

registered clearing agencies “establish, implement, maintain and enforce written policies and procedures reasonably designed to, as applicable . . . establish default procedures that ensure that the clearing agency can take timely action to contain losses and liquidity pressures and to continue meeting its obligations in the event of a participant default.” The proposal will allow OCC to obtain short-term funds to address liquidity demands arising out of the default or suspension of a clearing member, in anticipation of a potential default or suspension of clearing members or the insolvency of a bank or another securities or commodities clearing organization. The changes should help OCC minimize losses in the event of such a default, suspension, or insolvency, by allowing it to obtain funds on extremely short notice to ensure clearance and settlement of transactions in options and other contracts without interruption. Therefore, the Commission believes that the proposal is consistent with Exchange Act Rule 17Ad-22(d)(11).<sup>22</sup>

By ensuring that OCC has continued access to its Non-Bank Liquidity Facility, the Commission believes the proposal contained in the Advance Notice is consistent with the objectives and principles described in Section 805(b) of the Act,<sup>23</sup> including that it is consistent with promoting robust risk management, and promoting safety and soundness. The Commission believes that the proposal is consistent with promoting robust risk management because it allows OCC to maintain access to a committed liquidity resource to help meet its settlement obligations in a manner that is timely and does not increase OCC’s counterparty exposure to clearing members or clearing member affiliated commercial banking institutions. In addition, the proposal will provide OCC the ability to adjust the aggregate commitment level of its Non-Bank Liquidity Facility—to no lower than \$1 billion and no greater than \$1.5 billion—to meet changing liquidity demands. The Commission also believes that the proposal is consistent with promoting safety and soundness of OCC. As stated above, the Non-Bank Liquidity Facility now will include two Confirmations with staggered expiration dates, which should mitigate the risk of a precipitous decrease in liquidity resources in the event OCC is unable to renew any one of its committed liquidity sources.

For these reasons, stated above, the Commission does not object to the advance notice.

## VI. Conclusion

*It is therefore noticed*, pursuant to Section 806(e)(1)(I) of the Payment, Clearing and Settlement Supervision Act,<sup>24</sup> that the Commission DOES NOT OBJECT to the proposed change, and authorizes OCC to implement the change in the advance notice (SR-OCC-2015-805) as of the date of this notice.

By the Commission.

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2016-00976 Filed 1-19-16; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76888; File No. SR-CBOE-2015-122]

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to COPS

January 13, 2016.

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 31, 2015, Chicago Board Options Exchange, Incorporated (the “Exchange” or “CBOE”) 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 filed the proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder.<sup>4</sup> 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 proposes to extend the contributor compensation structure of the Customized Option Pricing Service (“COPS”). There is no new proposed rule text.

<sup>24</sup> 12 U.S.C. 5465(e)(1)(I).

<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)(iii).

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

#### 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 Exchange 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 extend the contributor compensation structure of the Exchange’s COPS,<sup>5</sup> specifically, the COPS data revenue-sharing plan. The Exchange is not proposing to change the fees for COPS data.

###### Background

COPS provides market participants with an “end-of-day”<sup>6</sup> file and “historical”<sup>7</sup> files of valuations for Flexible Exchange (“FLEX”)<sup>8</sup> options and certain over-the-counter (“OTC”) options (collectively, “COPS Data”). Market Data Express, LLC (“MDX”), an affiliate of CBOE, offers COPS Data for sale to all market participants. COPS Data is available to “Subscribers” for internal use and internal distribution only, and to “Customers” who, pursuant to a written vendor agreement between MDX and a Customer, may distribute the COPS Data externally (*i.e.*, act as a

<sup>5</sup> See Securities Exchange Act Release Nos. 34-67813 (September 10, 2012), 77 FR 56903 (September 14, 2012) (SR-CBOE-2012-083); 34-67928 (September 26, 2012), 77 FR 60161 (October 2, 2012) (SR-CBOE-2012-090); 34-70705 (October 17, 2013), 78 FR 63265 (October 23, 2013) (SR-CBOE-2013-097); 34-70845 (November 12, 2013), 78 FR 69168 (November 18, 2013) (SR-CBOE-2013-104); 34-72621 (July 16, 2014), 79 FR 42616 (July 22, 2014) (SR-CBOE-2014-057); 34-74159 (January 28, 2015), 80 FR 5863 (February 23, 2015) (SR-CBOE-2015-007); and 34-74937 (May 12, 2015), 80 FR 28319 (May 18, 2015) (SR-CBOE-2015-046).

