

proposal, members have unfettered discretion to set the Allowable Order Rate and Allowable Contract Execution Rate for the RPM. While MIAAX neglected to affirmatively establish minimum and maximum permissible settings for the RPM in its rule, the Commission expects MIAAX periodically to assess whether the RPM functionality is operating in a manner that is consistent with the promotion of fair and orderly markets. In addition, the Commission expects that members will consider their best execution obligations when establishing the minimum and maximum parameters for the RPM.¹⁸ For example, an abnormally low Allowable Order Rate set over an abnormally long specified time period should be carefully scrutinized, particularly if a member's order flow to MIAAX contains agency orders. To the extent that the RPM is set to overly-sensitive parameters, a member should consider the effect of its chosen settings on its ability to receive a timely execution on marketable agency orders that it sends to MIAAX in various market conditions.¹⁹ The Commission cautions that brokers considering their best execution obligations should be aware that the agency orders they represent may be rejected on account of the RPM.

In addition, under the proposal, once the RPM is engaged, PRIME Orders, PRIME Solicitation Orders, GTC Orders, AOC Orders, and OPG Orders will not participate in the RPM.²⁰ The Commission notes that these are unique order types.²¹ The Commission believes that these exceptions appear to be reasonably designed to not interfere with the operation of the PRIME and PRIME Solicitation auctions and also to restrict application of the RPM to specific types of orders, whose terms limit their application to specialized

(June 9, 2005), 70 FR 37496, 37537-8 (June 29, 2005).

¹⁸ The Commission reminds broker-dealers that they must examine their procedures for seeking to obtain best execution in light of market and technology changes and modify those practices if necessary to enable their customers to obtain the best reasonably available prices. See Order Handling Rules Release, *supra* note 17, at 48323.

¹⁹ For example, a marketable agency order that would have otherwise executed on MIAAX might be prevented from reaching MIAAX on account of other interest from the member that causes it to exceed its Allowable Order Rate and, thus, triggers the RPM, resulting in the System blocking new orders from the member.

²⁰ See *supra* note 7.

²¹ For example, the Exchange argues that PRIME Orders submitted pursuant to MIAAX Rule 515A have been guaranteed an execution at the time of acceptance into the System and, therefore, should not be cancelled when the RPM is engaged, because the execution has effectively already occurred. See Notice, *supra* note 4, at 4609.

purposes for which members may not want or need order protection to apply.

The proposed rule change also codifies existing functionality in the ARM with respect to the procedures for resuming quoting and the non-participation of eQuotes. The Commission notes that the clarification of ARM procedures in Rule 612 could eliminate potential confusion for members regarding the need to affirmatively notify MIAAX that the member wishes to re-start quoting following an ARM event as well as internal inconsistency in the rule about the inapplicability of ARM to eQuotes.

IV. Conclusion

It is therefore ordered, pursuant to section 19(b)(2) of the Act,²² that the proposed rule change (SR-MIAAX-2015-03), 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.²³

Brent J. Fields,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549-2736.

Extension: Rule 11a1-1(T).

SEC File No. 270-428, OMB Control No. 3235-0478.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 ("PRA") (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for approval of extension of the previously approved collection of information provided for in Rule 11a1-1(T) (17 CFR 240.11a1-1(T)), under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) ("Exchange Act").

On January 27, 1976, the Commission adopted Rule 11a1-1(T), to exempt certain transactions of exchange members for their own accounts that would otherwise be prohibited under Section 11(a) of the Exchange Act. The rule provides that a member's

proprietary order may be executed on the exchange of which the trader is a member, if, among other things: (1) The member discloses that a bid or offer for its account is for its account to any member with whom such bid or offer is placed or to whom it is communicated; (2) any such member through whom that bid or offer is communicated discloses to others participating in effecting the order that it is for the account of a member; and (3) immediately before executing the order, a member (other than a specialist in such security) presenting any order for the account of a member on the exchange clearly announces or otherwise indicates to the specialist and to other members then present that he is presenting an order for the account of a member.

