

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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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-FINRA-2011-041 and should be submitted on or before September 28, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

Elizabeth M. Murphy,  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65226; File No. SR-BX-2011-059]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Change the Name of the BX Ouch BBO Feed to the BX MatchView Feed and To Modify Its Contents

August 30, 2011.

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 August 25, 2011, NASDAQ OMX BX, Inc. ("BX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. 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, pursuant to Section 19(b)(1) of the Act<sup>3</sup> and Rule 19b-4

thereunder,<sup>4</sup> proposes to change the name of the BX Ouch BBO Feed to the BX MatchView Feed (the "Feed") and to modify the contents of the Feed in two ways. The Feed provides a view of how the Exchange views the Best Bid and Offer ("BBO") available from all market centers for each individual security the Exchange trades.

The Exchange has filed this proposal under Rule 19b-4(f)(6)<sup>5</sup> under the Act and BX has provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>6</sup>

The text of the proposed rule change is available from BX's Web site at <http://nasdaqomxbx.cchwallstreet.com/NASDAQOMXBX/Filings/>, at BX's principal office, 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 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 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

This proposal regards the BX MatchView Feed (formerly known as the BX Ouch BBO Feed), a data feed that represents the Exchange's view of best bid and offer data received from all market centers. The Feed is available to all Exchange members and market participants equally at no charge, offering all participants transparent, real-time data concerning the Exchange's view of the BBO data. The Exchange makes the Feed available on a subscription basis to market participants that are connected to the Exchange whether through extranets, direct connection, or Internet-based virtual private networks.

Currently, the Feed reflects the Exchange's view of the BBO data, at any given time, based on orders executed on the Exchange and updated quote information from the network processors.<sup>7</sup> The Feed contains the

following data elements: symbol, bid price, and ask price.<sup>8</sup> Unlike the BX TotalView feed, the MatchView feed does not contain information about individual orders, either those residing within the Exchange system or those executed or routed by the Exchange. Unlike the network processor feeds containing the National Best Bid and Offer ("NBBO"), the MatchView Feed does not identify either the market center quoting the BBO or the size of the BBO quotes. It merely contains the symbol and bid and offer prices.

The Exchange is modifying the inputs used for calculating the prices reflected on the Feed. Currently, the Feed reflects bids and offers contained on data feeds from the network processors, as well as certain BX orders referenced below. In the future, the Feed will continue to reflect these orders entered on the Exchange but rather than reflect only individual exchange bids and offers received from the network processors, the Feed will reflect individual exchange bids and offers received either from the network processor or directly from an exchange that disseminates bids and offers to vendors via a proprietary data feed. The Exchange will reflect bids and offers from another exchange's proprietary data feed only when the Exchange deems the proprietary data feed to be sufficiently reliable and also faster than the network processor.<sup>9</sup>

This determination—whether to utilize bids and offers from the network processor feed or from a direct proprietary data feed—will be made by the Exchange on a market-by-market basis based upon objective criteria about reliability and speed. The determination, once made, will apply to all bids and offers from an exchange; it will not be made on a stock-by-stock basis. Additionally, the determination,

will exclude information about the routing of orders to away exchanges. Thus, although the Exchange execution system and routing engine will know when a bid or offer from an away market is no longer available because the Exchange has routed an order to the bid or offer, the Feed will not reflect such routing activity.

<sup>8</sup> The Feed also contains a time stamp and message type field for reference.

<sup>9</sup> The Exchange is also changing its policies and procedures under Regulation NMS governing the data feeds used by its execution system and routing engine. Current policies state that those systems use data provided by the network processors. In the future, those systems will use data provided either by the network processors or by proprietary feeds offered by certain exchanges directly to vendors. The determination of which data feed to utilize will be the same as the determination made with respect to the Feed. In other words, the Exchange execution system, routing engine and Feed will each utilize the same data for a given exchange although, as set forth in footnote 5, the Feed does not contain all information available to the execution system and routing engine.

<sup>17</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)(1).

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

<sup>5</sup> 17 CFR 240.19b-4(f)(6).

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

<sup>7</sup> The Feed will not reflect all information available to the Exchange. Specifically, the Feed

once made, will be valid until such time as the away exchange stops disseminating the proprietary data feed in a manner that meets BX's objective criteria (for example, when that exchange experiences operational difficulties that reduce the reliability and speed of its proprietary data feed). For exchanges that do not disseminate proprietary data feeds or whose proprietary data feeds lack sufficient reliability and speed, the Feed will continue to reflect bids and offers disseminated via the network processor feeds.

Additionally, in a previous filing, the Exchange noted that the Feed depicts the Exchange's view of the BBO for all markets other than the Exchange.<sup>10</sup> In one narrow set of circumstances, the Feed will show the BBO for all markets including the Exchange. Specifically, an order received by the Exchange that improves the BBO will be reflected in the Feed when three circumstances are met: (1) The Exchange receives an order marked by the entering member as any visible bookable order that is not an IOC and is an "Inter-market Sweep" (an order known as a "Day ISO"); (2) the Day ISO order is priced higher than the current Best Bid or lower than the current Best Offer disseminated by the network processor or applicable exchange proprietary data feed; and (3) the Day ISO represents the new best bid or offer on the Exchange. In those circumstances, the new best bid or offer on the Exchange will be transmitted to the network processor and then reflected on the Feed (and the Exchange's other proprietary data feeds, such as BX TotalView). As stated above, the Feed does not show the market center responsible (whether the Exchange or an away market) for either the Best Bid or Best Offer reflected on the Feed.