<sup>6</sup> “End of day” refers to data that is distributed prior to the opening of the next trading day.

<sup>7</sup> “Historical” COPS data consists of COPS data that is over one month old (*i.e.*, copies of the “end-of-day” COPS file that are over one month old).

<sup>8</sup> FLEX options are exchange traded options that provide investors with the ability to customize basic option features including size, expiration date, exercise style, and certain exercise prices.

<sup>22</sup> *Id.*

<sup>23</sup> 12 U.S.C. 5464(b).

vendor) and/or use and distribute the COPS Data internally.

COPS Data consists of indicative<sup>9</sup> values for four categories of “customized” options. The first category of options is all open series of FLEX options listed on any exchange that offers FLEX options for trading.<sup>10</sup> The second category is OTC options that have the same degree of customization as FLEX options. The third category includes options with strike prices expressed in percentage terms. Values for such options are expressed in percentage terms and are theoretical values.<sup>11</sup> The fourth category includes “exotic” options.<sup>12</sup>

The Exchange uses values produced by CBOE Trading Permit Holders (“TPHs”) to produce COPS Data. Participating CBOE TPHs submit values to MDX on options series specified by MDX on a daily basis. These values are generated by the TPHs’ internal pricing models. The valuations that MDX ultimately publishes are an average of multiple contributions of values from

participating CBOE TPHs. For each value provided by MDX through COPS, MDX includes a corresponding indication of the number of TPH contributors that factored into that value.

CBOE TPHs that meet the following objective qualification criteria are allowed to contribute values to MDX for purposes of producing COPS Data. Interested CBOE TPHs must be approved by the Exchange, have the ability to provide valuations to MDX in a timely manner each day after the close of trading, and sign a services agreement with CBOE. Interested CBOE TPHs must also have the ability to provide both indicative and implied volatility valuations on several different types of options, including (i) options on all open FLEX series traded on any exchange that offers FLEX options for trading, (ii) options on any potential new FLEX options series, (iii) OTC options that have the same degree of customization as FLEX options, (iv)

customized options where the strike price is expressed in percentage terms (the valuations provided to MDX must also be expressed in percentage terms), and (v) exotic options. In addition, interested CBOE TPHs must participate in a testing phase with MDX. The values submitted by a TPH during the testing phase and in live production must meet MDX’s quality control standards designed to ensure the integrity and accuracy of COPS Data. MDX has implemented procedures including monthly performance reviews to help ensure the integrity and accuracy of COPS Data.

To help ensure that MDX receives numerous values from multiple TPHs on a consistent basis, MDX shares revenue from the sale of COPS Data with participating CBOE TPHs.<sup>13</sup> The amount of revenue that MDX shares with participating TPHs is a percentage of the total revenue received by MDX from the sale of COPS Data. The revenue sharing is based on the following table:

Number of participating TPHs	Total revenue share %	Revenue share per TPH %
3 .....	21	7
4 .....	24	6
5 or more .....	30	30 divided by the number of participating TPHs.

If only three TPHs participate, MDX shares 21% of total revenue with each TPH receiving a 7% share. If four TPHs participate, MDX shares 24% of total revenue with each TPH receiving a 6% share. If five or more TPHs participate, MDX shares 30% of total revenue divided equally among the TPHs. There are currently three participating TPHs.