Without these requirements, it would not be possible for the Commission to monitor its mandate under the Exchange Act to promote fair and orderly markets and ensure that exchange members have, as the principal purpose of their exchange memberships, the conduct of a public securities business.

There are approximately 663 respondents that require an aggregate total of 19 hours to comply with this rule. Each of these approximately 663 respondents makes an estimated 20 annual responses, for an aggregate of 13,260 responses per year. Each response takes approximately 5 seconds to complete. Thus, the total compliance burden per year is 19 hours (13,260 × 5 seconds/60 seconds per minute/60 minutes per hour = 19 hours). The approximate cost per hour is \$323, resulting in a total cost of compliance for the annual burden of \$6,137 (19 hours @ \$323).

Compliance with Rule 11a-1(T) is necessary for exchange members to make transactions for their own accounts under a specific exemption from the general prohibition of such transactions under Section 11(a) of the Exchange Act. Compliance with Rule 11a-1(T) does not involve the collection of confidential information. Rule 11a-1(T) does not have a record retention requirement per se. However, responses made pursuant to Rule 11a-1(T) may be subject to the recordkeeping requirements of Rules 17a-3 and 17a-4.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following Web site: www.reginfo.gov. Comments should be directed to (i) Desk Officer for the

²² 15 U.S.C. 78s(b)(2).

²³ 17 CFR 200.30-3(a)(12).

Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an email to: *Shagufta_Ahmed@omb.eop.gov*; and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or send an email to: *PRA_Mailbox@sec.gov*. Comments must be submitted to OMB within 30 days of this notice.

Dated: March 13, 2015.

Brent J. Fields,

Secretary.

[FR Doc. 2015-06315 Filed 3-18-15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74509; File No. SR-MIAX-2015-04]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Order Approving a Proposed Rule Change To Amend MIAX Rule 402

March 13, 2015.

I. Introduction

On January 16, 2015, 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 (“Act”) ¹ and Rule 19b-4 thereunder, ² a proposed rule change to amend its listing standards under Exchange Rule 402 to eliminate a requirement that the Exchange obtain a comprehensive surveillance sharing agreement (“CSSA”) before listing and trading options that overlie certain exchange-traded fund shares (“ETFs”), provided such ETFs are listed pursuant to generic listing standards on an equities exchange for portfolio depositary receipts and index fund shares based on international or global indexes under which a CSSA with a foreign market is not required. The proposed rule change was published for comment in the **Federal Register** on January 30, 2015. ³ The Commission received one comment letter supporting

the proposed rule change. ⁴ This order approves the proposed rule change.

II. Description of the Proposal

The Exchange allows for the listing and trading of options on ETFs that satisfy certain listing standards. ⁵ These rules require, in part, that (i) any non-U.S. component securities of an index or portfolio of securities on which the ETFs are based that are not subject to CSSAs do not in the aggregate represent more than 50% of the weight of the index or portfolio; ⁶ (ii) component securities of an index or portfolio of securities on which the ETFs are based for which the primary market is in any one country that is not subject to a CSSA do not represent 20% or more of the weight of the index; ⁷ and (iii) component securities of an index or portfolio of securities on which the ETFs are based for which the primary market is in any two countries that are not subject to CSSAs do not represent 33% or more of the weight of the index. ⁸

The generic listing standards on equities exchanges for the listing of portfolio depositary receipts and index fund shares based on international or global indexes do not, however, contain a parallel requirement regarding CSSAs. ⁹

The Exchange proposes to amend its listing standards to enable the Exchange to list and trade options on certain ETFs without a CSSA provided that such ETFs that underlie options are listed on an equities exchange pursuant to the generic listing standards for portfolio depositary receipts and index fund shares based on international or global

indexes under which a CSSA is not required. ¹⁰ Accordingly, the proposed rule change would provide a limited exception to the requirement regarding CSSAs under the Exchange’s listing standards only in circumstances where the underlying ETF was listed on an equities exchange pursuant to generic listing standards for international or global indexes that do not require such exchange to enter into a CSSA with a foreign market. ¹¹ The requirement for the Exchange to enter into a CSSA with a foreign market would continue to apply with respect to products that do not fit under the proposed exception. ¹² In addition, options on ETFs that may be listed and traded without a CSSA under this proposal would be subject to, in all other respects, the Exchange’s existing listing and trading rules that apply to options on ETFs and would be captured under the Exchange’s surveillance program for options on ETFs. ¹³