These modifications to the Feed will enhance market transparency and foster competition among orders and markets. Member firms may use the Feed to more accurately price their orders based on the Exchange's view of what the BBO is at any point in time, including bids and offers received via proprietary data feeds which may not be reflected in the official NBBO due to latencies inherent in the NBBO's dissemination. As a consequence, member firms may more accurately price their orders on the Exchange, thereby avoiding price adjustments by the Exchange based on a quote that is no longer available. Additionally, members can use the Feed

to price orders more aggressively to narrow the NBBO and provide better reference prices for investors.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>11</sup> in general and with Sections 6(b)(5) of the Act,<sup>12</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 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. The Exchange believes that this proposal is in keeping with those principles by enhancing transparency through the dissemination of the most accurate quotations data and by clarifying its contents.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

### *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

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 19(b)(3)(A) of the Act<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup>

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(5).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give 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. The Exchange has satisfied this requirement.

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>15</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)<sup>16</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests that the Commission waive the 30-day operative delay because it would permit the Exchange to immediately provide the new content of the BX MatchView Feed to market participants. The Commission believes that waiving the 30-day operative delay<sup>17</sup> is consistent with the protection of investors and the public interest and designates the proposal operative upon filing.

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 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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2011-059 on the subject line.

### *Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BX-2011-059. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

<sup>17</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>10</sup> See Securities Exchange Act Release No. 61452 (Feb. 1, 2010), 75 F.R. (sic) 6232 (Feb. 8, 2010) (filing SR-BX-2010-010).

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 on official business days between the hours of 10 a.m. and 3 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-BX-2011-059 and should be submitted on or before September 28, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

**Elizabeth M. Murphy,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

### Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Compliance Deadline for Qualification Pursuant to Rule 3.6A

August 30, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("the Act"),<sup>1</sup> notice is hereby given that on August 23, 2011, Chicago Board Options Exchange, Incorporated ("CBOE" 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 CBOE. The Exchange has designated this proposal as one

constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under Section 19(b)(3)(A)(i) of the Act,<sup>2</sup> and Rule 19b-4(f)(1)<sup>3</sup> thereunder, which renders the proposal 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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>4</sup> the Exchange proposes to extend the September 19, 2011 deadline to October 29, 2011 to comply with its rules regarding registration and qualification of individual Trading Permit Holders and individual associated persons.<sup>5</sup> CBOE is not proposing any textual changes to the Rules of CBOE. The text of the proposed rule change is available on the Exchange's Web site (<http://www.cboe.org/legal>), at the Exchange's Office of the Secretary 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, CBOE 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. CBOE 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, Proposed Rule Change

###### 1. Purpose

Pursuant to Rule 15b7-1,<sup>6</sup> promulgated under the Exchange Act,<sup>7</sup> "No registered broker or dealer shall

effect any transaction in \* \* \* any security unless any natural person associated with such broker or dealer who effects or is involved in effecting such transaction is registered or approved in accordance with the standards of training, experience, competence, and other qualification standards...established by the rules of any national securities exchange..." CBOE Rule 3.6A sets forth the requirements for registration and qualification of individual Trading Permit Holders and individual associated persons. In response to a request by the Division of Trading and Markets at the Securities and Exchange Commission (the "Commission" or "SEC"), CBOE recently amended its rules to expand its registration and qualification requirements set forth in CBOE Rule 3.6A to include individual Trading Permit Holders and individual associated persons that are engaged or to be engaged in the securities business of a Trading Permit Holder or TPH organization.<sup>8</sup> CBOE Rule 3.6A provides that these individuals must be registered with the Exchange in the category of registration appropriate to the function to be performed as prescribed by the Exchange. Further, Rule 3.6A requires, among other things, that an individual Trading Permit Holder or individual associated person submit an application for registration and pass the appropriate qualification examination before the registration can become effective. The revised requirements apply to both CBOE and CBOE Stock Exchange ("CBSX") Trading Permit Holders and their associated persons.

In conjunction with the registration requirements established by SR-CBOE-2010-084, three new qualification examinations became available on June 20, 2011 in the Central Registration Depository system ("WebCRD"), which is operated by the Financial Industry Regulatory Authority, Incorporated ("FINRA"). These registration categories include the following (the required qualification examinations and prerequisites, as applicable, associated with each registration category are in parentheses): PT—Proprietary Trader (Series 56), CT—Proprietary Trader Compliance Officer (Series 14, Series 56 prerequisite) and TP—Proprietary Trader Principal (Series 24, Series 56 prerequisite). In the Approval Order for SR-CBOE-2010-084, the SEC established a deadline of August 12, 2011 for CBOE and CBSX individual Trading Permit Holders and individual

<sup>18</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>3</sup> 17 CFR 19b-4(f)(1).

<sup>4</sup> 15 U.S.C. 78s(b)(1).

<sup>5</sup> The Commission notes that the extension until October 29, 2011 is an extension of the time to pass the appropriate qualification exam. All individual Trading Permit Holders and individual associated persons not already registered in WebCRD were to be registered as of January 11, 2011. See Securities Exchange Act Release No. 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010), at 70958.

<sup>6</sup> 17 CFR 240.15b7-1.

<sup>7</sup> 15 U.S.C. 78a et seq.

<sup>8</sup> See Securities Exchange Act Release No. 63314 (November 12, 2010), 75 FR 70957 (November 19, 2010) (SR-CBOE-2010-084).