

4(f)(6) thereunder.<sup>27</sup> 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, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.<sup>28</sup>

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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>29</sup> of the Act to determine whether the proposed rule 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 proposal 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEMKT-2014-32 on the subject line.

##### Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-NYSEMKT-2014-32. 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/>

<sup>27</sup> 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.

<sup>28</sup> 17 CFR 240.19b-4(f)(6).

<sup>29</sup> 15 U.S.C. 78s(b)(2)(B).

[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-NYSEMKT-2014-32 and should be submitted on or before May 13, 2014.

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

Kevin M. O'Neill,  
Deputy Secretary.

[FR Doc. 2014-09076 Filed 4-21-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71953; File No. SR-BOX-2014-14]

### Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Rule 7130 (Execution and Price/Time Priority) To Include Public Customer Bid/Ask Volume Information in BOX's Proprietary High Speed Vendor Feed ("HSVF")

April 16, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 4, 2014, BOX Options Exchange LLC (the "Exchange") 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

<sup>30</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule from interested persons.

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

The Exchange proposes to amend Rule 7130 (Execution and Price/Time Priority) to include Public Customer bid/ask volume information in BOX's proprietary High Speed Vendor Feed ("HSVF"). 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 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The purpose of the proposed rule change is to amend Rule 7130 (a)(2) (Execution and Price/Time Priority) to specify the addition of Public Customer bid/ask volume information in the BOX High Speed Vendor Feed ("HSVF"). Specifically, the new field will show Public Customer bid/ask volume at the best limit. The HSVF is a proprietary product that contains: (i) Trades and trade cancellation information; (ii) best-ranked price level to buy and the best-ranked price level to sell; (iii) instrument summaries (including information such as high, low, and last trade price and traded volume); (iv) the five best limit prices and the best-ranked Legging Order<sup>3</sup> (if any), for each option instrument, and the five best limit prices and the best-ranked Implied Order<sup>4</sup> (if any), for each Complex Order Strategy; (v) request for Quote

<sup>3</sup> As set forth in Exchange Rule 7240(c)(1).

<sup>4</sup> As set forth in Exchange Rule 7240(d)(1).

messages<sup>5</sup>; (vi) PIP Order, COPIP Order, Improvement Order and Block Trade Order (Facilitation and Solicitation) information<sup>6</sup>; (vii) orders exposed at NBBO<sup>7</sup> and Complex Orders exposed<sup>8</sup>; (viii) instrument dictionary (e.g., strike price, expiration date, underlying symbol, price threshold, and minimum trading increment for instruments traded on BOX); (ix) options class and instrument status change notices (e.g., whether an instrument or class is in pre-opening, continuous trading, closed, halted, or prohibited from trading); and (x) options class opening time. The HSVF is available to all market participants at no cost.

The HSVF provides data to enhance the ability of subscribers to analyze market conditions and to create and test trading models and analytical strategies. The Exchange believes that the HSVF is a valuable tool that can be used to gain comprehensive insight into the trading activity in a particular option series. The addition of Public Customer bid/ask volume information will further increase the value of this tool by allowing market participants to better gauge Public Customer interest. If no Public Customer orders are present at the best limit, then the bid/ask volume will show 0 (zero). The new field will show the bid/ask volume at the best limit for both regular options and strategy instruments.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>9</sup> in general, and Section 6(b)(5) of the Act,<sup>10</sup> in particular, in that the HSVF is designed 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, by including additional information in BOX's market data product. In particular, the HSVF product will now include Public Customer bid/ask volume information. The Exchange believes provides for a more free and open market [sic]. Additionally, this proposed change will enhance subscribers' ability to make more informed and timely trading decisions. As such, BOX believes the

proposed rule change is in the public interest, and therefore, consistent with the Act.

In adopting Regulation NMS, the Commission granted self-regulatory organizations and broker-dealers increased authority and flexibility to offer new and unique market data to the public. It was believed that this authority would expand the amount of data available to consumers, and also spur innovation and competition for the provision of market data. The Exchange believes that the proposal is in keeping with those principles by promoting increased transparency through the dissemination of more useful proprietary data.

Additionally, the Exchange chooses to make the data available as proposed in order to improve market quality, to attract order flow, and to increase transparency. The Exchange will continue making the data available until such time as the Exchange changes its rule.

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

The proposed rule change would allow the Exchange to disseminate additional information in its propriety market data product, the HSVF. This enhancement to the HSVF will give market participants greater information on which to base their trading strategies. As such, the Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

### *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 comments on the proposed rule change.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>12</sup> in that the proposed rule change: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the

public interest; provided the self-regulatory organization has given the Commission written notice of its 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.<sup>13</sup>

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 shall institute proceedings to determine whether the proposed rule 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](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2014-14 on the subject line.

### *Paper Comments*

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-BOX-2014-14. 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

<sup>5</sup> See Exchange Rules 100(a)(57), 7070(h) and 8050.

<sup>6</sup> As set forth in Exchange Rules 7150, 7245, and 7270, respectively.

<sup>7</sup> As set forth in Exchange Rules 7130(b)(3) and 8040(d)(6), respectively.

<sup>8</sup> As set forth in Exchange Rule 7240(b)(3)(iii)(B).

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(5).

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(6).

<sup>13</sup> The Exchange has fulfilled this requirement.

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., located at 100 F Street NE., Washington, DC 20549. 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-BOX-2014-14 and should be submitted on or before May 13, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

Kevin M. O'Neill,  
Deputy Secretary.

