

which the decision was based.<sup>6</sup> Just as is the case with a delisting determination, the proposed rule would require that the disclosure be made within four business days of receipt of Nasdaq's determination. In cases where the company fails to make the required disclosure, Nasdaq would make the disclosure and a Listing Qualifications Hearings Panel would consider the company's failure to make the required disclosure when it considers any subsequent appeal of the denial.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>8</sup> in particular, in that it is designed 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 proposed rule change will impose a disclosure requirement on companies that are denied initial listing on Nasdaq, which will help protect investors and the public interest by providing transparency to investors about the status of a company's application. The proposed rule change will not affect a company's ability to withdraw its listing application at any time and will add a statement about that ability to Nasdaq's rules, which will promote just and equitable principles of trade by enhancing transparency and allowing companies to maintain control over the consideration of their applications.

### 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 will impose an additional disclosure requirement on a small universe of companies and is not expected to affect the number of companies applying to list on Nasdaq or

any other exchange, or any company's ability to list.

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

No written comments were either solicited or received.

### 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 (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be disapproved.

### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

#### Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2014-102 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.

All submissions should refer to File Number SR-NASDAQ-2014-102. 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-NASDAQ-2014-102 and should be submitted on or before January 20, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

**Brent J. Fields,**  
Secretary.

[FR Doc. 2014-30438 Filed 12-29-14; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73906; File No. SR-CHX-2014-20]

### Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Trading Permit Application Fee

December 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on December 15, 2014, the Chicago Stock Exchange, Inc. ("CHX" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared 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 Substance of the Proposed Rule Change

CHX proposes to amend the Trading Permit application fee. The text of this proposed rule change is available on the Exchange's Web site at ([www.chx.com](http://www.chx.com)) and in the Commission's Public Reference Room.

<sup>9</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>6</sup> The rule would not require disclosure if a company withdraws its listing application before receiving a written determination from Nasdaq. Companies withdraw listing applications for many reasons, including instances where the company is acquired, determines not to list on an exchange, or lists on another venue. In addition, Nasdaq does not believe it can enforce a disclosure requirement after a company has withdrawn from its process. Nonetheless, Nasdaq believes that such disclosure may be appropriate and encourages companies to make such disclosure.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

## 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 CHX included statements concerning the purpose of and basis for the proposed rule changes 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 CHX 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 Exchange proposes to amend Section A of the Fee Schedule to increase the Trading Permit application fee from \$200 to \$2,000 per application.<sup>3</sup> The Trading Permit application fee is essentially a new Participant application fee, as every active Participant must hold a Trading Permit and no Participant may hold more than one Trading Permit.<sup>4</sup> The Exchange submits that the current fee is no longer commensurate with the actual cost associated with the Exchange's comprehensive review of Trading Permit applications. Thus, the Exchange believes it is appropriate to increase the Trading Permit application fee to be identical to similar fees of other national securities exchanges, like NASDAQ and NASDAQ BX.<sup>5</sup>

The Exchange also proposes to replace the term "Trading Permit" after "\$2000/" with the more accurate term "application," as the fee is currently assessed per application. For example, a separate Trading Permit application fee is, and will continue to be, assessed for each Trading Permit application submitted after (1) a withdrawal of an application by a prospective Participant or (2) rejection of an application by the Exchange. The Exchange believes that this amendment will clarify that if a prospective Participant submits more

<sup>3</sup> CHX Article 1, Rule 1(aa) defines "Trading Permit" as "a permit issued by the Exchange, granting the holder a revocable license to execute approved securities transactions through the Exchange's Trading Facilities, or to have those transactions executed on its behalf."

<sup>4</sup> CHX Article 3, Rule 2(e) provides that "all Trading Permits must be held by active Participant Firms" and "no Participant Firm shall hold more than one Trading Permit."

<sup>5</sup> See NASDAQ and NASDAQ BX fee schedules, both of which assess a \$2,000 fee per new member application.

than one Trading Permit application, regardless of the reason, the prospective Participant will be assessed the proposed Trading Permit application fee for each application. Incidentally, the Exchange also proposes to adopt language indicating that the fee is non-refundable.

The Exchange also proposes to eliminate the new Participant Firm registration fee of \$200 under Section C. In light of the proposed increase to the Trading Permit application fee, the Exchange believes that the new Participant Firm registration fee is unnecessary.

Aside from increasing the Trading Permit application fee to \$2,000 per application and the elimination of the new Participant Firm registration fee of \$200, the Exchange does not propose to substantively modify any other fees, assessments, credits or rebates.

