

promote market transparency for derivatives markets, promote the prompt and accurate clearance of securities transactions, and derivative agreements, contracts, and transactions, and protect investors and the public interest. The Customer CDS Clearing Model is designed to permit customers of Clearing Members to clear CDS transactions, thereby permitting the increased use of clearing and the prompt and accurate clearance and settlement of securities transactions in furtherance of the goals of Section 17A of the Act. ICE Clear Europe also believes the proposed changes are specifically designed to protect investors and the public interest. The non-Customer CDS Clearing Model proposed rule changes also achieve such ends by clarifying the rights and obligations of Clearing Members and ICE Clear Europe with respect to key aspects of the clearance and settlement process.

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

ICE Clear Europe does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

ICE Clear Europe has consulted extensively with CDS Clearing Members and others in developing the Customer CDS Clearing Model. ICE Clear Europe has not solicited and does not intend to solicit comments regarding this proposed rule change. ICE Clear Europe has not received any unsolicited written comments from interested parties. ICE Clear Europe will notify the Commission of any written comments received by ICE Clear Europe.

#### **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 up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve or disapprove the 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 may be submitted by using 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-ICEEU-2012-09 on the subject line.

- Paper comments should be sent 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-ICEEU-2012-09. 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 ICE Clear Europe and on ICE Clear Europe's Web site at <https://www.theice.com/notices/Notices.shtml?regulatoryFilings>.

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-ICEEU-2012-09 and should be submitted on or before November 30, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>4</sup>

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

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#### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-68151; File No. SR-OCC-2012-20]

#### **Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Clarify the Applicability of OCC's Rules Governing Delivery of Treasury Securities Underlying Treasury Futures Contracts to Futures on Treasury Securities With Maturities of Greater Than 25 Years**

November 5, 2012.

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 October 22, 2012, 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 primarily by OCC. OCC filed the proposed rule change pursuant to Section 19(b)(3)(A)<sup>3</sup> of the Act and Rule 19b-4(f)(4)<sup>4</sup> thereunder so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

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

OCC proposes to clarify the applicability of OCC's rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years.

#### **II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, OCC included statements concerning

<sup>4</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)(3)(A).

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

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.<sup>5</sup>

*(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

The purpose of this proposed rule change is to clarify the applicability of OCC's Rules governing delivery of Treasury securities underlying Treasury futures contracts to futures on Treasury securities with maturities of greater than 25 years, which are currently traded on ELX Futures, L.P. ("ELX").

Clearing members that are, or that represent, the seller of a physically-settled Treasury future must make delivery of the underlying Treasury security in accordance with the procedures set forth in Rule 1302B. A clearing member need not deliver Treasury securities of a particular issue to satisfy a delivery obligation.<sup>6</sup> Instead, Interpretation and Policy .02 to Rule 1302B sets forth criteria for specific Treasury securities that may be delivered in settlement of Treasury futures contracts. For example, for a Treasury futures contract with an underlying interest that is a Treasury bond, a clearing member may deliver Treasury bonds, if not callable, with a remaining term of at least fifteen years or, if callable, that are not callable for at least 15 years.

ELX trades futures on Treasury securities of various maturities, including futures on treasury bonds with a maturity of greater than 25 years ("Ultra-Long Treasury Futures"). Under the rules of ELX, delivery obligations on Ultra-Long Treasury Futures may be satisfied by delivering Treasury bonds that, if not callable, have a remaining term of at least 25 years, or if callable, are not callable for at least 25 years. Interpretation and Policy .02 does not specifically address the delivery of Treasury bonds with maturities of 25 years or greater against Ultra-Long Treasury Futures. Accordingly, OCC is proposing to amend Interpretation and Policy .02 to Rule 1302B to provide that the characteristics of Treasury securities that may be delivered in settlement of

futures on Treasury securities will be as set forth in the relevant exchange rules and reflected in OCC's procedures. This amendment will clarify the applicability of Rule 1302B to Ultra-Long Treasury Futures, as well as accommodate futures on other Treasury securities that may be introduced by an exchange at a later date that allow for delivery of Treasury securities with different maturity dates than those currently listed in Interpretation and Policy .02.

OCC believes that the proposed rule change is consistent with the purposes and requirements of Section 17A of the Securities Exchange Act of 1934, because they are designed to permit OCC to perform clearing services for products that are subject to the jurisdiction of the Commodity Futures Trading Commission ("CFTC") without adversely affecting OCC's obligations with respect to the prompt and accurate clearance and settlement of securities transactions or the protection of investors and the public interest. The proposed rule change is not inconsistent with any rules of OCC, including any that are proposed to be amended.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

OCC does not believe the proposed rule change would impose any burden on competition.