Finally, the Exchange proposes several technical and non-substantive changes to the formatting of Rule 402(i), including relocating current Rule 402(i)(5)(ii)(E) to proposed Rule 402(i)(E)(1)(iii) and the re-numbering of current Rule 402(i)(5)(ii) to proposed Rule 402(i)(E)(2)(ii). In addition, the Exchange proposes making corrections to inaccurate citations located in Rule 403(g)(1) and (2), so that Rule 403(g)(1) properly cites to Rule 402(i)(E)(1)(i) regarding closed-end ETFs and Rule 403(g)(2) properly cites to Rule 402(i)(E)(1)(ii) regarding open-end ETFs.

III. Discussion and Commission’s Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of section 6 of the Act ¹⁴ and the rules and regulations thereunder applicable to a national securities exchange. ¹⁵ Specifically, the Commission finds that the proposed rule change is consistent

⁴ See Letter to Brent J. Fields, Secretary, Commission, from Elizabeth King, Secretary and General Counsel, New York Stock Exchange, dated February 6, 2015 (“NYSE Letter”) (stating that “NYSE Group agrees with . . . and is supportive of MIAX’s efforts to make options available as a risk management tool for those ETFs listed on an equities exchange pursuant to generic listing standards without the requirement for a CSSA”).

⁵ See MIAX Rule 402(i).

⁶ See MIAX Rule 402(i)(5)(ii)(A) (renumbered as 402(i)(E)(2)(ii)(A) as part of the proposed rule change).

⁷ See MIAX Rule 402(i)(5)(ii)(B) (renumbered as 402(i)(E)(2)(ii)(B) as part of the proposed rule change).

⁸ See MIAX Rule 402(i)(5)(ii)(C) (renumbered as 402(i)(E)(2)(ii)(C) as part of the proposed rule change).

⁹ See, e.g., NYSE MKT Rule 1000, Commentary .03(a)(B); NYSE MKT Rule 1000A, Commentary .02(a)(B); NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(B); NYSE Arca Equities Rule 8.100, Commentary .01(a)(B); NASDAQ Rule 5705(a)(3)(A)(ii); NASDAQ Rule 5705(b)(3)(A)(ii); BATS Rule 14.11(b)(3)(A)(ii); and BATS Rule 14.11(c)(3)(A)(ii). See also Securities Exchange Act Release Nos. 54739 (November 9, 2006), 71 FR 66993 (November 17, 2006) (SR-Amex-2006-78); 55621 (April 12, 2007), 72 FR 19571 (April 18, 2007) (SR-NYSEArca-2006-86); and 55269 (February 9, 2007), 72 FR 7490 (February 15, 2007) (SR-NASDAQ-2006-050).

¹⁰ See Proposed MIAX Rule 402(i)(E)(2)(i). See also NYSE MKT Rule 1000, Commentary .03(a)(B); NYSE MKT Rule 1000A, Commentary .02(a)(B); NYSE Arca Equities Rule 5.2(j)(3), Commentary .01(a)(B); NYSE Arca Equities Rule 8.100, Commentary .01(a)(B); NASDAQ Rule 5705(a)(3)(A)(ii); NASDAQ Rule 5705(b)(3)(A)(ii); BATS Rule 14.11(b)(3)(A)(ii); and BATS Rule 14.11(c)(3)(A)(ii).

¹¹ *Id.*

¹² See Proposed MIAX Rules 402(i)(E)(2)(ii)(A)–(C).

¹³ See Notice, *supra* note 3.

¹⁴ 15 U.S.C. 78f.

¹⁵ Additionally, in approving the proposed rule change, the Commission has considered the proposed rule’s impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 74131 (January 26, 2015), 80 FR 5161 (SR-MIAX-2015-04) (“Notice”).