

Chairman's normal vote as a committee member).

### III. Discussion and Commission Findings

Section 19(b)(2)(C) of the Act<sup>5</sup> directs the Commission to approve a proposed rule change of a self-regulatory organization if the Commission finds that such proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to such self-regulatory organization. Section 17A(b)(3)(F) of the Act<sup>6</sup> requires, among other things, that the rules of a clearing agency are designed, in general, to protect investors and the public interest. In addition, Rule 17Ad-22(d)(8) requires registered clearing agencies to establish, implement, maintain and enforce written policies and procedures reasonably designed to have governance arrangements that are clear and transparent to fulfill the public interest requirements in Section 17A of the Act applicable to clearing agencies, to support the objectives of owners and participants, and to promote the effectiveness of the clearing agency's risk management procedures.<sup>7</sup>

The Commission finds that the proposed rule change is consistent with Section 17A of the Act<sup>8</sup> and the rules thereunder applicable to ICE Clear Europe. As described above, the Board Risk Committee's Terms of Reference provide specific information regarding, among other things, the Board Risk Committee's objectives, responsibilities, composition, and governance, as well as its relationship with the Board and other ICE Clear Europe committees. Specifically, the Terms of Reference state that the Board Risk Committee's role is to advise the Board with respect to various firm-wide risk management matters, while helping the Board to ensure that ICE Clear Europe (i) implements and maintains agreed risk management procedures, processes and controls, (ii) provides appropriate access to its clearing services, and (iii) appropriately considers the interests of non-clearing member users of cleared products, including with respect to account segregation and collateral protection. In this role, the Terms of Reference provide that the Board Risk Committee will, among other things, advise the Board regarding any arrangements that may materially impact ICE Clear Europe's risk management (such as a significant

change in its criteria for accepting clearing members, clearing in new markets, or outsourcing of certain functions).

Moreover, the Terms of Reference provide that the Board Risk Committee will oversee all risks facing ICE Clear Europe (including counterparty credit risk, operational risk, and liquidity risk). ICE Clear Europe states that the Board Risk Committee's activities will relate to all categories of products cleared at ICE Clear Europe, and will be in addition to the activities of its existing product-specific risk committees (*i.e.*, the F&O, CDS and FX risk committees). The Terms of Reference also require the Board Risk Committee to report directly to the Board and receive and review all recommendations from each of the product-specific risk committees. The Commission believes that these arrangements are reasonably designed to protect investors and the public interest and to promote the effectiveness of ICE Clear Europe's risk management procedures. In addition, the Commission believes that the composition of the Board Risk Committee, as described in the Terms of Reference, is reasonably designed to represent the interests of owners, clearing participants, and customers, and, therefore, support owner and participant objectives.

Accordingly, the Commission believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act,<sup>9</sup> and the requirements of Rule 17Ad-22(d)(8)<sup>10</sup> applicable to registered clearing agencies.

### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act<sup>11</sup> and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-ICEEU-2014-22) be, and hereby is, approved.<sup>13</sup>

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

**Brent J. Fields,**

*Secretary.*

[FR Doc. 2015-00529 Filed 1-14-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74029; File No. SR-NYSEArca-2014-151]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Commentary .06 to Rule 6.8 To Extend the Pilot Program That Eliminated the Position Limits for Options on SPDR S&P 500 ETF

January 9, 2015.

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 December 30, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the 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 to amend Commentary .06 to Rule 6.8 to extend the pilot program that eliminated the position limits for options on SPDR S&P 500 ETF ("SPY") ("SPY Pilot Program"). The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://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

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>10</sup> 17 CFR 240.17Ad-22(d)(8).

<sup>11</sup> 15 U.S.C. 78q-1.

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> In approving the proposed rule change, the Commission considered the proposal's impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

<sup>14</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.

<sup>5</sup> 15 U.S.C. 78s(b)(2)(C).

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

<sup>7</sup> 17 CFR 240.17Ad-22(d)(8).

<sup>8</sup> 15 U.S.C. 78q-1.

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 proposes to amend Commentary .06 to Rule 6.8 to extend the time period of the SPY Pilot Program,<sup>3</sup> which is currently scheduled to expire on February 5, 2015, through July 12, 2015.

This filing does not propose any substantive changes to the SPY Pilot Program. In proposing to extend the SPY Pilot Program, the Exchange reaffirms its consideration of several factors that supported the original proposal of the SPY Pilot Program, including (1) the availability of economically equivalent products and their respective position limits, (2) the liquidity of the option and the underlying security, (3) the market capitalization of the underlying security and the related index, (4) the reporting of large positions and requirements surrounding margin, and (5) the potential for market on close volatility.