In July 2014, the Exchange submitted a proposed rule change to, among other things, temporarily change the COPS contributor compensation structure from a revenue sharing plan to a fixed payment structure for a six-month period (“Fixed Payment Period”).<sup>14</sup> In May 2015, the Exchange submitted a proposed rule change to change the COPS contributor compensation structure for the remainder of 2015.<sup>15</sup>

Pursuant to that proposed rule change, as of May 1, 2015, all revenue from the sale of COPS Data was paid to COPS contributors, with revenue divided equally among COPS contributors. As described in that proposed rule change, MDX would transition back to the revenue share plan described above on January 1, 2016.

**Proposal**

The Exchange proposes to extend the current COPS contributor compensation structure for six months. All revenue from the sale of COPS Data will continue to be paid to COPS contributors through June 30, 2016. The revenue will continue to be divided equally among COPS contributors. The Exchange had hoped that at the end of

2015, COPS revenue would be at a level such that the COPS contributors would receive a revenue share roughly in line with the fixed payments they received during the Fixed Payment Period. This has not yet occurred. The payments to COPS contributors are intended to, at a minimum, help COPS contributors cover their costs of producing valuations for COPS while the Exchange continues to grow the COPS business. MDX will transition back to the revenue share plan described above on July 1, 2016.

**2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange

<sup>9</sup> “Indicative” values are indications of potential market prices only and as such are neither firm nor the basis for a transaction.

<sup>10</sup> Current FLEX options open interest spans over 2,000 series on over 300 different underlying securities.

<sup>11</sup> These values are theoretical in that they are indications of potential market prices for options that have not traded (*i.e.* do not yet exist). Market participants sometimes express option values in percentage terms rather than in dollar terms because they find it is easier to assess the change,

or lack of change, in the marketplace from one day to the next when values are expressed in percentage terms.

<sup>12</sup> Exotic options are options which are generally traded OTC and are more complex than standard options, usually relating to determination of payoff. An exotic option may also include a non-standard underlying instrument, developed for a particular client or for a particular market.

<sup>13</sup> The fees that MDX charges for COPS Data are set forth on the Price List on the MDX Web site ([www.marketdataexpress.com](http://www.marketdataexpress.com)). MDX currently

charges a fee per option per day for “end-of-day” COPS data. The amount of the fee is reduced based on the number of options valuations purchased.

<sup>14</sup> See Securities Exchange Act Release No. 34–72621 (July 16, 2014), 79 FR 42616 (July 22, 2014) (SR–CBOE–2014–057).

<sup>15</sup> Securities Exchange Act Release No. 34–74937 (May 12, 2015), 80 FR 28319 (May 18, 2015) (SR–CBOE–2015–046). The Exchange is not proposing to eliminate the revenue share plan, but rather extend its temporary suspension as described in this rule filing.

and, in particular, the requirements of Section 6(b) of the Act.<sup>16</sup> Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>17</sup> requirements that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)<sup>18</sup> requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes the proposed rule change is not designed to permit unfair discrimination between CBOE TPHs because all COPS data revenue would be divided equally among TPH contributors for an additional six months. The Exchange believes the proposed rule change is consistent with the protection of investors and the public interest in that it would provide incentive for all of the COPS contributors to continue to participate in COPS while the Exchange continues to grow the COPS business, thereby helping to maintain the quality of COPS Data.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes the proposal is procompetitive in that it will incentivize COPS contributors to continue producing quality valuations to help keep COPS competitive with other similar market data products.<sup>19</sup>

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Because the foregoing rule 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 if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change or such shorter time as designated by the Commission,<sup>20</sup> the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>21</sup> and Rule 19b-4(f)(6) thereunder.<sup>22</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>23</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>24</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange believes that the proposal is consistent with the protection of investors and the public interest because it help COPS contributors cover their costs of producing valuations for COPS while the Exchange continues to grow the COPS business, and thereby assist the Exchange with maintaining its current roster of TPH contributors. The Commission believes that it is consistent with the protection of investors and the public interest to waive the 30-day operative delay so that the proposal may take effect upon filing and allow the current COPS contributor compensation structure to continue without interruption. For this reason, the Commission designates the

proposed rule change to be operative upon filing.<sup>25</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 will institute proceedings to determine whether the proposed rule change 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-CBOE-2015-122 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-CBOE-2015-122. 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

<sup>16</sup> 15 U.S.C. 78f(b).

