Non-Topaz Market Maker, Firm Proprietary/Broker-Dealer and Professional Customer orders; and (ii) \$0.45 per contract for Priority Customer orders. The transaction charges to be assessed for Regular Orders that take liquidity in Mini Options that are in the Penny Pilot (including SPY) are: (i) \$0.048 per contract for Market Maker, Non-Topaz Market Maker, Firm Proprietary/Broker-Dealer and Professional Customer orders; and (ii) \$0.045 per contract for Priority Customer orders.

The transaction charges to be assessed for Regular Orders that take liquidity in standard options that are not in the Penny Pilot are: (i) \$0.84 per contract for Market Maker orders; (ii) \$0.87 per contract for Non-Topaz Market Maker, Firm Proprietary/Broker-Dealer and Professional Customer orders; and (ii) [sic] \$0.82 per contract for Priority Customer orders. The transaction charges to be assessed for Regular Orders that take liquidity in Mini Options that are not in the Penny Pilot are: (i) \$0.084 per contract for Market Maker orders; (ii) \$0.087 per contract for Non-Topaz Market Maker, Firm Proprietary/Broker-Dealer and Professional Customer orders; and (ii) [sic] \$0.082 per contract for Priority Customer orders.

In order to provide an incentive for market participants to provide liquidity in option classes traded on the Exchange, Topaz proposes to adopt per contract rebates. The per contract rebate for Regular Orders that make liquidity in standard options that are in the Penny Pilot are: (i) \$0.37 per contract (for SPY, this rebate is \$0.39 per contract) for Market Maker orders; (ii) \$0.25 per contract for Non-Topaz

¹¹ A Priority Customer is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s).

¹² Under the Penny Pilot program, the minimum price variation for all participating options classes, except for the Nasdaq-100 Index Tracking Stock ("QQQ"), the SPDR S&P 500 Exchange Traded Fund ("SPY") and the iShares Russell 2000 Index Fund ("IWM"), is \$0.01 for all quotations in options series that are quoted at less than \$3 per contract and \$0.05 for all quotations in options series that are quoted at \$3 per contract or greater. The proposed fees and rebates for Penny Pilot symbols (including SPY) apply to all classes in the Penny Pilot, *i.e.*, to series that are quoted at less than \$3 that have a minimum price variation of \$0.01 and to series that are quoted at \$3 or more that have a minimum price variation of \$0.05. QQQ, SPY and IWM are quoted in \$0.01 increments for all options series.

¹⁰ 17 CFR 200.30-3(a)(12).

¹¹ 15 U.S.C. 78s(b)(1).

¹² 17 CFR 240.19b-4.