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

Written comments on the proposed rule change were not and are not intended to be solicited with respect to the proposed rule change and none have been received.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(iii)<sup>7</sup> of the Act and Rule 19b-4(f)(4)(ii)<sup>8</sup> thereunder because it affects a change in an existing service of a registered clearing agency that primarily affects the futures clearing operations of the clearing agency with respect to futures that are not security futures and it does not significantly affect any securities clearing operations of the clearing agency or any related rights or obligations of the clearing agency or persons using such service. OCC will delay the implementation of the rule change until it is deemed certified under CFTC Regulation § 40.6.

At any time within 60 days of the filing of such 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.

**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-OCC-2012-20 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-OCC-2012-20. 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 Section, 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 OCC and on OCC's Web site at ([http://www.theocc.com/components/docs/legal/rules\\_and\\_bylaws/sr\\_occ\\_12\\_20.pdf](http://www.theocc.com/components/docs/legal/rules_and_bylaws/sr_occ_12_20.pdf)).

All comments received will be posted without change; the Commission does

<sup>5</sup> The Commission has modified the text of the summaries prepared by OCC.

<sup>6</sup> Subject to the condition that all Treasury securities delivered against a single physically-settled Treasury futures contract be of the same issue.

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>8</sup> 17 CFR 240.19b-4(f)(4)(ii).

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-OCC-2012-20 and should be submitted on or before November 30, 2012.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68150; File No. SR-NYSE-2012-56]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Proposing To Make Changes to Certain Fees and Credits Within the New York Stock Exchange LLC Price List

November 5, 2012.

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 October 22, 2012, New York Stock Exchange LLC (the “Exchange” or “NYSE”) 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 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 proposes to make changes to certain fees and credits within its Price List, which the Exchange proposes to become operative on November 1, 2012. 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 make changes to certain fees and credits within its Price List, which the Exchange proposes to become operative on November 1, 2012.

Currently, for transactions in stocks with a per share stock price of \$1.00 or more, the Exchange charges a transaction fee of \$0.00055 per share for all market-at-the-close (“MOC”) and limit-at-the-close (“LOC”) orders from any member organizations that execute an average daily trading volume (“ADV”) of MOC and LOC activity on the Exchange in that month of at least 14 million shares. Member organizations that do not execute an ADV of MOC and LOC activity on the Exchange of at least 14 million shares are charged a transaction fee of \$0.00095 per share. The Exchange proposes to modify the threshold for the \$0.00055 transaction fee for MOC and LOC orders from an ADV of at least 14 million shares to an ADV of at least 0.375% of consolidated average daily volume in NYSE-listed securities during the billing month (“NYSE CADV”).

The Exchange believes that modifying the transaction fee threshold for MOC and LOC orders with a per share stock price of \$1.00 or more as proposed would provide a more flexible method by which member organizations may qualify for the lower fee for MOC and LOC orders by changing from a fixed volume to one that will adjust automatically based on higher or lower NYSE CADV. The Exchange believes that the proposed change would continue to allocate a lower fee to member organizations that make significant contributions to market quality by providing higher volumes of liquidity.

Currently, the Exchange provides a credit of \$0.0018 per share for transactions in stocks with a per share stock price of \$1.00 or more when adding displayed liquidity to the Exchange if either:

(i) The member organization has ADV that adds liquidity to the Exchange during the billing month (“Adding ADV,” which excludes any liquidity added by a Designated Market Maker (“DMM”)) that is at least 1.5% of NYSE CADV, and executes MOC and LOC orders of at least 0.375% of NYSE CADV; or

(ii) The member organization has Adding ADV that is at least 0.8% of NYSE CADV, executes MOC and LOC orders of at least 0.12% of NYSE CADV, and adds liquidity to the Exchange as a Supplemental Liquidity Provider (“SLP”) for all assigned SLP securities in the aggregate (including shares of both an SLP proprietary trading unit (“SLP-Prop”) and an SLP market maker (“SLMM”) of the same member organization) of more than 0.25% of NYSE CADV.

The Exchange proposes to modify the second method by which member organizations may qualify for the credit and add a third method by which member organizations may qualify for the credit when adding displayed liquidity. More specifically, the Exchange proposes to revise the second method to qualify for the credit such that a member organization would qualify for the credit if the member organization has Adding ADV that is at least 0.8% of NYSE CADV, executes MOC and LOC orders of at least 0.12% of NYSE CADV, and adds liquidity to the Exchange as a SLP for all assigned SLP securities in the aggregate (including shares of both an SLP-Prop and an SLMM of the same member organization) of more than 0.15% of NYSE CADV. Currently, a member organization would have to provide liquidity to the Exchange as an SLP for all assigned SLP securities in the aggregate of more than 0.25% of NYSE CADV, as opposed to the proposed 0.15% of NYSE CADV. The Exchange believes that reducing the threshold to 0.15% of NYSE CADV would allow more member organizations to qualify for the higher credit, and therefore, in turn, attract multiple sources of liquidity to the Exchange.

Finally, the Exchange proposes that a member organization would qualify for the credit of \$0.0018 per share if the member organization has ADV that adds liquidity in customer electronic orders to the Exchange (“Customer Electronic Adding ADV,” which would exclude any liquidity added by a Floor broker,

<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.