made in violation of the Exchange's legal and regulatory responsibilities or with Regulatory Funds.[27] The Commission believes that the proposed rule change is designed to facilitate the ability of ISE to fulfill its regulatory obligations under the Act and will help ensure the independence of its regulatory function from its market operations and other commercial interests.[28]

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act [29] that the proposed rule change (SR–ISE–2014–44), as modified by Amendment No. 1, be, and 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. 34–73857; File No. SR–NYSEArca–2014–139]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to Shares of the iShares California AMT-Free Muni Bond ETF and iShares New York AMT-Free Muni Bond ETF

December 17, 2014.

Pursuant to Section 19(b)(1) [1] of the Securities Exchange Act of 1934 (the ''Act'') [2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on December 3, 2014, NYSE Arca, Inc. (the ''Exchange'' or ''NYSE Arca'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II below, which 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

The Exchange proposes a rule change relating to shares of the following series of Investment Company Units that are currently listed and traded on the Exchange under NYSE Arca Equities Rule 5.2(j)(3): iShares California AMT-Free Muni Bond ETF and iShares New York AMT-Free Muni Bond ETF. The text of the proposed rule change is available on the Exchange's Web site at *www.nyse.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 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 those 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 currently lists and trades shares (''Shares'') of the iShares California AMT-Free Muni Bond ETF (''CA Fund'') and iShares New York AMT-Free Muni Bond ETF (''NY Fund'' and, together with the CA Fund, the ''Funds'') [4] under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02, which governs the listing and trading of Investment Company Units (''Units'') based on fixed income securities indexes.[5] The Funds are series of the iShares Trust (''Trust'').[6]

Blackrock Fund Advisors is the investment adviser (''BFA'' or ''Adviser'') for the Funds.[7] Blackrock Investments, LLC. is the Funds' distributor (''Distributor''). State Street Bank and Trust Company is the administrator, custodian and fund accounting and transfer agent for each Fund.

Changes to Indexes Underlying the Funds

The index currently underlying the CA Fund is the S&P California AMT-Free Muni Bond Index (''CA Index'')

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[27] *See* Notice, *supra* note 5, at 67227 n.30 and accompanying text.

[28] The Commission notes that, as amended, the provision in ISE's LLC Agreement governing distributions will be consistent with similar provisions the Commission has previously approved for other self-regulatory organizations. *See, e.g.,* Securities Exchange Act Release Nos. 70050 (July 26, 2013), 78 FR 46622 (August 1, 2013) (approving the application for registration as a national securities exchange of Topaz Exchange, LLC); and 68341 (December 3, 2012), 77 FR 73065 (December 7, 2012) (approving the application for registration as a national securities exchange of Miami International Securities Exchange, LLC).

[29] 15 U.S.C. 78f(b)(2).

[30] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C.78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] On June 24, 2014, the Trust filed an amendment to its registration statement on Form N–1A under the Securities Act of 1933 (15 U.S.C. 77a) (''1933 Act'') and the Investment Company Act of 1940 (''1940 Act'') (15 U.S.C. 80a–1) (File Nos. 333–92935 and 811–09729) (the ''Registration Statement''). The description of the operation of the Trust and the Funds herein is based, in part, on the Registration Statement. The Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. *See* Investment Company Act Release No. 27608 (December 21, 2006) (File No. 812–13208) (''Exemptive Order'').

[5] The Funds were initially listed on the American Stock Exchange, Inc. (''Amex'') (now NYSE MKT) on October 4, 2007 pursuant to the generic listing criteria of Amex Rule 1000A. On October 6, 2008, the listings transferred from the Amex to NYSE Arca, which changes were effected pursuant to NYSE Arca Equities Rule 5.2(j)(3), Commentary .02.

[6] The Commission previously has approved a proposed rule change relating to listing and trading on the Exchange of Units based on municipal bond indexes. *See* Securities Exchange Act Release No. 67985 (October 4, 2012), 77 FR 61804 (October 11, 2012) (SR–NYSEArca–2012–92) (order approving proposed rule change relating to the listing and trading of iShares 2018 S&P AMT-Free Municipal Series and iShares 2019 S&P AMT-Free Municipal Series under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02). The Commission also has issued a notice of filing and immediate effectiveness of a proposed rule change relating to listing and trading on the Exchange of the iShares Taxable Municipal Bond Fund. *See* Securities Exchange Act Release No. 63176 (October 25, 2010), 75 FR 66815 (October 29, 2010) (SR–NYSEArca–2010–94). The Commission has approved two actively managed funds of the PIMCO ETF Trust that hold municipal bonds. *See* Securities Exchange Act Release No. 60981 (November 10, 2009), 74 FR 59594 (November 18, 2009) (SR–NYSEArca–2009–79) (order approving listing and trading of PIMCO Short-Term Municipal Bond Strategy Fund and PIMCO Intermediate Municipal Bond Strategy Fund, among others).

