

solicited or received. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁵ and Rule 19b-4(f)(4)(ii)¹⁶ thereunder because it effects a change in an existing service of a registered clearing agency that primarily affects the operations of the clearing agency with respect to products that are not securities, including futures that are not security futures, swaps that are not security-based swaps or mixed swaps, and forwards that are not security forwards, and does not significantly affect any securities clearing operations of the clearing agency or any rights or obligations of the clearing agency with respect to securities clearing or persons using such securities clearing service. 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-ICEEU-2013-12 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-ICEEU-2013-12. 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 filings also will be available for inspection and copying at the principal office of ICE Clear Europe and on ICE Clear Europe's Web site at <https://www.theice.com/notices/Notices.shtml?regulatoryFilings>.

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-ICEEU-2013-12 and should be submitted on or before October 15, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70440; File No. SR-BYX-2013-032]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Eliminate References to Obsolete Functionality

September 18, 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 September 12, 2013, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") 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.

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

The Exchange filed a proposal to eliminate reference to a Market Maker order functionality in Rule 11.8(e) that has now been retired by the Exchange.

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

Background

On August 29, 2012, the Commission approved BYX's proposed rule change to adopt a new Market Maker Peg Order functionality that was designed to replace the automated functionality (commonly referred to as the Market Maker Quoter) provided to Market Makers in Rule 11.8(e).⁵ The Exchange originally adopted Rule 11.8(e) as part of an effort to address issues uncovered by the aberrant trading that occurred on

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ Securities Exchange Act Release No. 67755 (Aug. 29, 2012), 77 FR 54630 (Sept. 5, 2012) (SR-BYX-2012-012).

¹⁵ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁶ 17 CFR 240.19b-4(f)(4)(ii).

¹⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

May 6, 2010.⁶ The Market Maker Quoter functionality was designed to help Market Makers meet the enhanced obligations imposed on them post May 6, 2010⁷ and avoid execution of Market Maker “stub quotes” in instances of aberrant trading.⁸ Although the Market Maker Quoter was successful in allowing Exchange Market Makers to meet their enhanced obligations and in avoiding the deleterious effect on the markets caused by “stub quote” executions, the functionality presented difficulties to Market Makers in meeting their obligations under Rule 15c3-5 under the Act (the “Market Access Rule”)⁹ and Regulation SHO.¹⁰

The Exchange introduced the Market Maker Peg Order to simplify Market Maker compliance with the requirements of the Market Access Rule and Regulation SHO. The Market Maker Peg Order allows Market Makers to control the origination of their orders, as required by the Market Access Rule, while also allowing Market Makers to make marking and locate determinations prior to order entry, as required by Regulation SHO. As such, Market Makers are fully able to comply with the requirements of the Market Access Rule and Regulation SHO, as they would when placing any order, while also meeting their Exchange market making obligations.

⁶ Securities Exchange Act Release No. 63342 (Nov. 18, 2010), 75 FR 71768 (Nov. 24, 2010) (SR-BYX-2010-001).

⁷ *Id.*

⁸ For each issue in which a market maker was registered, the Market Maker Quoter functionality optionally created a quotation for display to comply with market making obligations. Compliant displayed quotations were thereafter allowed to rest and were not adjusted unless the relationship between the quotation and its related national best bid or national best offer, as appropriate, either: (a) shrank to a specified number of percentage points away from the Designated Percentage towards the then current national best bid or national best offer, which number of percentage points was determined and published in a circular distributed to Members from time to time; or (b) expanded to within 0.5% of the applicable percentage necessary to trigger an individual stock trading pause, whereupon such bid or offer was cancelled and re-entered at the Designated Percentage away from the then current national best bid and national best offer, or if no national best bid or national best offer, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Quotations independently entered by market makers were allowed to move freely towards the national best bid or national best offer, as appropriate, for potential execution. In the event of an execution against a quote generated pursuant to the Market Maker Quoter functionality, the Market Maker's quote was refreshed on the executed side of the market at the applicable Designated Percentage away from the then national best bid (offer), or if no national best bid (offer), the last reported sale. See Rule 11.8(e).

⁹ 17 CFR 240.15c3-5.

¹⁰ 17 CFR 242.200-242.204.

Retirement of the Market Maker Quoter

At the time of Market Maker Peg Order rule filing and in the subsequent filing to amend the Market Maker Peg Order, the Exchange noted its intention to continue offering the Market Maker Quoter functionality for a three-month period after the implementation of the Market Maker Peg Order to afford Market Makers the opportunity to gradually transition away from the previous functionality.¹¹ Accordingly, the Exchange did not believe it appropriate to eliminate the language authorizing the Market Maker Quoter functionality immediately upon the Market Maker Peg Order's effectiveness. However, as of June 24, 2013, the Exchange decommissioned the Market Maker Quoter functionality pursuant to its transition plan. Thus, the Exchange is now proposing to delete Rule 11.8(e), which authorizes the functionality, and hold the rule number in reserve.≤

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.¹² Specifically, the proposal is consistent with Section 6(b)(5) of the Act,¹³ 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 that the proposed rule change fulfills these requirements because it deletes reference to a functionality that is now retired, thereby eliminating any investor uncertainty related to the status of this functionality. As noted in the Exchange's Market Maker Peg Order filing, the transition period during which both the Market Maker Quoter functionality and the Market Maker Peg Order were operational was designed to minimize the potential market impact caused by the implementation of the new order type.¹⁴ The Exchange believes that deleting reference to the Market Maker Quoter functionality is now appropriate

¹¹ See Securities Exchange Act Release No. 67382 (July 10, 2012), 77 FR 41842, 41843 (July 16, 2012) (SR-BYX-2012-012); Securities Exchange Act Release No. 69309 (Apr. 4, 2013), 78 FR 21455 (Apr. 10, 2013) (SR-BYX-2013-011).

