

30, 2014.<sup>35</sup> On October 29, 2014, the Exchange withdrew the initial proposed rule change. The points raised by the Themis Letter and Shatto Letter are either not responsive to the issues raised in the proposal or aimed at existing elements of U.S. market structure that have been previously approved by the Commission.

The thrust of the SIFMA Letter is aimed at the proposed fees which are being removed from this proposed rule change and are to be filed with the Commission via a separate rule filing. While the SIFMA Letter correctly states that the Exchange has marketed the BATS One Feed since August 1, 2014, the SIFMA Letter incorrectly asserts that the Exchange has offered the BATS One Feed since that same date. All of the Exchange's marketing materials have included statements that the BATS One Feed's implementation was pending to SEC approval, and at no point has the Exchange offered the BATS One product for any use other than for testing and certification.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days of such date (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall:

- (A) By order approve or disapprove such proposed rule change, or
- (B) Institute proceedings to determine whether the proposed rule change should be 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-BYX-2014-030 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-BYX-2014-030. 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 BYX. 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-2014-030 and should be submitted on or before December 11, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2014-27443 Filed 11-19-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73607; File No. SR-CME-2014-43]

### Self-Regulatory Organizations; Chicago Mercantile Exchange Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change in Connection With the Acceptance of USD Malaysian Palm Olein Calendar (Cleared Only) Contracts for Clearing

November 14, 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 November 6, 2014, Chicago Mercantile Exchange Inc. (“CME”) 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 primarily by CME. CME filed the proposal pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(4)(ii)<sup>4</sup> thereunder, so that the proposal was 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

CME is proposing rule changes that are limited to its business as a derivatives clearing organization (“DCO”). More specifically, the proposed rule change would add rules related to the acceptance of the USD Malaysian Palm Olein Calendar (Cleared Only) Contract for clearing.

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

In its filing with the Commission, CME 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. CME has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

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

CME is registered as a DCO with the Commodity Futures Trading Commission (“CFTC”) and offers clearing services for many different futures and swaps products. The proposed rule change that is the subject of this filing is limited to CME's business as a DCO offering clearing services for CFTC-regulated swaps products. More specifically, the proposed rule change is related to CME's initial listing of the USD Malaysian Palm Olein Calendar Swap (Cleared Only) for clearing.

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

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

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

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

<sup>35</sup> See Securities Exchange Act Release No. 73102 (September 15, 2014), 79 FR 56419 (September 19, 2014).

<sup>36</sup> 17 CFR 200.30-3(a)(12).

The USD Malaysian Palm Olein Calendar Swaps would fit within a subset of one or more groups, categories, types, or classes of CFTC-regulated swaps that CME already accepts for clearing. For example, CME currently accepts for clearing physical-commodity calendar swaps that financially-settle to a commercially-acceptable, publicly-accessible and timely disseminated price series including the following: CME USD Malaysian Crude Palm Oil Calendar Swap (CPC); CBOT Wheat Calendar Swap (WCS); CBOT Corn Calendar Swap (CCS); CBOT Soybean Calendar Swap (SNS); and the CBOT KC HRW Wheat Calendar Swap (KWS).

The proposed new rules include a new product Chapter 204B in the CME rulebook. New rule 204B00 would specify that the USD Malaysian Palm Olein Calendar Swaps listed by CME would be for clearing-only, would be available only to “eligible contract participants” as defined in Section 1a(18) of the Commodity Exchange Act, and would be subject to the applicable provisions of the CME rulebook. New Rule 204B01 would lay out the various contract specifications of the USD Malaysian Palm Olein Calendar Swaps including, the unit of clearing, hours for clearing entry, minimum price increments, months cleared, position limits, last day of clearing, and liquidation during the delivery month. The proposed contracts would be liquidated by cash settlement as set forth in proposed Rule 204B02. Clearing members holding open positions in USD Malaysian Palm Olein Calendar Swaps at the time of termination of clearing would be required to make payment to and receive payment through CME in accordance with normal variation settlement procedures based on a settlement price equal to the final settlement price (as described in Rule 204B03.). As specified in proposed Rule 204B03, the final settlement price for the contracts would be determined through use of a third party service provider, i.e., the cumulative average of each Thomson Reuters “Malaysia RBD Palm Olein” third forward month closing time assessment for each business day of the contract month. Rule 204B04 specifies that daily settlement prices shall be generated each business day the CME is open using the most recent available Thomson Reuters values. Under proposed rule 204B05, the final settlement day for the proposed contracts would be on the last CME business day of the swap contract month. Under proposed rule 204B06, all disputes between interested parties may

be settled by CME arbitration. Finally, proposed new rule 204B07 sets out CME’s disclaimer regarding limitations of liability.

The changes that are described in this filing are limited to listing the new USD Malaysian Palm Olein Calendar Swaps. The proposed changes are therefore limited to CME’s business as a DCO clearing products under the exclusive jurisdiction of the CFTC and do not impact CME’s security-based swap clearing business in any way. The changes will be effective on filing. CME notes that it has also certified the proposed rule change that is the subject of this filing to its primary regulator, the Commodity Futures Trading Commission (“CFTC”), in a separate filing, CME Submission No. 14–254. The text of the CME proposed rule amendments is attached, with additions underlined and deletions in brackets.