[7] An investment adviser to an open-end fund is required to be registered under the Investment Advisers Act of 1940 (the ''Advisers Act''). As a result, the Adviser and its related personnel are subject to the provisions of Rule 204A–1 under the Advisers Act relating to codes of ethics. This Rule requires investment advisers to adopt a code of ethics that reflects the fiduciary nature of the relationship to clients as well as compliance with other applicable securities laws. Accordingly, procedures designed to prevent the communication and misuse of non-public information by an investment adviser must be consistent with Rule 204A–1 under the Advisers Act. In addition, Rule 206(4)–7 under the Advisers Act makes it unlawful for an investment adviser to provide investment advice to clients unless such investment adviser has (i) adopted and implemented written policies and procedures reasonably designed to prevent violation, by the investment adviser and its supervised persons, of the Advisers Act and the Commission rules adopted thereunder; (ii) implemented, at a minimum, an annual review regarding the adequacy of the policies and procedures established pursuant to subparagraph (i) above and the effectiveness of their implementation; and (iii) designated an individual (who is a supervised person) responsible for administering the policies and procedures adopted under subparagraph (i) above.

and the index underlying the NY Fund is the S&P New York AMT-Free Muni Bond Index (''NY Index'', and, together with the CA Index, the ''Municipal Bond Indexes''). As described below, Standard & Poor's Financial Services LLC (a subsidiary of the McGraw-Hill Companies, the index provider (''Index Provider'') of the Municipal Bond Indexes has proposed changes to the inclusion rules of both the CA Index and the NY Index.[8]

The Funds and the Municipal Bond Indexes

The iShares California AMT-Free Muni Bond ETF

The CA Fund currently seeks to track the investment results of the CA Index, which measures the performance of the investment-grade segment of the California municipal bond market. As of March 17, 2014, there were 1,740 issues in the CA Index.

The CA Fund generally holds municipal bond securities issued by the State of California and its municipalities whose interest payments are exempt from U.S. federal and California state income tax, the federal AMT and the federal Medicare contribution tax of 3.8% on ''net investment income.'' In addition, the Fund intends to invest any cash assets in one or more affiliated municipal money market funds, which may be advised by BFA or its affiliates. The Fund seeks to track the investment results of the Underlying Index before the fees and expenses of the Fund.

The CA Fund generally invests at least 80% of its assets in the securities of the CA Index and generally invests 90% of its assets in the securities of the CA Index and in securities that provide substantially similar exposure to the securities in the CA Index. The Fund may at times invest up to 20% of its assets in cash and cash equivalents, including money market funds advised by BFA or its affiliates, AMT-free tax-exempt municipal notes, variable rate demand notes and obligations, tender option bonds, municipal commercial paper, and municipal bonds not included in the CA Index, but which BFA believes will help the Fund track the CA Index.

The CA Index is a subset of the S&P National AMT-Free Municipal Bond Index™ and is comprised of municipal bonds issued in the State of California. The CA Index includes municipal bonds from issuers in the State of California that are California state or local governments or agencies whose interest payments are exempt from U.S. federal and California state income taxes and the federal alternative minimum tax (''AMT''). Each bond must have a rating of at least BBB− by Standard & Poor's Ratings Services, Baa3 by Moody's Investors Service, Inc. (''Moody's''), or BBB− by Fitch, Inc. (''Fitch''). A bond must be rated by at least one of the three rating agencies in order to qualify for the Underlying Index. For the avoidance of doubt, the lowest rating will be used in determining if the bond is investment-grade. Each bond must be denominated in U.S. dollars. Each bond in the CA Index must be a constituent of an offering where the original offering amount was at least $100 million. The bond must have a minimum par amount of $25 million to be eligible for inclusion. To remain in the CA Index, bonds must maintain a minimum par amount greater than or equal to $25 million as of the next Rebalancing Date. In addition, each bond must have a minimum term to maturity and/or pre-refunded or call date greater than or equal to one calendar month to be included in the CA Index. The CA Index is a market-value weighted index, and the securities in the CA Index are updated after the close on the last business day of each month.

iShares New York AMT-Free Muni Bond ETF

The NY Fund seeks to track the investment results of the NY Index, which measures the performance of the investment-grade segment of the New York municipal bond market. As of March 17, 2014, there were 1837 issues in the NY Index.

The NY Fund generally holds municipal bond securities issued by the State of New York and its municipalities whose interest payments are exempt from U.S. federal and New York State income tax, the federal AMT and the federal Medicare contribution tax of 3.8% on ''net investment income.'' In addition, the Fund intends to invest any cash assets in one or more affiliated municipal money market funds, which may be advised by BFA or its affiliates. The Fund seeks to track the investment results of the Underlying Index before the fees and expenses of the Fund.