In the original proposal to establish the SPY Pilot Program, the Exchange stated that if it were to propose an extension, permanent approval or termination of the program, the Exchange would submit, along with any filing proposing such amendments to the program, a report providing an analysis of the SPY Pilot Program covering the first twelve (12) months during which the SPY Pilot Program was in effect (the "Pilot Report").<sup>4</sup> Accordingly, the Exchange is submitting the Pilot Report detailing the Exchange's experience with the SPY Pilot Program. The Pilot Report is attached as Exhibit 3 to this filing. The Exchange notes that it is unaware of any problems created by the SPY Pilot Program and does not foresee any as a result of the proposed extension. In extending the SPY Pilot Program, the Exchange states that if it were to propose another extension, permanent approval or termination of the program, the Exchange will submit another Pilot Report covering the period since the previous extension, which will be submitted at least 30 days before the end of the proposed extension.

<sup>3</sup> See Securities Exchange Act Release No. 68001 (October 5, 2012), 77 FR 62303 (October 12, 2012) (SR-NYSEArca-2012-112).

<sup>4</sup> *Id.*

**2. Statutory Basis**

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>5</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>6</sup> in particular, in that it is 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 a national market system, and, in general, to protect investors and the public interest. The Exchange believes that extending the SPY Pilot Program promotes just and equitable principles of trade by permitting market participants, including market makers, institutional investors and retail investors, to establish greater positions when pursuing their investment goals and needs.

*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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any aspect of competition, whether between the Exchange and its competitors, or among market participants. Instead, the proposed rule change is designed to allow the SPY Pilot Program to continue as other SROs have adopted similar provisions.

*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**

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>7</sup> and Rule 19b-4(f)(6) thereunder.<sup>8</sup> Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6).

19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.<sup>9</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-NYSEArca-2014-151 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEArca-2014-151. 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>9</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and the 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.

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-2014-151, and should be submitted on or before February 5, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>10</sup>

**Brent J. Fields,**  
*Secretary.*

[FR Doc. 2015-00532 Filed 1-14-15; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74023; File No. SR-EDGX-2015-03]

### Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Rules To Adopt or Align System Functionality With That Currently Offered by BATS Exchange, Inc. and BATS Y-Exchange, Inc.

January 9, 2015.

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 January 8, 2015, EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to amend certain rules to adopt or align system functionality with that currently offered by BATS Exchange, Inc. ("BZX") and BATS Y-Exchange, Inc. ("BYX", collectively with BZX, "BATS") in order to provide a consistent technology offering amongst the Exchange and its affiliates. These changes are described in detail below and include amending: (i) Rule 11.1 regarding the Exchange's trading sessions and

Order Types; (v) Rule 11.9, Priority of Orders; (vi) Rule 11.10, Order Execution; (vii) Rule 11.11, Routing to Away Trading Centers; and (viii) Rule 11.21, Retail Orders.

The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BATS. The Exchange notes that the proposed rule text is based on the rules and is different only to the extent necessary to conform to the Exchange's current rules.

The Exchange does not believe that the proposed rule change will have any direct or significant indirect effect on any other Exchange rule in effect at the time of this filing.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.directedge.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 the Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

###### 1. Purpose

Earlier this year, the Exchange and its affiliate, EDGA Exchange, Inc. ("EDGA") received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings

LLC, with BATS Global Markets, Inc., the parent of BATS (together with BATS, EDGA and EDGX, the "BGM Affiliated Exchanges").<sup>5</sup> In the context of the Merger, the BGM Affiliated Exchanges are working to migrate EDGX and EDGA onto the BATS technology platform, and align certain system functionality, retaining only intended differences between the BGM Affiliated Exchanges. As a result of these efforts, the Exchange proposes to amend: (i) Rule 11.1 regarding the Exchange's trading sessions and hours of operation; (ii) Rule 11.6, Definitions; (iii) Rule 11.7, Opening Process; (iv) Rule 11.8, Order Types; (v) Rule 11.9, Priority of Orders; (vi) Rule 11.10, Order Execution; (vii) Rule 11.11, Routing to Away Trading Centers; and (vi) Rule 11.21, Retail Orders.

The proposed amendments are intended to align certain system functionality with that currently offered by BATS in order to provide a consistent technology offering for Users<sup>6</sup> of the BGM Affiliated Exchanges. The Exchange notes that the proposed rule text is based on the BATS Rule and is different only to the extent necessary to conform to the Exchange's current rules.<sup>7</sup> The proposed amendments do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BATS or BYX.

Rule 11.1, Hours of Trading and Trading Days

*Current Functionality.* Rule 11.1 sets forth when orders may be entered into the System<sup>8</sup> and outlines a User's ability to select the trading sessions for which an order may be eligible for execution. Proposed Rule 11.1(a)(1), Session Indicator, describes each of the Exchange's existing trading sessions. A User may select the particular trading sessions for which their order(s) may be eligible for execution. Specifically,

<sup>5</sup> See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

<sup>6</sup> The term "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." See Exchange Rule 1.5(ee).

<sup>7</sup> To the extent a proposed rule change is based on an existing BATS Rule, the language of the BATS and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange Rules but not currently included in BATS rules based on the current structure of such rules.

<sup>8</sup> Exchange Rule 1.5(cc) defines "System" as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away."

<sup>10</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.

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

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