IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR–ICC–2013–07) be, and hereby is, approved.9

For the Commission by the Division of Trading and Markets, pursuant to delegated authority.10
Kevin M. O’Neill, Deputy Secretary.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving Proposed Rule Change To Decommission Its Trade Risk Pro Service

November 12, 2013.

I. Introduction


The proposed rule change was published for comment in the Federal Register on October 3, 2013.3 The Commission did not receive comments on the proposed rule change. This order approves the proposed rule change.

II. Description

The proposed rule change consists of amendments to the Rules and Procedures (“Rules”) of NSCC to decommission the DTCC Trade Risk Pro service (“Trade Risk Pro”), as more fully described below. Trade Risk Pro was designed to allow NSCC Members to monitor intraday trading activity of their organizations and/or their correspondent firms through review of post-trade data.4 While several firms participated in a pilot of Trade Risk Pro, no Members are currently enrolled in Trade Risk Pro and NSCC believes it is not currently cost-effective to maintain the service. As a result, NSCC is revising its Rules by deleting the current Rule 54 (Trade Risk Pro) and Procedure XVII (Trade Risk Pro). The effective date of the proposed rule change will be announced via an NSCC Important Notice.

III. Discussion

Section 19(b)(2)(C) of the Act 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 rules and regulations thereunder applicable to such organization. Section 17A(b)(3)(F) of the Act requires that rules of a clearing agency to be designed to, among other things, “promote the prompt and accurate clearance and settlement of securities transactions and . . . to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.”5 The Commission finds that NSCC’s proposed rule change is consistent with these requirements by discontinuing an underutilized service, which will enable NSCC to allocate its resources among other core clearing agency functions.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR–NSCC–2013–10) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.6

Kevin M. O’Neill, Deputy Secretary.

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Fees for the Customized Option Pricing Service

November 12, 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 October 29, 2013, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items II, and III below, which Items have been prepared by the Exchange. 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

Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) proposes to amend the fee schedule for the Customized Option Pricing Service (“COPS”) to add a fee for historical COPS data. The text of the proposed rule change is available on the Exchange’s Web site (http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx), at the Exchange’s Office of the Secretary, 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 is set forth in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing these statements to solicit comments on the proposed rule change from interested persons.


Note 1 to Table of Citations (Section 1, 19b–4).

Note 2 to Table of Citations (Section 1, 19b–4).

Note 3 to Table of Citations (Section 1, 19b–4).

Note 4 to Table of Citations (Section 1, 19b–4).

Note 5 to Table of Citations (Section 1, 19b–4).

Note 6 to Table of Citations (Section 1, 19b–4).

Note 7 to Table of Citations (Section 1, 19b–4).

Note 8 to Table of Citations (Section 1, 19b–4).

Note 9 to Table of Citations (Section 1, 19b–4).

Note 10 to Table of Citations (Section 1, 19b–4).

Note 11 to Table of Citations (Section 1, 19b–4).

Note 12 to Table of Citations (Section 1, 19b–4).

Note 13 to Table of Citations (Section 1, 19b–4).

Note 14 to Table of Citations (Section 1, 19b–4).

Note 15 to Table of Citations (Section 1, 19b–4).

Note 16 to Table of Citations (Section 1, 19b–4).

Note 17 to Table of Citations (Section 1, 19b–4).
The Exchange submitted proposed rule changes in 2012 to establish COPS and COPS fees. See Securities Exchange Act Release No. 67813 (September 26, 2012), 77 FR 60161 (October 2, 2012). The service was originally entitled “Customized Option Valuation Service” but is now referred to as the “Customized Option Pricing Service”.

3 The Exchange submitted proposed rule changes in 2012 to establish COPS and COPS fees. See Securities Exchange Act Release No. 67813 (September 10, 2012), 77 FR 56903 (September 14, 2012) and Securities Exchange Act Release No. 67928 (September 26, 2012), 77 FR 60161 (October 2, 2012). The service was originally entitled “Customized Option Valuation Service” but is now referred to as the “Customized Option Pricing Service”.

4 An end of day file refers to data that is distributed prior to the opening of the next trading day.

5 FLEX options are exchange traded options that provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.

6 “Indicative” values are indications of potential market prices only and as such are neither firm nor the basis for a transaction.

7 Current FLEX options open interest spans over 2,000 series on over 300 different underlying securities.

8 These values are theoretical in that they are indications of potential market prices for options that have not traded (i.e. do not yet exist). Market participants sometimes express option values in percentage terms rather than in dollar terms because they find it is easier to assess the change, or lack of change, in the marketplace from one day to the next when values are expressed in percentage terms.

9 The proposed fee is equitable because COPS is purely optional. Only those customers that deem the product to be of sufficient overall value and usefulness would purchase it. The exchange believes the proposed fee is reasonable because potential COPS customers have indicated to the Exchange that the proposed fee compares favorably to fees that competing market data vendors charge for similar data. A small number of market data vendors produce option value data that is similar to the Data.

10 Pursuant to a written agreement between MDX and a Subscriber, a Subscriber may not act as a vendor and distribute the Data.