The Fund generally invests at least 80% of its assets in the securities of the NY Index and generally invests 90% of its assets in the securities of the Underlying Index and in securities that provide substantially similar exposure to the securities in the NY Index. The Fund may at times invest up to 20% of its assets in cash and cash equivalents, including money market funds advised by BFA or its affiliates, AMT-free tax-exempt municipal notes, variable rate demand notes and obligations, tender option bonds, municipal commercial paper, and municipal bonds not included in the NY Index, but which BFA believes will help the Fund track the NY Index.

The NY Index also is a subset of the S&P National AMT-Free Municipal Bond Index™ and is comprised of municipal bonds issued in the State of New York. The NY Index includes municipal bonds from issuers in the State of New York that are New York state or local governments or agencies whose interest payments are exempt from U.S. federal and New York state income taxes and the federal AMT. Each bond must have a rating of at least BBB− by Standard & Poor's Ratings Services, Baa3 by Moody's, or BBB− by Fitch. A bond must be rated by at least one of the three rating agencies in order to qualify for the index. For avoidance of doubt, the lowest rating will be used in determining if the bond is investment-grade. Each bond must be denominated in U.S. dollars. Each bond in the NY Index must be a constituent of an offering where the original offering amount was at least $100 million. The bond must have a minimum par amount of $25 million to be eligible for inclusion. To remain in the NY Index, bonds must maintain a minimum par amount greater than or equal to $25 million as of the next Rebalancing Date. In addition, each bond must have a minimum term to maturity and/or pre-refunded or call date greater than or equal to one calendar month to be included in the NY Index. The NY Index is a market-value weighted index, and the securities in the Underlying Index are updated after the close on the last business day of each month.

The Revised Indexes

The Index Provider is proposing to change the rules relating to the Municipal Bond Indexes. The ''Revised NY Index'' and the ''Revised CA Index'' (each, a ''Revised Index'' and, together, the ''Revised Indexes'') will remain rules based, as described below, though the S&P Dow Jones Indices' Municipal Bond Index Committee (''Committee'') reserves the right to exercise discretion, when necessary.[9]

[8] On November 7, 2014, S&P Dow Jones Indices issued a press release announcing methodology changes for the Municipal Bond Indexes, as described below, to be implemented prior to the February 2015 month end rebalance for such indexes. The proposed changes to the underlying indexes for the Funds will be reflected in an amendment to the Funds' Registration Statement.

[9] The Index Provider with respect to the Revised Indexes is Standard & Poor's Financial Services LLC (a subsidiary of The McGraw-Hill Companies) (''S&P''). The Index Provider is not a broker-dealer or affiliated with a broker-dealer and has implemented procedures designed to prevent the

The Committee is comprised of employees or agents of S&P Dow Jones Indices. The Committee oversees the day-to-day management of the Index, including monthly rebalancing, maintenance and inclusion policies including additions and deletions of bonds, and other matters affecting the maintenance and calculation of the Revised Indexes.

The following are the criteria that will be applied to bonds included in the Revised CA Index. On each ''Rebalancing Date'' (*i.e.*, the last business day of each month), a bond must meet all of the following criteria in order to be classified as an ''Eligible Bond'' for inclusion in the Revised CA Index: (1) The bond issuer must be a local government or agency in the state of California such that interest on the bond is exempt from U.S. federal income taxes; (2) the bond must have an investment grade rating of at least BBB− by Standard & Poor's, Baa3 by Moody's, or BBB− by Fitch, and a bond must be rated by at least one of the three rating agencies; [10] and (3) the bond must be denominated in U.S. dollars.[11]

The following are the criteria that will be applied to bonds included in the Revised NY Index. On each ''Rebalancing Date'' (*i.e.*, the last business day of each month), a bond must meet all of the following criteria in order to be classified as an ''Eligible Bond'' for inclusion in the Revised NY Index; (1) the bond issuer must be a local government or agency in the state of New York such that interest on the bond is exempt from U.S. federal income taxes; (2) the bond must have an investment grade rating of at least BBB− by Standard & Poor's, Baa3 by Moody's, or BBB− by Fitch, and a bond must be rated by at least one of the three rating agencies; [12] and (3) the bond must be denominated in U.S. dollars.