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ See Securities Exchange Act Release No. 67382 (July 10, 2012), 77 FR 41842 (July 16, 2012) (SR-BYX-2012-012).

and in furtherance of the public interest given the passage of time since the Market Maker Peg Order became effective and the Market Maker Quoter was decommissioned.¹⁵

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

BYX believes the proposal is consistent with Section 6(b)(8) of the Act¹⁶ 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 remove reference to a functionality that has already been retired. Moreover, given the fact that the Market Maker Quoter's replacement, the Market Maker Peg Order, has been effective and operational for many months, the Exchange does not believe removing reference to the retired functionality will have any impact on the current competitive environment.

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 proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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 Act¹⁷ and Rule 19b-4(f)(6) thereunder.¹⁸

The Exchange has requested that the Commission waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange states that waiver of the operative delay will allow the Exchange to quickly remove language in its rules that is not supported by any

¹⁵ See *id.*; see also Securities Exchange Act Release No. 69309 (Apr. 4, 2013), 78 FR 21455 (Apr. 10, 2013) (SR-BYX-2013-011).

¹⁶ 15 U.S.C. 78f(b)(8).

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

functionality on the Exchange. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest, as doing so will allow the Exchange's rule text to reflect the its existing functionality, thereby helping to avoid any potential investor confusion. For this reason, the Commission designates the proposed rule change to be operative upon filing.¹⁹

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-BYX-2013-032 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-BYX-2013-032. 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

¹⁹ For purposes only of waiving the operative delay for this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 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-BYX-2013-032, and should be submitted on or before October 15, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁰

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70442; File No. SR-FINRA-2013-023]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Approving Proposed Rule Change Relating to Amendments to the Code of Arbitration Procedure for Customer Disputes Concerning Panel Composition

September 18, 2013.

I. Introduction

On February 1, 2013, the Financial Industry Regulatory Authority, Inc. ("FINRA") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act")¹ and Rule 19b-4 thereunder,² a proposed rule change amending the Code of Arbitration Procedure for Customer Disputes ("Customer Code") to simplify arbitration panel selection in cases with three arbitrators. Under the proposed rule change, FINRA would no longer require a customer to elect one of the two existing panel-selection methods. Instead, parties in all customer cases with three arbitrators would use the same selection method. Specifically, FINRA would provide all parties with

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

lists of ten chair-qualified public arbitrators, ten public arbitrators, and ten non-public arbitrators. FINRA would permit the parties to strike four arbitrators on the chair-qualified public list and four arbitrators on the public list. However, any party could select an all-public arbitration panel by striking all of the arbitrators on the non-public list.

The proposed rule change was published for comment in the **Federal Register** on June 20, 2013.³ The Commission received fifteen comment letters on the proposed rule change,⁴ and, on August 7, 2013, received FINRA's response to the comments.⁵ The text of the proposed rule change is available on FINRA's Web site at <http://www.finra.org>, at the principal office of FINRA, on the Commission's Web site at <http://www.sec.gov>, and at the Commission's Public Reference Room.

This order approves the proposed rule change.

II. Description of the Proposed Rule Change

A. Current Panel Composition Methods at the Forum

Under the Customer Code, parties in arbitration participate in selecting the arbitrators who serve on their cases. Until January 31, 2011, the Customer

³ See Exchange Act Release No. 69762 (June 13, 2013), 78 FR 37267 (June 20, 2013), ("Notice").

⁴ See Letters from Philip M. Aidikoff, Partner, Aidikoff, Uhl and Bakhtiari, dated July 10, 2013 ("Aidikoff Letter"); Ryan K. Bakhtiari, Aidikoff, Uhl and Bakhtiari, dated July 10, 2013 ("Bakhtiari Letter"); David T. Bellaire, Esq., Executive Vice President and General Counsel, Financial Services Institute, dated July 11, 2013 ("FSI Letter"); Steve A. Buchwalter, Attorney, dated July 10, 2013 ("Buchwalter Letter"); Steven B. Caruso, Esquire, Maddox Hargett Caruso, P.C., dated June 18, 2013 ("Caruso Letter"); George Friedman, Esq., dated June 25, 2013 ("Friedman Letter"); Glenn S. Gitomer, McCausland Keen & Buckman, dated July 11, 2013 ("Gitomer Letter"); Jill I. Gross, Investor Rights Clinic, Pace University School of Law, dated July 11, 2013 ("Pace Law Letter"); Scott C. Ilgenfritz, President, Public Investors Arbitration Bar Association, dated July 11, 2013 ("PIABA Letter"); Christine Lazaro, Esq., Acting Director, and Pamela M. Albanese, Legal Intern, St. John's University School of Law Securities Arbitration Clinic, dated July 9, 2013 ("St. John's Law Letter"); Seth E. Lipner, Professor of Law, Zicklin School of Business and Deutsch & Lipner, dated July 2, 2013 ("Lipner Letter"); David P. Neuman, Stoltmann Law Offices, dated July 2, 2013 ("Neuman Letter"); Mark E. Sanders, Attorney, dated July 11, 2013 ("Sanders Letter"); Debra G. Speyer, Esq., Law Offices of Debra G. Speyer, dated July 10, 2013 ("Speyer Letter"); and Leonard Steiner, Attorney, dated July 10, 2013 ("Steiner Letter").

⁵ Letter from Margo A. Hassan, Assistant Chief Counsel, FINRA Dispute Resolution, to Elizabeth M. Murphy, Secretary, Commission, dated August 7, 2013 ("FINRA Letter").

Although the Speyer Letter was dated July 10, 2013, it was submitted on September 13, 2013. Since it supports the proposal, we have not asked FINRA for an additional response.