11 An exchange’s ability to price its proprietary data products is constrained by (1) the existence of actual competition for the sale of such data, (2) the joint product nature of exchange platforms, and (3) the existence of alternatives to proprietary data. The Exchange believes competition for the sale of market data fees that the Exchange through MDX, has the ability and the incentive to charge. CBOE has a compelling need to attract order flow from market participants in order to maintain its share of trading volume. This compelling need to attract order flow imposes significant pressure on CBOE to act reasonably in setting its fees for market data, particularly given that the market participants that will pay such fees often will be the same.
market participants from whom CBOE must attract order flow. These market participants include broker-dealers that control the handling of a large volume of customer and proprietary order flow. Given the portability of order flow from one exchange to another, any exchange that sought to charge unreasonably high data fees would risk alienating many of the same customers on whose orders it depends for competitive survival. CBOE currently competes with eleven options exchanges (including CBOE’s affiliate, C2 Options Exchange) for order flow.17

In addition, in the case of products that are distributed through market data vendors, the market data vendors themselves provide additional price discipline for proprietary data products because they control the primary means of access to certain end users. These vendors impose price discipline based upon their business models. For example, vendors that assess a surcharge on data they sell are able to refuse to offer proprietary products that their end users do not or will not purchase in sufficient numbers. Internet portals, such as Google, impose price discipline by providing only data that they believe will enable them to attract “eyeballs” that contribute to their advertising revenue. Similarly, CBOEs will not offer COPS data unless this product will help them maintain current users or attract new ones. For example, a broker-dealer may choose to refuse only order flow to the Exchange, thereby improving their relationship with their end users. Competitive forces may constrain the ability to price the Data. The vendor or more alternatives instead of purchasing the exchange’s data. Other market data vendors can and have produced their own option valuation products, and thus are sources of potential competition for MDX. As noted above, SuperDerivatives, Markit, Prism, and Bloomberg are some of the market data vendors that offer market data products that compete with COPS. Also, OCC makes similar data available at no cost, thus constraining CBOE’s ability to price the Data. The vendor’s data products must be attractive to end users. In this environment, there is no economic justification for regulating maximum prices for the joint product in an industry in which suppliers face competitive constraints with regard to the joint offering.

The Existence of Alternatives. CBOE is constrained in pricing COPS data by the availability to market participants of alternatives to purchasing COPS data. CBOE must consider the extent to which market participants would choose one or more alternatives instead of purchasing the exchange’s data. Other market data vendors can and have produced their own option valuation products, and thus are sources of potential competition for COPS. As noted above, SuperDerivatives, Markit, Prism, and Bloomberg are some of the market data vendors that offer market data products that compete with COPS. Also, OCC makes similar data available at no cost, thus constraining CBOE’s ability to price the Data. The vendor’s data products must be attractive to end users. In this environment, there is no economic justification for regulating maximum prices for the joint product in an industry in which suppliers face competitive constraints with regard to the joint offering.

17 The Commission has previously made a finding that the options industry is subject to significant competitive forces. See, e.g., Securities Exchange Act Release No. 59949 (May 20, 2009), 74 FR 25593 (May 28, 2009) [SR–ISE—2009–97] (order approving ISE’s proposal to establish fees for a real-time depth of market data offering).
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 Act and paragraph (f) of Rule 19b–4. 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule change should be approved or disapproved.

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-CBOE–2013–104. 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 a subject line if email is used. To help the Commission process and review your comments more efficiently, please use a subject line if email is used. To help the Commission process and review your comments more efficiently, please use a subject line if email is used.

Paper Comments
- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 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–CBOE–2013–104 and should be submitted on or before December 9, 2013.

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

Kevin M. O’Neill, Deputy Secretary.

[FR Doc. 2013–27471 Filed 11–15–13; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF STATE

60-Day Notice of Proposed Information Collection: Department of State Mentor Protégé Program Application

ACTION: Notice of request for public comment.

SUMMARY: The Department of State is seeking Office of Management and Budget (OMB) approval for the information collection described below. In accordance with the Paperwork Reduction Act of 1995, we are requesting comments on this collection from all interested individuals and organizations. The purpose of this notice is to allow 60 days for public comment preceding submission of the collection to OMB.

DATES: The Department will accept comments from the public up to January 17, 2014.

ADDRESSES: You may submit comments by any of the following methods:
- Web: Persons with access to the Internet may use the Federal Docket Management System (FDMS) to comment on this notice by going to www.Regulations.gov. You can search for the document by entering “Public Notice ####” in the Search bar. If necessary, use the Narrow by Agency filter option on the Results page.
  - Email: burleynb@state.gov.
  - Fax: 703–875–6825.

You must include the DS form number (if applicable), information collection title, and the OMB control number in any correspondence.

FOR FURTHER INFORMATION CONTACT: Direct requests for additional information regarding the collection listed in this notice, including requests for copies of the proposed collection instrument and supporting documents, to Nikki Burley, A/SDBU, SA–6, Room L–500, Washington DC 20522–0602 who may be reached on 703–875–6824 or at burleynb@state.gov.

SUPPLEMENTARY INFORMATION:
- Title of Information Collection: Department of State Mentor Protégé Program Application.
- OMB Control Number: 1405–0161.
- Type of Request: Revision of a Currently Approved Collection.
- Originating Office: Bureau of Administration, Office of Small and Disadvantaged Business Utilization—A/SDBU.
- Form Number: DS–4053.
- Respondents: Small and large businesses planning to team together in an official mentor-protégé capacity to enhance the capabilities of the protégé firms to perform as prime contractors and subcontractors on Department of State procurements.
- Estimated Number of Respondents: 15.
- Estimated Number of Responses: 15.
- Average Time per Response: 12 hours.
- Total Estimated Burden Time: 180 hours.
- Frequency: Annually.
- Obligation to Respond: Voluntary.

We are soliciting public comments to permit the Department to:
- Evaluate whether the proposed information collection is necessary for the proper functions of the Department.
- Evaluate the accuracy of our estimate of the time and cost burden for this proposed collection, including the validity of the methodology and assumptions used.
- Enhance the quality, utility, and clarity of the information to be collected.