With respect to each of the Revised Indexes, the market value will be used to determine the weight of the bond in the Revised Index. With respect to the Revised CA Index, the bond must have a minimum Par Amount of $15 million, and be part of an offering with an original total offering amount of at least $100 million to be eligible for inclusion. To remain in the Revised CA Index, bonds must maintain a minimum Par Amount greater than or equal to $15 million as of the next Rebalancing Date. With respect to the Revised NY Index, the bond must have a minimum Par Amount of $5 million and be part of an offering with an original total offering amount of at least $20 million to be eligible for inclusion. To remain in the Revised NY Index, bonds must maintain a minimum Par Amount greater than or equal to $5 million as of the next Rebalancing Date.

For each of the Revised Indexes, as of the Rebalancing Date, the bond must have a minimum term to maturity and/or call date greater than or equal to the next subsequent rebalance date. In addition, at each monthly rebalancing, no one issuer can represent more than 25% of the weight of the applicable Revised Index, and individual issuers that represent at least 5% of the weight of the applicable Revised Index cannot account for more than 50% of the weight of such Revised Index in aggregate.

Application of the Generic Listing Criteria

The Revised Indexes currently do not meet the generic listing criteria of NYSE Arca Equities Rule 5.2(j)(3), as described below. Accordingly, the Exchange is submitting this proposed rule change to permit the continued listing of Shares of each of the Funds. The Revised Indexes meet all of the requirements of the generic listing criteria of NYSE Arca Equities Rule 5.2(j)(3), except for those set forth in Commentary .02(a)(2).[13] Specifically, as of October 29, 2014, approximately 36.62% and 16.82% of the weight of the components of the Revised CA Index and Revised NY Index, respectively, have a minimum original principal amount outstanding of $100 million or more.

As of October 29, 2014, there were 2,882 issues in the Revised CA Index, the total dollar amount outstanding of issues in the Revised CA Index was approximately $ 164 billion and the average dollar amount outstanding of issues in the Revised CA Index was approximately $57 million. Further, the most heavily weighted component represents 0.84% of the weight of the Revised CA Index and the five most heavily weighted components represent 2.55% of the weight of the Revised CA Index.[14] Therefore, the Exchange believes that, notwithstanding that the Revised CA Index does not satisfy the criterion in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (a)(2), the Revised CA Index is sufficiently broad-based to deter potential manipulation, given that it is composed of approximately 2,882 issues. In addition, the Revised CA Index securities are sufficiently large to deter potential manipulation in view of the substantial total dollar amount outstanding and the average dollar amount outstanding of Revised CA Index issues, as referenced above.[15]

In addition, the average daily notional trading volume for Revised CA Index components for the calendar year 2013 was approximately $404 million and the sum of the notional trading volumes for the same period was approximately $102.2 billion.

As of October 29, 2014, there were 4,581 issues in the Revised NY Index, the total dollar amount outstanding of issues in the Revised NY Index was approximately $155 billion and the average dollar amount outstanding of issues in the Revised NY Index was approximately $ 33.8 million. Further, the most heavily weighted component represents 1.02% of the weight of the Revised NY Index and the five most heavily weighted components represent 1.36% of the weight of the Revised NY Index.[16] Therefore, the Exchange

use and dissemination of material, non-public information regarding the Revised Indexes. S&P Capital IQ's Securities Evaluations (SPSE) will report the price of each bond in the Revised Indexes. S&P Capital IQ is a trademark of Standard & Poor's Financial Services LLC. S&P Capital IQ is a leading provider of multi-asset class and real time data, research and analytics to institutional investors, investment and commercial banks, investment advisors and wealth managers, corporations and universities around the world.

[10] For the avoidance of doubt, the lowest rating will be used in determining if a bond is investment grade.

[11] For clarity, the following bond types are specifically excluded: Bonds subject to the AMT; commercial paper; inverse floaters; forwards; housing bonds; insured conduit bonds where the obligor is a for-profit institution; non-insured conduit bonds; non-rated bonds; notes; taxable municipals; tobacco bonds; variable rate debt.

[12] For the avoidance of doubt, the lowest rating will be used in determining if a bond is investment grade.

[13] Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3) provides that components that in the aggregate account for at least 75% of the weight of the index or portfolio each shall have a minimum original principal amount outstanding of $100 million or more.

[14] Commentary .02(a)(4) to NYSE Arca Equities Rule 5.2(j)(3) provides that no component fixed-income security (excluding Treasury Securities and GSE Securities, as defined therein) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component fixed-income securities in the index or portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio.

[15] When bonds are close substitutes for one another, pricing vendors can use executed trade information from all similar bonds as pricing inputs for an individual security. This can make individual securities more liquid, because valuations for a single security are better estimators of actual trading prices when they are informed by trades in a large group of closely related securities. As a result, securities are more likely to trade at prices close to their valuation when they need to be sold.

