

public on the NRSRO's corporate Internet Web site in eXtensible Business Reporting Language ("XBRL") format.<sup>7</sup> The rule provides that in preparing the XBRL disclosure, an NRSRO must use the List of XBRL Tags as specified on the Commission's Internet Web site.<sup>8</sup> The Commission established a compliance date of August 10, 2009 for this provision. On August 5, 2009, the Commission provided notice that an NRSRO subject to the disclosure provisions of paragraph (d) (now paragraph (d)(2)) of Rule 17g-2 could satisfy the requirement to make publicly available ratings history information in an XBRL format by using an XBRL format or any other machine-readable format, until such time as the Commission provides further notice.<sup>9</sup> The Commission today is providing notice that a List of XBRL Tags has been published on the Commission's Internet Web site and that NRSROs shall commence publishing the information required by Rule 17g-2(d)(2) in XBRL format using the List of the XBRL Tags beginning no later than November 1, 2010.

On November 23, 2009, the Commission further amended Rule 17g-2 to add paragraph (d)(3), which requires that an NRSRO must make publicly available on its corporate Internet Web site ratings action histories for all credit ratings initially determined on or after June 26, 2007 in an interactive data file that uses a machine-readable format.<sup>10</sup> In the case of issuer-paid credit ratings, each new ratings action is required to be reflected in such publicly disclosed histories no later than twelve months after it is taken; in the case of ratings actions that are not issuer-paid, each new ratings action is required to be reflected no later than twenty-four months after it is taken.<sup>11</sup> Rule 17g-2(d)(3) provides that an NRSRO may use any machine-readable format to make this data publicly available until 60 days after the date on which the Commission publishes a List of XBRL Tags for NRSROs on its Internet Web site, at which point the NRSRO is required to make the information available in XBRL format using the List of XBRL Tags for NRSROs as published by the Commission on its

Internet Web site.<sup>12</sup> Today, the Commission is providing notice that the List of XBRL Tags has been published on the Commission's Internet Web site.<sup>13</sup>

The publication of the List of XBRL Tags on the Commission's Internet Web site automatically triggers the 60-day time frame for compliance with Rule 17(g)(2)(d)(3) using an XBRL format. However, for purposes of establishing a uniform compliance date for Rule 17g-2(d)(2) and Rule 17g-2(d)(3), the Commission will require that NRSROs make the information required under Rule 17g-2(d)(3) available on its corporate website in XBRL format using the List of XBRL Tags beginning no later than November 1, 2010.

The relief provided by the August 5, 2009 Notice is superseded by this Notice.

Dated: August 27, 2010.

By the Commission.

**Elizabeth M. Murphy,**

*Secretary.*

[FR Doc. 2010-21887 Filed 9-1-10; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62771; File No. SR-NASDAQ-2010-102]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Rule 2260 To Reflect Changes to Corresponding FINRA Rule

August 26, 2010.

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 16, 2010, The NASDAQ Stock Market LLC ("Nasdaq" or the "Exchange") 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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>12</sup> See November 2009 Adopting Release at 63834.

<sup>13</sup> See List of XBRL Tags available at [Web site url].

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

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

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

The Exchange proposes to amend NASDAQ Rule 2260 and IM-2260 to reflect recent changes to a corresponding rule of the Financial Industry Regulatory Authority ("FINRA"). The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com>, at the Exchange's principal office, at the Commission's Public Reference Room, and on the Commission's Web site at <http://www.sec.gov>.

### 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

Many of NASDAQ's rules are based on rules of FINRA (formerly the National Association of Securities Dealers ("NASD")). During 2008, FINRA embarked on an extended process of moving rules formerly designated as "NASD Rules" into a consolidated FINRA rulebook. In many cases, FINRA has renumbered these rules, and in some cases has substantively amended them. Accordingly, NASDAQ has initiated a process of modifying its rulebook to ensure that NASDAQ rules corresponding to FINRA/NASD rules continue to mirror them as closely as practicable.

This filing addresses NASDAQ Rule 2260 and IM-2260, which incorporates the guidance previously contained in the corresponding NASD Rules relating to the forwarding of proxy and other materials by members and the rates of reimbursement for such actions. In SR-FINRA-2009-066,<sup>3</sup> FINRA combined NASD Rule 2260 and IM-2260 into FINRA Rule 2251 without material

<sup>3</sup> Securities Exchange Act Release No. 61052 (November 23, 2009), 74 FR 62857 (December 1, 2009) (SR-FINRA-2009-066).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.* The February 2009 Adopting Release specified a compliance date of 180 days after publication in the **Federal Register**.

<sup>9</sup> See Securities Exchange Release No. 60451 (August 5, 2009) 74 FR 40246 (August 11, 2009) ("August 5, 2009 Notice").

<sup>10</sup> See Securities Exchange Release No. 61050 (November 23, 2009) 74 FR 63831 (December 4, 2009) ("November 2009 Adopting Release").

<sup>11</sup> See November 2009 Adopting Release at 63834.

amendment to the substance of the rule. FINRA also made minor clarifying changes and other changes primarily to reflect the new formatting and terminology conventions of the Consolidated FINRA Rulebook.<sup>4</sup> NASDAQ proposes to similarly combine NASDAQ Rule 2260 and IM-2260 into new NASDAQ Rule 2251, which will continue to incorporate the requirements of the corresponding FINRA rule.<sup>5</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>6</sup> in general, and with Section 6(b)(5) of the Act,<sup>7</sup> in particular, in that the proposal 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 proposed changes will conform NASDAQ rules to recent changes made to the corresponding FINRA rules, to promote application of consistent regulatory standards.

### 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

Written comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)

of the Act<sup>8</sup> and Rule 19b-4(f)(6)<sup>9</sup> thereunder in that it effects a change that: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest.<sup>10</sup> Nasdaq has requested that the Commission waive the 30-day operative delay.