CME believes the proposed rule change is consistent with the requirements of the Act including Section 17A of the Act.<sup>5</sup> CME is proposing the amendments to facilitate the listing of a new clearing-only physical-commodity calendar swap that financially-settles to a commercially-acceptable, publicly-accessible and timely disseminated price series. The addition of this new derivative product is designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivatives agreements, contracts, and transactions, 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, and, in general, to protect investors and the public interest consistent with Section 17A(b)(3)(F) of the Act.<sup>6</sup>

Furthermore, the proposed changes are limited in their effect to products offered under CME’s authority to act as a DCO. The products that are the subject of this filing are under the exclusive jurisdiction of the CFTC. As such, the proposed CME changes are limited to CME’s activities as a DCO clearing swaps that are not security-based swaps, futures that are not security futures and forwards that are not security forwards. CME notes that the policies of the CFTC with respect to administering the Commodity Exchange Act are comparable to a number of the policies underlying the Act, such as promoting market transparency for over-the-counter derivatives markets, promoting the prompt and accurate clearance of

transactions and protecting investors and the public interest.

Because the proposed changes are limited in their effect to products offered under CME’s authority to act as a DCO, the proposed changes are properly classified as effecting a change in an existing service of CME that:

(a) Primarily affects the clearing operations of CME 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

(b) does not significantly affect any securities clearing operations of CME or any rights or obligations of CME with respect to securities clearing or persons using such securities-clearing service.

As such, the changes are therefore consistent with the requirements of Section 17A of the Act<sup>7</sup> and are properly filed under Section 19(b)(3)(A)<sup>8</sup> and Rule 19b–4(f)(4)(ii)<sup>9</sup> thereunder.

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

CME does not believe that the proposed rule change will have any impact, or impose any burden, on competition. The proposed amendments CME would simply facilitate the listing of a new clearing-only physical-commodity calendar swap. Further, the changes are limited to CME’s derivatives clearing business and, as such, do not affect the security-based swap clearing activities of CME in any way and therefore would not impose any burden on competition that is inappropriate 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*

CME has not solicited, and does not intend to solicit, comments regarding this proposed rule change. CME has not received any unsolicited written comments from interested parties.

### **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)<sup>10</sup> of the Act and Rule 19b–4(f)(4)(ii)<sup>11</sup> thereunder. At any time within 60 days of the filing of the

<sup>7</sup> 15 U.S.C. 78q–1.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b–4(f)(4)(ii).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b–4(f)(4)(ii).

<sup>5</sup> 15 U.S.C. 78q–1.

<sup>6</sup> 15 U.S.C. 78q–1(b)(3)(F).

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](mailto:rule-comments@sec.gov). Please include File Number SR-CME-2014-43 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-CME-2014-43. 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 will also be available for inspection and copying at the principal office of CME and on CME's Web site at <http://www.cmegroup.com/market-regulation/rule-filings.html>.

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-CME-2014-43 and should be submitted on or before December 11, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73600; File No. SR-ISEGemini-2014-28]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Schedule of Fees

November 14, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on November 3, 2014, ISE Gemini, LLC (the "Exchange" or "ISE Gemini") filed with the Securities and Exchange Commission ("SEC" or "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

ISE Gemini is proposing to amend its Schedule of Fees to introduce a new higher maker rebate for certain Market Maker orders. The text of the proposed rule change is available on the Exchange's Internet Web site at <http://www.ise.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 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 the Schedule of Fees to introduce a new higher maker rebate for certain Market Maker<sup>3</sup> orders. The Exchange's Schedule of Fees has separate tables for fees applicable to Standard Options and Mini Options. The Exchange notes that while the discussion below relates to fees for Standard Options, the fees for Mini Options, which are not discussed below, are and shall continue to be 1/10th of the fees for Standard Options.

Currently, Market Maker orders that add liquidity on ISE Gemini are provided a maker rebate in Penny Symbols<sup>4</sup> and SPY of \$0.30 per contract for Tier 1, \$0.32 per contract for Tier 2, \$0.34 per contract for Tier 3, \$0.37 per contract for Tier 4, and \$0.38 per contract for Tier 5. In Non-Penny Symbols<sup>5</sup> this maker rebate is \$0.40 per contract for Tier 1, \$0.42 per contract for Tier 2, and \$0.44 per contract for Tier 3, \$0.47 per contract for Tier 4, and \$0.49 per contract for Tier 5. In order to incentivize Market Makers to quote more aggressively on ISE Gemini, the Exchange now proposes to provide a higher maker rebate to Tier 2 members that meet an additional average daily volume ("ADV") threshold with respect to Market Maker orders executed in a given month.<sup>6</sup> In particular, Market Makers that achieve Tier 2 and execute an ADV of 100,000 to 124,999 contracts in a given month, including both maker and taker volume, will qualify for a maker rebate of \$0.33 per contract in Penny Symbols and SPY, and \$0.43 per contract in Non-Penny Symbols.

<sup>3</sup> The term Market Maker refers to "Competitive Market Makers" and "Primary Market Makers" collectively. Market Makers orders sent to the Exchange by an Electronic Access Member are assessed fees and rebates at the same level as Market Maker orders. See footnote 2, Schedule of Fees, Section I and II.

<sup>4</sup> "Penny Symbols" are options overlying all symbols listed on ISE Gemini that are in the Penny Pilot Program.

<sup>5</sup> "Non-Penny Symbols" are options overlying all symbols excluding Penny Symbols.

<sup>6</sup> A Tier 2 member is a member that executes a Total Affiliated Member ADV of 50,000 to 124,999 contracts, Priority Customer Maker ADV of 20,000 to 49,999 contracts, or a Total Affiliated Member ADV of 40,000 to 99,999 contracts with a minimum Priority Customer Maker ADV of 15,000 contracts.

<sup>12</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.