[16] Commentary .02(a)(4) to NYSE Arca Equities Rule 5.2(j)(3) provides that no component fixed-income security (excluding Treasury Securities and GSE Securities, as defined therein) shall represent more than 30% of the weight of the index or portfolio, and the five most heavily weighted component fixed-income securities in the index or

Continued

believes that, notwithstanding that the NY Index does not satisfy the criterion in NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (a)(2), the Revised NY Index is sufficiently broad-based to deter potential manipulation, given that it is composed of approximately 4,581 issues. In addition, the Revised NY Index securities are sufficiently large to deter potential manipulation in view of the substantial total dollar amount outstanding and the average dollar amount outstanding of Revised NY Index issues, as referenced above.

In addition, the average daily notional trading volume for Revised NY Index components for the calendar year 2013 was approximately $486 million and the sum of the notional trading volumes for the same period was approximately $123.1 billion.

With respect to each of the Funds, the value of each Revised Index will be calculated and disseminated via a major market data vendor at least once daily; further, the components and percentage weightings of each Revised Index also will be available from major market data vendors. In addition, the portfolio of securities held by each Fund will be disclosed daily on the Funds' Web site at *www.iShares.com.*

The Exchange represents that: (1) With respect to the Funds, except for Commentary .02(a)(2) to NYSE Arca Equities Rule 5.2(j)(3), the Shares of each Fund currently satisfy all of the generic listing standards under NYSE Arca Equities Rule 5.2(j)(3); (2) the continued listing standards under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2) applicable to Units shall apply to the Shares of the Funds; and (3) the Trust is required to comply with Rule 10A–3 [17] under the Act for the initial and continued listing of the Shares of the Funds. In addition, the Exchange represents that the Shares of the Funds will comply with all other requirements applicable to Units including, but not limited to, requirements relating to the dissemination of key information such as the value of the Index and the applicable Intraday Indicative Value (''IIV''),[18] rules governing the trading of equity securities, trading hours, trading halts, surveillance, and the Information Bulletin to Equity Trading Permit Holders (''ETP Holders''), as set forth in Exchange rules applicable to Units and prior Commission orders approving the generic listing rules applicable to the listing and trading of Units.[19]

Each of the Revised Indexes is sponsored by an organization (the ''Index Provider'') that is independent of the Funds and the Adviser. The Index Provider determines the composition and relative weightings of the securities in the Underlying Indexes and publishes information regarding the market value of the Underlying Indexes. The Index Provider with respect to the Revised Indexes is S&P Dow Jones Indices LLC (a subsidiary of The McGraw-Hill Companies) (''S&P''). The Index Provider is not a broker-dealer or affiliated with a broker-dealer and has implemented procedures designed to prevent the use and dissemination of material, non-public information regarding the Revised Indexes.

The current value of the Revised Indexes will be widely disseminated by one or more major market data vendors at least once per day, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (b)(ii). The IIVs for Shares of the Funds are disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange's Core Trading Session, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (c), and Commentary .01(c), respectively.

Detailed descriptions of the Funds, the Revised Indexes, procedures for creating and redeeming Shares, transaction fees and expenses, dividends, distributions, taxes, risks, and reports to be distributed to beneficial owners of the Shares can be found in the Registration Statement or on the Web site for the Funds (*www.iShares.com*), as applicable.

Net Asset Value

The NAV of each Fund will be calculated by dividing the value of the net assets of the Fund (*i.e.,* the value of its total assets less total liabilities) by the total number of outstanding shares of a Fund, generally rounded to the nearest cent.

The value of the securities and other assets and liabilities held by each Fund will be determined pursuant to valuation policies and procedures approved by the Fund's Board of Trustees (''Board'').

Each Fund will value fixed income portfolio securities, including municipal bonds, AMT-free tax-exempt municipal notes, variable rate demand notes and obligations, tender option bonds and municipal commercial paper using prices provided directly from independent third-party pricing services which may use matrix pricing and valuation models to derive values or from one or more broker-dealers or market makers. Certain short-term debt securities may be valued on the basis of amortized cost. Money market funds will be valued at NAV.

When market quotations are not readily available or are believed by BFA to be unreliable, a Fund's investments will be valued at fair value. Fair value determinations are made by BFA in accordance with policies and procedures approved by the Funds' Board. BFA may conclude that a market quotation is not readily available or is unreliable if a security or other asset or liability does not have a price source due to its lack of liquidity, if a market quotation differs significantly from recent price quotations or otherwise no longer appears to reflect fair value, where the security or other asset or liability is thinly traded, or where there is a significant event subsequent to the most recent market quotation. A ''significant event'' is an event that, in the judgment of BFA, is likely to cause a material change to the closing market price of the asset or liability held by a Fund.

Fair value represents a good faith approximation of the value of an asset or liability. The fair value of an asset or liability held by a Fund is the amount a Fund might reasonably expect to receive from the current sale of that asset or the cost to extinguish that liability in an arm's-length transaction.