The Commission has considered the Exchange's request to waive the 30-day operative delay. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest. As noted above, Nasdaq rules cross-reference certain NASD rules that no longer exist, and have been updated in the consolidated FINRA rulebook. The proposed rule change will update certain of the references in the Exchange's rules that are outdated. The Commission also notes that these changes have previously been approved by the Commission for FINRA. The Commission believes that allowing this rule change to become immediately operative will facilitate the purpose of this rule change—namely, to eliminate any potential confusion arising from the existing rule's outdated cross-references. Based on the foregoing, the Commission finds that waiving the 30-day operative delay period is consistent with the protection of investors and the public interest, and the proposal is therefore deemed operative upon filing.<sup>11</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.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

<sup>10</sup> 17 CFR 240.19b-4(f)(6). When filing a proposed rule change pursuant to Rule 19b-4(f)(6) under the Act, an Exchange is required to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and 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 met this requirement.

<sup>11</sup> For the purposes only of waiving the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>4</sup> The Commission notes that, as part of those changes, FINRA deleted references to NASD Rule 2430. Since FINRA Rule 2251 no longer references NASD Rule 2430, and Nasdaq is conforming its rule to reflect the current FINRA rule, Nasdaq is also proposing to delete references to Nasdaq Rule 2430.

<sup>5</sup> NASDAQ intends to make a separate rule filing to incorporate changes required to this Rule by Section 957 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

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

<sup>7</sup> 15 U.S.C. 78f(b)(5).

## 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-NASDAQ-2010-102 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-NASDAQ-2010-102. This file number should be included on the subject line if e-mail 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 website 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 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-NASDAQ-2010-102 and should be submitted on or before September 23, 2010.

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

**Florence E. Harmon,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-62772; File No. SR-ISE-2010-91]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing of Proposed Rule Change To Adopt a Pilot Program To List Additional Expiration Months for Each Class of Options Opened for Trading on the Exchange

August 26, 2010.

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 August 25, 2010, the International Securities Exchange, LLC (the "Exchange" or "ISE") 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 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 ISE is proposing to amend its rules to adopt a pilot program to list additional expiration months for each class of options opened for trading on the Exchange. The text of the proposed rule change is provided below (*italics* indicate additions; [brackets] indicate deletions):

#### Rule 504. Series of Options Contracts Open for Trading

\* \* \* \* \*

#### Supplementary Material to Rule 504

.01-.07 No Change

.08 *Additional Expiration Months Pilot Program ("Pilot Program"). For a Pilot Program expiring on [insert date 12 months from the next full month from approval], the Exchange may select up to 20 options classes for which it may list up to two (2) additional expiration months in addition to the expiration months the Exchange currently lists*

*pursuant to Rule 504(e). Additional expiration months listed pursuant to this Supplementary Material .08 will be the nearest months that were not previously listed. The Exchange may also list additional expiration months for option classes that are selected by other securities exchanges that employ a similar program under their respective rules.*

\* \* \* \* \*

#### 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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The Exchange proposes to amend its rules to adopt a pilot program to list additional expiration months for each class of options opened for trading on the Exchange.

Pursuant to ISE Rule 504(e), the Exchange currently opens four expiration months for each class of options open for trading on the Exchange: the first two being the two nearest months, regardless of the quarterly cycle on which that class trades; the third and fourth being the next two months of the quarterly cycle previously designated by the Exchange for that specific class. For example, if the Exchange listed in late May a new equity option on a January-April-July-October quarterly cycle, the Exchange would list the two nearest term months (June and July) and the next two expiration months of the cycle (October and January). When the June series expires, the Exchange would add the August series as the next nearest month. And when the July series expire, the Exchange would add the September series as the next month of the cycle.

The Exchange believes that there is market demand for a greater number of expiration months. The Exchange therefore proposes to adopt a pilot program pursuant to which it will list up to an additional two expiration

months, for a total of six expiration months for each class of options open for trading on the Exchange. The proposal will become effective on a pilot basis for a period twelve months to commence on the next full month after approval is received to establish the pilot program. Under the proposal, the additional months listed pursuant to the pilot program will result in four consecutive expiration months plus two months from the quarterly cycle. For example, for option classes in the January cycle that have expiration months of June, July, October, and January, the Exchange would additionally list the August and September series. For option classes in the February quarterly cycle that have expiration months of October, November, February and May, the Exchange would additionally list the December and January series. Under the proposal, no additional LEAP series will be created.

The Exchange seeks to limit the proposed rule change to the 20 most actively traded options classes. By limiting the pilot to a small number of classes, the Exchange will be able to gauge interest in the pilot while limiting any additional demands on system resources. ISE estimates that this pilot could add up to six or seven percent to current quote traffic, although changes in market maker quoting behavior will likely reduce that increase by up to half. The Exchange believes that a limited pilot is a prudent step to determine actual market demand for additional expiration months.

If the Exchange were to propose an extension or an expansion of the pilot program, or should the Exchange propose to make the pilot program permanent, ISE will submit, along with any filing proposing such amendments to the pilot program, a pilot program report ("Report") that will provide an analysis of the pilot program covering the first nine months of the pilot program and shall submit the Report to the Commission at least sixty (60) days prior to the expiration date of the pilot program. The Report will include, at a minimum: (1) Data and written analysis on the open interest and trading volume in the classes for which additional expiration months were opened; (2) an assessment of the appropriateness of the option classes selected for the pilot program; (3) an assessment of the impact of the pilot program on the capacity on ISE, OPRA and on market data vendors (to the extent data from market data vendors is available); (4) any capacity problems or other problems that arose during the operation of the pilot program and how

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

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

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