

that is 1/10th the rate of fees and rebates the Exchange currently provides for trading in Standard Options. The Exchange believes it is reasonable and equitable and not unfairly discriminatory to assess lower fees and rebates to provide market participants an incentive to trade Mini Options on the Exchange. The Exchange believes the proposed rebates are reasonable and equitable in light of the fact that Mini Options have a smaller exercise and assignment value, specifically 1/10th that of a standard option contract, and, as such, is providing rebates that are 1/10th of those applicable to Standard Options.

The Exchange notes that the proposed rule filing is intended to establish Topaz as an attractive venue for market participants to direct their order flow as the proposed rebates are competitive with those established by other exchanges. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to another exchange if they deem rebates at a particular exchange to be too low. For the reasons noted above, the Exchange believes that the proposed rebates are fair, equitable and not unfairly discriminatory.

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

In accordance with Section 6(b)(8) of the Act,<sup>19</sup> the Exchange does not believe that the proposed rule change will impose any burden on inter-market competition that is not necessary or appropriate in furtherance of the purposes of the Act. The tiered rebate structure that the Exchange proposes to adopt here is similar to that currently in effect on other maker/taker options exchanges such as NOM,<sup>20</sup> and will increase competition between Topaz and other markets.

In establishing tiered rebates for providing liquidity, the Exchange is not imposing any burden on intra-market competition. The established volume tiers are transparent and offer Members a variety of ways to reach different levels of rebates on the exchange, similar to levels and differentials these same participants are familiar with on several other exchanges. Volume tiers are not new to the options industry and generally reward Members for submitting additional volume to the Exchange, with Topaz now seeking to introduce a similar structure.

<sup>19</sup> 15 U.S.C. 78f(b)(8).

<sup>20</sup> See NASDAQ Options Rules, Chapter XV Options Pricing, Section 2, NASDAQ Options Market—Fees and Rebates.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

#### **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)(ii) of the Act<sup>21</sup> and subparagraph (f)(2) of Rule 19b-4 thereunder,<sup>22</sup> because it establishes a due, fee, or other charge imposed by Topaz.

At any time within 60 days of the filing of such 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 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-Topaz-2013-04 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-Topaz-2013-04. 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.

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

<sup>22</sup> 17 CFR 240.19b-4(f)(2).

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 offices 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-Topaz-2013-04, and should be submitted on or before October 15, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>23</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-70428; File No. SR-CTA-2013-05]**

### **Consolidated Tape Association; Notice of Filing of the Eighteenth Substantive Amendment to the Second Restatement of the CTA Plan**

September 17, 2013.

Pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on September 9, 2013, the Consolidated Tape Association ("CTA") Plan participants ("Participants")<sup>3</sup> filed with

<sup>23</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> Each participant executed the proposed amendment. The Participants are: BATS Exchange, Inc., BATS-Y Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc. ("EDGA"), EDGX Exchange, Inc. ("EDGX"), Financial Industry Regulatory Authority, Inc. ("FINRA"), International

the Securities and Exchange Commission ("Commission") a proposal to amend the Second Restatement of the CTA Plan (the "CTA Plan").<sup>4</sup> The amendment proposes to remove odd-lot transactions from the list of transactions that are not to be reported for inclusion on the consolidated tape. The Commission is publishing this notice to solicit comments from interested persons on the proposed amendment.

## I. Rule 608(a)

### A. Purpose of the Amendments

Currently, Section VIII(a) (Responsibility of Exchange Participants) of the CTA Plan provides that each Participant will "collect and report to the Processor all last sale price information to be reported by it relating to transactions in Eligible Securities taking place on its floor." However, Section VI(d) (Transactions not reported (related messages)) provides a list of transactions that "are not to be reported for inclusion on the consolidated tape." That list includes odd-lot transactions.

Because odd-lot transactions account for a not insignificant percentage of trading volume, the Participants have determined that including odd-lot transactions on the consolidated tape of CTA last sale prices would add post-trade transparency to the marketplace.

This amendment proposes to add odd-lot transactions to the consolidated tape by removing them from Section VI(d)'s list of transactions that are not to be reported for inclusion on the consolidated tape.

Due to the lack of economic significance of many individual odd-lot orders, the Participants are not proposing to include bids and offers for odd-lots in the best bid and best offer calculations that the Participants make available under the CQ Plan.

For the same reason, the Participants do not propose to include odd-lot transactions in calculations of last sale prices. Therefore, odd-lot transactions would not be included in calculations of high and low prices and would not be subject to Limit Up/Limit Down rules.

Similarly, including odd-lot transactions on the consolidated tape would not trigger short sale restrictions or trading halts. However, odd-lot transactions would be included in calculations of daily consolidated volume.

For purposes of allocating revenue among the Participants under the CTA Plan, the Participants would include odd-lot transactions in the Security Income Allocation for each Eligible Security under Section XII(a)(ii) (Security Income Allocation) of the CTA plan. Just as with round lot transactions, an odd-lot transaction with a dollar value of \$5000 or more would constitute one qualified transaction report and an odd-lot transaction with a dollar value of less than \$5000 would constitute a fraction of a qualified transaction report that equals the dollar value of the transaction report divided by \$5000. The Participants do not anticipate that this will produce a significant shift in revenue allocation among the Participants. This treatment of odd-lot transactions for revenue allocation purposes does not require a change to the language of the CTA Plan.