Availability of Information

On each business day, before commencement of trading in Shares of each Fund in the Core Trading Session on the Exchange, a Fund will disclose on its Web site the portfolio that will form the basis for a Fund's calculation of NAV at the end of the business day.[20]

On a daily basis, each Fund will disclose for each portfolio security or

portfolio shall not in the aggregate account for more than 65% of the weight of the index or portfolio.

[17] 17 CFR 240.10A–3.

[18] The IIV will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's Core Trading Session of 9:30 a.m. to 4:00 p.m., Eastern time. Currently, it is the Exchange's understanding that several major market data vendors display and/or make widely available IIVs taken from the Consolidated Tape Association (''CTA'') or other data feeds.

[19] *See, e.g.,* Securities Exchange Act Release Nos. 55783 (May 17, 2007), 72 FR 29194 (May 24, 2007) (SR–NYSEArca-2007–36) (order approving NYSE Arca generic listing standards for Units based on a fixed income index); 44551 (July 12, 2001), 66 FR 37716 (July 19, 2001) (SR–PCX–2001–14) (order approving generic listing standards for Units and Portfolio Depositary Receipts); 41983 (October 6, 1999), 64 FR 56008 (October 15, 1999) (SR–PCX–98–29) (order approving rules for listing and trading of Units).

[20] Under accounting procedures followed by the Funds, trades made on the prior business day (''T'') will be booked and reflected in NAV on the current business day (''T+1''). Accordingly, the Funds will be able to disclose at the beginning of the business day the portfolio that will form the basis for the NAV calculation at the end of the business day.

other financial instrument of a Fund the following information on the Funds' Web site: ticker symbol (if applicable), name of security and financial instrument, a common identifier such as CUSIP or ISIN (if applicable), number of shares (if applicable), and dollar value of securities and financial instruments held in the portfolio, and percentage weighting of the security and financial instrument in the applicable portfolio. The Web site information will be publicly available at no charge.

The current value of the Revised Indexes will be widely disseminated by one or more major market data vendors at least once per day, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (b)(ii). The IIV for Shares of each Fund will be disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange's Core Trading Session, as required by NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 (c).

Investors can also obtain the Trust's Statement of Additional Information (''SAI''), the Funds' Shareholder Reports, and its Form N–CSR and Form N–SAR, filed twice a year. The Trust's SAI and Shareholder Reports are available free upon request from the Trust, and those documents and the Form N–CSR and Form N–SAR may be viewed on-screen or downloaded from the Commission's Web site at *www.sec.gov.* Information regarding market price and trading volume of the Shares of each Fund will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services. Information regarding the previous day's closing price and trading volume information for the Shares will be published daily in the financial section of newspapers.

Quotation and last sale information for the Shares will be available via the Consolidated Tape Association (''CTA'') high speed line. Price information regarding municipal bonds, and AMT-free tax-exempt municipal notes, variable rate demand notes and obligations, tender option bonds and municipal commercial paper is available from major market data vendors and third party pricing services. Price information regarding exchange-traded assets will be available from the principal exchange on which such assets are traded.

Trading Rules

The Exchange deems the Shares of each Fund to be equity securities, thus rendering trading in the Shares subject to the Exchange's existing rules governing the trading of equity securities. Shares will trade on the NYSE Arca Marketplace from 4:00 a.m. to 8:00 p.m. Eastern time in accordance with NYSE Arca Equities Rule 7.34 (Opening, Core, and Late Trading Sessions). The Exchange has appropriate rules to facilitate transactions in the Shares during all trading sessions. As provided in NYSE Arca Equities Rule 7.6, Commentary .03, the minimum price variation (''MPV'') for quoting and entry of orders in equity securities traded on the NYSE Arca Marketplace is $0.01, with the exception of securities that are priced less than $1.00 for which the MPV for order entry is $0.0001.

The Shares of the Funds will conform to the initial and continued listing criteria under NYSE Arca Equities Rules 5.2(j)(3) and 5.5(g)(2), respectively. The Exchange represents that, for initial and/or continued listing, the Funds will be in compliance with Rule 10A–3 [21] under the Act, as provided by NYSE Arca Equities Rule 5.3. The Exchange will obtain a representation from the issuer of the Shares that the net asset value (''NAV'') per Share of each Fund will be calculated daily and that the NAV per Share will be made available to all market participants at the same time.