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> *Id.*

<sup>19</sup> Market data vendors including SuperDerivatives, Markit, Prism, and Bloomberg's BVAL service produce option value data that is similar to COPS Data. The Options Clearing Corporation ("OCC") also produces FLEX option value data that is similar to the FLEX option value data that is included in COPS.

<sup>20</sup> The Exchange has fulfilled this requirement.

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

<sup>23</sup> 17 CFR 240.19b-4(f)(6).

<sup>24</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>25</sup> For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-CBOE-2015-122 and should be submitted on or before February 10, 2016.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>26</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-00899 Filed 1-19-16; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76894; File No. SR-ISE Gemini-2015-17]

### Self-Regulatory Organizations; ISE Gemini, LLC; Notice of Designation of Longer Period for Commission Action on Proposed Rule Change To Amend Rule 804(g)

January 13, 2016.

On November 12, 2015, ISE Gemini, LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to require clearing member approval before a market maker could resume trading after the activation of a market-wide speed bump under Exchange Rule 804(g). The proposed rule change was published for comment in the **Federal Register** on November 30, 2015.<sup>3</sup> The Commission has received no comment letters on the proposal.

Section 19(b)(2) of the Act<sup>4</sup> provides that within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the

proposed rule change, or institute proceedings to determine whether these proposed rule changes should be disapproved. The 45th day for this filing is January 14, 2016.

The Commission is extending the 45-day time period for Commission action on the proposed rule change. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider and take action on the Exchange’s proposed rule change.

Accordingly, pursuant to section 19(b)(2)(A)(ii)(I) of the Act<sup>5</sup> and for the reasons stated above, the Commission designates February 28, 2016 as the date by which the Commission should either approve or disapprove, or institute proceedings to determine whether to disapprove, the proposed rule change (File No. SR-ISE Gemini-2015-17).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2016-00904 Filed 1-19-16; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-76890; File No. SR-NYSEArca-2015-130]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Market Data Fees for the NYSE Arca Options Product

January 13, 2016.

Pursuant to section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”) <sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on December 31, 2015, 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, 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

The Exchange proposes to amend the fees for NYSE Arca Options Product, as set forth on the NYSE Arca Options Proprietary Market Data Fee Schedule (“Fee Schedule”). The Exchange proposes to establish a multiple data feed fee effective January 1, 2016. Specifically, the Exchange proposes to establish a new monthly fee, the “Multiple Data Feed Fee,” that would apply to data recipients that take a data feed for NYSE Arca Options Product in more than two locations. Data recipients taking NYSE Arca Options Product in more than two locations would be charged \$200 per additional location per product per month. 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 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 the fees for NYSE Arca Options Product,<sup>4</sup> as set forth on the NYSE Arca Options Proprietary Market Data Fee Schedule (“Fee Schedule”). The Exchange proposes to establish a multiple data feed fee effective January 1, 2016. Specifically, the Exchange proposes to establish a new monthly fee, the “Multiple Data Feed Fee,” that would apply to data recipients that take a data feed for NYSE Arca Options Product in more than two locations. Data recipients

<sup>4</sup> See Securities Exchange Act Release Nos. 76023 (Sept. 29, 2015), 80 FR 60208 (Oct. 5, 2015) (SR-NYSEArca-2015-83). The single fee for the NYSE Arca Options Product set forth on the Fee Schedule is comprised of three data feeds: Arca Options Top, Arca Options Deep and Arca Options Complex products.

<sup>26</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> See Securities Exchange Act Release No. 76505 (November 23, 2015), 80 FR 74824.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

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

<sup>6</sup> 17 CFR 200.30-3(a)(31).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.