### B. Additional Information Required by Rule 608(a)

1. Governing or Constituent Documents  
Not applicable.

2. Implementation of the Amendment

All of the Participants have manifested their approval of the proposed amendment by means of their execution of the amendments. Subject to Commission approval of the Amendment, the Participants intend to add odd-lot transactions to the consolidated tape under the CTA Plan commencing October 21, 2013.

3. Development and Implementation Phases

Not applicable.

4. Analysis of Impact on Competition

The proposed amendment does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. This change is being proposed and implemented in parallel with similar changes to the national market system plan governing the trading of stocks listed on NYSE, Amex, and other markets (*i.e.*, the Nasdaq/UTP plan). The Participants do not believe that the proposed plan amendment introduces terms that are unreasonably discriminatory for the purposes of Section 11A(c)(1)(D) of the Act.<sup>5</sup>

5. Written Understanding or Agreements Relating to Interpretation of, or Participation in, Plan

Not applicable.

6. Approval by Sponsors in Accordance With Plan

Under Section IV(b) of the CTA Plan, each Participant must execute a written amendment to the CTA Plan before the amendment can become effective. The amendment is so executed.

7. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

8. Terms and Conditions of Access

Not applicable.

9. Method of Determination and Imposition, and Amount of, Fees and Charges

Not applicable.

10. Method of Frequency of Processor Evaluation

Not applicable.

11. Dispute Resolution

Not applicable.

## II. Rule 601(a)

A. *Equity Securities for Which Transaction Reports Shall be Required by the Plan*

Not applicable.

B. *Reporting Requirements*

As a result of the amendment, each Participant would be required to report odd-lot transactions to the Nasdaq/UTP Plan's Processor for inclusion in the consolidated tape.

C. *Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information*

Not applicable.

D. *Manner of Consolidation*

Odd-lot transactions would not be eligible for inclusion in calculations of last sale prices and would not be included in calculations of high and low prices. However, odd-lot transactions would be included in calculations of daily consolidated volume.

E. *Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports*

Not applicable.

F. *Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination*

Not applicable.

Securities Exchange, LLC, NASDAQ OMX BX, Inc. ("Nasdaq BX"), NASDAQ OMX PHLX, Inc. ("Nasdaq PSX"), Nasdaq Stock Market LLC, National Stock Exchange, New York Stock Exchange LLC ("NYSE"), NYSE MKT LLC (formerly NYSE Amex, Inc.), and NYSE Arca, Inc. ("NYSE Arca").

<sup>4</sup> See Securities Exchange Act Release No. 10787 (May 10, 1974), 39 FR 17799 (declaring the CTA Plan effective). The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a "transaction reporting plan" under Rule 601 under the Act, 17 CFR 242.601, and a "national market system plan" under Rule 608 under the Act, 17 CFR 242.608.

<sup>5</sup> 15 U.S.C. 78k-1(c)(1)(D).

*G. Terms of Access to Transaction Reports*

Not applicable.

*H. Identification of Marketplace of Execution*

Not applicable.

**III. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed amendments are 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-CTA-2013-05 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-CTA-2013-05. 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 Amendments that are filed with the Commission, and all written communications relating to the Amendments 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 Amendments also will be available for inspection and copying at the principal office of the CTA.

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-CTA-2013-05 and should

be submitted on or before October 15, 2013.

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

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-70427; File No. SR-BOX-2013-43]**

**Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing of Proposed Rule Change To Permit Complex Orders To Participate in Price Improvement Periods**

September 17, 2013.

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 September 5, 2013, BOX Options Exchange LLC (the "Exchange") 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 add a new Rule 7245 to permit Complex Orders to participate in Price Improvement Periods (the "COPIP") and by making certain other conforming and clarifying changes to accommodate the new COPIP Rule. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet Web site at <http://boxexchange.com>.

**II. Self-Regulatory Organization's Statement of the Purpose of, and the 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 related to trading of Complex Orders<sup>3</sup> on BOX Market LLC ("BOX"), the options trading facility of the Exchange, to permit Complex Orders to be submitted to a price improvement period auction mechanism similar to the existing PIP mechanism for single option series on BOX.<sup>4</sup> The Exchange believes this proposed Complex Order Price Improvement Period ("COPIP")<sup>5</sup> mechanism will result in more efficient transactions, reduced execution risk to BOX Options Participants, and greater opportunities for price improvement through the COPIP. The Exchange believes adoption of the proposal will result in tighter markets, and ensure that each order receives the best possible price.

The Exchange believes the proposed COPIP is an improvement over its current rules regarding Complex Order exposure and execution, and will benefit all market participants submitting Complex Order to BOX. The proposed change will require that Complex Orders on BOX will execute first against interest on the BOX Book where possible, as under the current rule.<sup>6</sup>

**Existing PIP**

The Exchange proposes to add new BOX Rule 7245 to allow Complex Orders to be submitted to the COPIP in substantially the same manner as orders for single options series instruments currently are submitted to the PIP.

Currently, Options Participants executing agency orders for single options series instruments may designate Customer Orders for price

<sup>3</sup> As defined in Rule 7240(a)(5), the term "Complex Order" means any order involving the simultaneous purchase and/or sale of two or more different options series in the same underlying security, for the same account, in a ratio that is equal to or greater than one-to-three (.333) and less than or equal to three-to-one (3.00) and for the purpose of executing a particular investment strategy.

<sup>4</sup> See Rule 7150.

<sup>5</sup> As defined in proposed Rule 7245, the term "COPIP" means Complex Order Price Improvement Period.

<sup>6</sup> See Rule 7240(b)(3)(i) and proposed Rule 7245(f)(3)(i).

<sup>6</sup> 17 CFR 200.30-3(a)(27).

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

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