Trading Halts

The Exchange will halt trading in the Shares if the circuit breaker parameters of NYSE Arca Equities Rule 7.12 have been reached. In exercising its discretion to halt or suspend trading in the Shares, the Exchange may consider factors such as the extent to which trading in the underlying securities is not occurring or whether other unusual conditions or circumstances detrimental to the maintenance of a fair and orderly market are present, in addition to other factors that may be relevant. If the Intraday Indicative Value (as defined in Commentary .01 to Rule 5.2(j)(3)) or the Index value is not being disseminated as required, the Exchange may halt trading during the day in which the interruption to the dissemination of the Intraday Indicative Value or the Index value occurs. If the interruption to the dissemination of the Intraday Indicative Value or the Index value persists past the trading day in which it occurred, the Exchange will halt trading.

Information Bulletin

Prior to the commencement of trading, the Exchange will inform its Equity Trading Permit Holders in an Information Bulletin (''Bulletin'') of the special characteristics and risks associated with trading the Shares. Specifically, the Bulletin will discuss the following: (1) The procedures for purchases and redemptions of Shares in Creation Unit aggregations (and that Shares are not individually redeemable); (2) NYSE Arca Equities Rule 9.2(a), which imposes a duty of due diligence on its Equity Trading Permit Holders to learn the essential facts relating to every customer prior to trading the Shares; (3) the risks involved in trading the Shares during the Opening and Late Trading Sessions when an updated IIV will not be calculated or publicly disseminated; (4) how information regarding the IIV is disseminated; (5) the requirement that Equity Trading Permit Holders deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (6) trading information.

In addition, the Bulletin will reference that each Fund is subject to various fees and expenses described in the Registration Statement. The Bulletin will discuss any exemptive, no-action, and interpretive relief granted by the Commission from any rules under the Act. The Bulletin will also disclose that the NAV for the Shares will be calculated after 4:00 p.m. Eastern time each trading day.

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) [22] that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of a free and open market and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is designed to prevent fraudulent and manipulative acts and practices in that the Shares will be listed and traded on the Exchange pursuant to the initial and continued listing criteria in NYSE Arca Equities Rule 5.2(j)(3). The Exchange represents that trading in the Shares will be subject to the existing trading surveillances, administered by the Financial Industry Regulatory Authority (''FINRA'') on behalf of the Exchange, which are designed to detect violations of Exchange rules and applicable federal securities laws.[23] The Exchange

[21] 17 CFR 240.10A–3.

[22] 15 U.S.C. 78f(b)(5).

[23] FINRA surveils trading on the Exchange pursuant to a regulatory services agreement. The Exchange is responsible for FINRA's performance under this regulatory services agreement.

represents that these procedures are adequate to properly monitor Exchange trading of the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares with other markets that are members of the Intermarket Surveillance Group (''ISG'') or with which the Exchange has in place a comprehensive surveillance sharing agreement. FINRA also can access data obtained from the Municipal Securities Rulemaking Board relating to municipal bond trading activity for surveillance purposes in connection with trading in the Shares. FINRA, on behalf of the Exchange, is able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA's Trade Reporting and Compliance Engine (''TRACE'').

The Index Provider is a broker-dealer and has implemented a firewall and will maintain procedures designed to prevent the use and dissemination of material non-public information regarding the Revised Indexes.

The Revised Index values, calculated and disseminated at least once daily, as well as the components of the Revised Indexes and their respective percentage weightings, will be available from major market data vendors. In addition, the portfolio of securities held by the Funds will be disclosed on the Funds' Web site. The IIV for Shares of the Funds will be disseminated by one or more major market data vendors, updated at least every 15 seconds during the Exchange's Core Trading Session.

The proposed rule change is designed to promote just and equitable principles of trade and to protect investors and the public interest. In addition, a large amount of information is publicly available regarding the Funds and the Shares, thereby promoting market transparency. The Funds' portfolio holdings will be disclosed on the Funds' Web site daily after the close of trading on the Exchange and prior to the opening of trading on the Exchange the following day. Moreover, the IIV will be widely disseminated by one or more major market data vendors at least every 15 seconds during the Exchange's Core Trading Session. The current value of the Index will be disseminated by one or more major market data vendors at least once per day. Information regarding market price and trading volume of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services, and quotation and last sale information will be available via the CTA high-speed line. The Web site for the Funds will include the prospectus for the Funds and additional data relating to NAV and other applicable quantitative information. Moreover, prior to the commencement of trading, the Exchange will inform its ETP Holders in an Information Bulletin of the special characteristics and risks associated with trading the Shares. If the Exchange becomes aware that the NAV is not being disseminated to all market participants at the same time, it will halt trading in the Shares until such time as the NAV is available to all market participants. With respect to trading halts, the Exchange may consider all relevant factors in exercising its discretion to halt or suspend trading in the Shares of the Funds. Trading also may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. If the IIV or the Revised Index values are not being disseminated as required, the Corporation may halt trading during the day in which the interruption to the dissemination of the applicable IIV or Revised Index value occurs. If the interruption to the dissemination of the applicable IIV or Revised Index value persists past the trading day in which it occurred, the Corporation will halt trading. Trading in Shares of the Funds will be halted if the circuit breaker parameters in NYSE Arca Equities Rule 7.12 have been reached or because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable, and trading in the Shares will be subject to NYSE Arca Equities Rule 7.34, which sets forth circumstances under which Shares of the Funds may be halted. In addition, investors will have ready access to information regarding the IIV, and quotation and last sale information for the Shares.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. The Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG from other exchanges that are members of ISG or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, investors will have ready access to information regarding the IIV and quotation and last sale information for the Shares.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purpose of the Act. The Exchange notes that the proposed rule change will facilitate the continued listing and trading of exchange-traded products that hold municipal securities and that will enhance competition among market participants, to the benefit of investors and the marketplace.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