[FR Doc. 2014-09077 Filed 4-21-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71957; File No. SR-NYSEMKT-2014-06]

### Self-Regulatory Organizations; NYSE MKT LLC; Order Granting Approval of a Proposed Rule Change Amending Section 17, Which Are Rules Applicable to Securities Known as Fixed Return Options, To Reflect a Name Change to Binary Return Derivatives, a Change to the Calculation of the Settlement Price, Updating Rule References, Adding New Text for ByRDs Series Available for Trading, Amending the Quoting and Trading Increment Applicable to ByRDs, and Adding a New Paragraph 8 to Rule 975NY(a) and Amending Rule 975NY(d)(1) To Address Obvious Errors in ByRDs

April 16, 2014.

#### I. Introduction

On February 14, 2014, NYSE MKT LLC ("NYSE MKT" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend Section 17 of the NYSE MKT rulebook, which are rules applicable to securities known as Fixed Return Options, to reflect a name change to Binary Return Derivatives

("ByRDs"), a change to the calculation of the settlement price, updating rule references, adding new text for ByRDs series available for trading, amending the quoting and trading increment applicable to ByRDs, and amending Rule 975NY to address obvious and catastrophic errors in ByRDs. The proposed rule change was published for comment in the **Federal Register** on March 3, 2014.<sup>3</sup> The Commission received no comment letters on the proposal. This order approves the proposed rule change.

#### II. Description of the Proposal

##### A. ByRDs

NYSE MKT proposes to amend Section 17 of its rulebook, which contains the rules applicable to securities known as Fixed Return Options ("FROs"), to reflect a name change to Binary Return Derivatives ("ByRDs"). On August 14, 2007, the Commission approved the Exchange's proposed rule change to list and trade cash-settled, European-style FROs on individual stocks and exchange-traded funds.<sup>4</sup> FROs are binary options, and differ from other options traded on U.S. options exchanges by providing a discontinuous or non-linear payout.<sup>5</sup> In-the-money FROs pay a fixed sum at expiration regardless of the magnitude of the difference between the options' exercise price and the settlement price. "Finish High" FROs return \$100 per contract if the settlement price of the underlying security is above the strike price at expiration, and "Finish Low" FROs return \$100 per contract if the settlement price of the underlying security is below the strike price at expiration. Any in-the-money FROs are exercised automatically at expiration.<sup>6</sup>

In March 2009, the Exchange migrated to a new trading system as part of its integration with NYSE Euronext. Because the new trading system was not optimized to accommodate the trading of FROs, the Exchange restricted the opening of new series of FROs and limited transactions to closing only.<sup>7</sup> All open interest in FROs was subsequently either closed or expired and the contracts became dormant.<sup>8</sup> NYSE MKT now proposes to re-launch and rename

these securities as ByRDs, which will be available for both electronic and floor trading. With the exception of the proposed rule changes described herein, the rules pertaining to FROs will continue to apply to ByRDs.

##### B. Renaming and Renumbering of Existing Rules and Clarifying Changes

NYSE MKT proposes to change the title of Section 17 from "Fixed Return Options" to "Binary Return Derivatives", and replace the terms "Fixed Return Options" or "FROs" in the existing rule text with the terms "Binary Return Derivatives" or "ByRDs."<sup>9</sup>

The Exchange is proposing to clarify Rule 900FRO, Applicability; Definitions (which is being retitled as "Rule 900ByRDs"),<sup>10</sup> by amending the rule to state that unless specific rules in Section 17 govern, or unless the context otherwise requires, the Rule 900NY series of rules shall be applicable to the trading of ByRDs. This proposed rule change reflects the adoption of the Rule 900NY series of rules, which govern trading of options contracts on the Exchange, and which replaced the rules in place prior to March 2009 that previously governed the trading of FROs. The Exchange is also proposing to amend Rule 901FRO, Fixed Return Options Contracts to be Traded (which is proposed to be retitled as "Rule 901ByRDs"), to state that ByRDs contracts shall be designated as to expiration date (day, month, and year), rather than just expiration month and year. The Exchange also has proposed technical, non-substantive changes to Rule 462(d),<sup>10</sup> Minimum Margins, and Rule 904BIN, Position Limits, to update references to Fixed Return Options (FROs) to Binary Return Derivatives (ByRDs).<sup>11</sup>

The Exchange proposes to delete Rule 918FRO, Trading Rotations, Halts and Suspensions, because it contains a reference to Rule 918, which has been deleted from the Exchange's rulebook. Rule 918 has been replaced by the rules in Section 900NY, which are applicable to the trading of ByRDs.<sup>12</sup>

The Exchange also proposes technical changes to Rule 980FRO, Automatic Exercise of Fixed Return Option Contracts (which is proposed to be retitled as "Rule 980ByRDs") to capitalize the defined term "Settlement

<sup>3</sup> See Securities Exchange Act Release No. 71613 (February 25, 2014), 79 FR 11845 (March 3, 2014) ("Notice").

<sup>4</sup> See Securities Exchange Act Release No. 56251 (August 14, 2007), 72 FR 46523 (August 20, 2007) ("FROs Approval Order").

<sup>5</sup> See FROs Approval Order, *supra* note 4, at 46523.

<sup>6</sup> See FROs Approval Order, *supra* note 4, at 46523.

<sup>7</sup> See Notice, *supra* note 3, at 11845.

<sup>8</sup> See Notice, *supra* note 3, at 11845.

<sup>9</sup> See Notice, *supra* note 3, at 11846.

<sup>10</sup> The Exchange is proposing to change all references to Fixed Return Options/FROs in the title and text of the Rule 900FRO series to Binary Return Derivatives/ByRDs.

<sup>11</sup> See Notice, *supra* note 3, at 11846.

<sup>12</sup> See Notice, *supra* note 3, at 11847.

<sup>14</sup> 17 CFR 200.30-3(a)(12).

<sup>15</sup> U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.