#### Operative Date

The Exchange proposes to make this proposed rule change operative January 2, 2015.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>6</sup> in general, and furthers the objectives of Sections 6(b)(4) of the Act<sup>7</sup> in particular, as the proposed rule provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using its facilities. The Exchange believes that the proposed increase of the Trading Permit application fee from \$200 to \$2,000 per application equitably allocates fees among prospective Participants in a non-discriminatory manner as it will be assessed to all prospective Participants. Similarly, the proposed elimination of the new Participant Firm registration fee equitably allocates fees among prospective Participants in a non-discriminatory manner as it will no longer be assessed to any prospective Participants. Moreover, the proposed Trading Permit application fee is reasonable in light of the fact that it is identical to similar fees of other national securities exchanges, like NASDAQ and NASDAQ BX.<sup>8</sup>

### 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

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> See *supra* note 5.

of the purposes of the Act. To the contrary, the proposed Trading Permit application fee will enhance competition as it would be identical to similar fees of other national securities exchanges, such as NASDAQ and NASDAQ BX.<sup>9</sup>

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

No written comments were either solicited or received.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>10</sup> and subparagraph(f)(2) of Rule 19b-4 thereunder<sup>11</sup> because it establishes or changes a due, fee or other charge imposed by the Exchange.

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 proposal 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 No. SR-CHX-2014-20 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.

All submissions should refer to File No. SR-CHX-2014-20. This file number should be included on the subject line if email is used. To help the

<sup>9</sup> *Id.*

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

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

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 changes between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the CHX. 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 No. SR-CHX-2014-20 and should be submitted on or before January 20, 2015.

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

**Brent J. Fields,**  
Secretary.

[FR Doc. 2014-30442 Filed 12-29-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73907; File No. SR-OCC-2014-24]

### Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Proposed Rule Change Concerning Extended and Overnight Trading Sessions

December 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on December 12, 2014, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III

below, which Items have been prepared by OCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency's Statement of the Terms of Substance of the Proposed Rule Change

This proposed rule change is filed by OCC in connection with a proposed change to its operations concerning the clearance of confirmed trades executes in extended and overnight trading sessions (hereinafter, "overnight trading sessions") offered by exchanges for which OCC provides clearance and settlement services.

#### II. Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

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

##### (A) Clearing Agency's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

This proposed rule change is being filed in connection with a proposed change to OCC's operations concerning the clearance of confirmed trades executed in overnight trading sessions offered by exchanges for which OCC provides clearance and settlement services. OCC currently clears overnight trading activity for CBOE Futures Exchange, LLC ("CFE").<sup>3</sup> The total number of trades submitted to OCC from overnight trading sessions is nominal, typically less than 3,000 contracts per session. However, OCC has recently observed an industry trend whereby exchanges are offering overnight trading sessions beyond traditional hours. Exchanges offering overnight trading sessions have indicated that such sessions benefit market participants by providing additional price transparency and hedging opportunities for products traded in such sessions, which, in turn,

promotes market stability.<sup>4</sup> In light of this trend, OCC proposes to implement a framework for clearing trades executed in such sessions that includes: (1) Qualification criteria used to approve clearing members for overnight trading sessions, (2) systemic controls to identify trades executed during overnight trading sessions by clearing members not approved for such sessions, (3) enhancements to OCC's overnight monitoring of trades submitted by exchanges during overnight trading sessions, (4) enhancements to OCC's credit controls with respect to monitoring clearing members' credit risk during overnight trading sessions, including procedures for contacting an exchange offering overnight trading sessions in order to invoke use of the exchange's kill switch, and (5) taking appropriate disciplinary action against clearing members who attempt to clear during overnight trading session without first obtaining requisite approvals. These changes (described in greater detail below) are designed to reduce and mitigate the risks associated with clearing trades executed in overnight trading sessions. In addition, the only products that will be eligible for overnight trading sessions are index options and index futures products.

OCC's standards for determining whether to provide clearing services for overnight trading sessions offered by an exchange and the implementation of a framework are designed to work in conjunction with the risk controls of the exchanges that offer overnight trading sessions. OCC would confirm an exchange's risk controls as well as its staffing levels as they relate to overnight trading sessions to determine if OCC may reasonably rely on such risk controls to reduce risk presented to OCC by the exchange's overnight trading sessions. Such exchange risk controls will consist of: (1) Price reasonability checks, (2) controls to prevent orders from being executed beyond a certain percentage (determined by the exchange) from the initial execution price, (3) activity based protections which focus on risk beyond price, such as a high number of trades occurring in a set period of time, and (4) kill switch capabilities, which may be initiated by the exchange and can cancel all open quotes or all orders of a particular participant. OCC believes that confirming the existence of applicable pre-trade risk controls as well as overnight staffing at the relevant exchanges is essential to mitigating risks

<sup>3</sup> ELX Futures LP ("ELX") previously submitted overnight trading activity to OCC, but currently does not submit trades from overnight trading sessions to OCC. OCC will re-evaluate ELX's risk controls in the event ELX re-institutes its overnight trading sessions.

<sup>4</sup> See CFE-2014-010 at <http://cfe.cboe.com/publish/CFErulefilings/SR-CFE-2014-010.pdf>.

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

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

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