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 (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 self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the 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.* Please include File Number SR–NYSEArca–2014–139 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–NYSEArca–2014–139. 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–NYSEArca–2014–139, and should be submitted on or before January 13, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Kevin M. O'Neill,

Deputy Secretary.

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[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73856; File No. SR–MIAX–2014–30]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Designation of a Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove a Proposed Rule Change To List and Trade Options on Shares of the iShares ETFs

December 17, 2014.

On June 17, 2014, Miami International Securities Exchange LLC (''MIAX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act'' or ''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to list and trade options on shares of the iShares MSCI Brazil Capped ETF, iShares MSCI Chile Capped ETF, iShares MSCI Peru Capped ETF, and iShares MSCI Spain Capped ETF (collectively ''iShares ETFs''). The proposed rule change was published for comment in the **Federal Register** on July 3, 2014.[3] On August 13, 2014, the Commission extended the time period in which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to approve or disapprove the proposed rule change, to October 1, 2014.[4] On September 25, 2014, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.[5] The Commission received a letter from MIAX on the proposal.[6]

Section 19(b)(2) of the Act[7] provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. In this case, the proposed rule change was published for notice and comment in the **Federal Register** on July 3, 2014. December 30, 2014, is 180 days from that date, and February 28, 2015, is 240 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to evaluate the proposed rule change and whether it is consistent with the Act.[8] The proposed rule change would allow the Exchange to list for trading on the Exchange options on shares of the iShares ETFs without satisfying the Exchange's listing standards, which require, in part, that the component securities of an index or portfolio of securities on which the Exchange Traded Fund Shares are based for which the primary market is in any one country that is not subject to a comprehensive surveillance sharing agreement do not represent 20% or more of the weight of the index.[9]

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[10] designates February 28, 2015, as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR–MIAX–2014–30).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[11]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–29968 Filed 12–22–14; 8:45 am]

BILLING CODE 8011–01–P

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 72492 (June 27, 2014), 79 FR 38099 (SR–MIAX–2014–30) (''iShares ETFs Proposal'').

[4] *See* Securities Exchange Act Release No. 72835 (August 13, 2014), 79 FR 49140 (August 19, 2014).

[5] *See* Securities Exchange Act Release No. 73211 (September 25, 2014), 79 FR 59338 (October 1, 2014).

[6] *See* Letter to Elizabeth M. Murphy, Secretary, Commission, from Brian O'Neill, Vice President and Senior Counsel, MIAX, dated October 22, 2014 (providing comment on SR–MIAX–2014–30 and SR–MIAX–2014–39) (''MIAX Letter'').

[7] 15 U.S.C. 78s(b)(2).

[8] The Commission notes that MIAX also submitted a similar proposed rule change to list and trade options on shares of certain Market Vectors ETFs. *See* Securities Exchange Act Release No. 72777 (August 6, 2014), 79 FR 47165 (August 12, 2014) (MIAX–2014–39).

[9] *See* MIAX Rule 402(i)(5)(ii)(B). The Exchange represents that each of the iShares ETFs are comprised of component securities for which the primary market is a single foreign market, and that, for each ETF, MIAX does not have a CSSA with its foreign counterpart in the applicable foreign market.

[10] *Id.*

[11] 17 CFR 200.30–3(a)(57).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73858; File No. SR–NYSEMKT–2014–14]

Self-Regulatory Organizations; NYSE MKT LLC; Order Approving a Proposed Rule Change Amending Exchange Rule 967NY To Enhance the Functionality of the Trade Collar Protection Mechanism

December 17, 2014.

I. Introduction

On October 24, 2014, NYSE MKT LLC (the ''Exchange'' or ''NYSE MKT'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Exchange Rule 967NY relating to the Exchange's ''Trade Collar Protection'' mechanism for options. The

[1] 15 U.S. C. 78s(b)(1).

[2] 17 CFR 240.19b–4.