system. In particular, the proposed rule change furthers the interest of fair and orderly markets by avoiding the artificial tracking error that could result if the underlying value of the closing price of SPX options were allowed to significantly diverge at month-end from the closing value of the underlying stock index and the settlement value of the related SPX futures contract. Additionally, the proposed rule change is designed to improve the Exchange's ability to prevent fraudulent and manipulative practices by adopting a surveillance program to monitor the LMMs' month-end fair value quoting activities.

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

CBOE does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received comments on the proposed rule change.

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

Because the foregoing proposed rule change does not:

A. Significantly affect the protection of investors or the public interest;

B. Impose any significant burden on competition; and

C. 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) [14] of the Act and Rule 19b–4(f)(6) [15] thereunder.[16]

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

[14] 15 U.S.C. 78s(b)(3)(A).

[15] 17 CFR 240.19b–4(f)(6).

[16] In addition, Rule 19b–4(f)(6)(iii) requires a self-regulatory organization to provide the Commission with 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 satisfied this requirement.

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.* Please include File Number SR–CBOE–2012–095 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–CBOE–2012–095. 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–CBOE–2012–095 and should be submitted on or before November 2, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[17]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012–25080 Filed 10–11–12; 8:45 am]

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[17] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67993; File No. SR–ISE–2012–80]

Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding Fees for Singly Listed Options

October 5, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 26, 2012, the International Securities Exchange, LLC (the ''Exchange'' or the ''ISE'') filed with the Securities and Exchange 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

The ISE proposes to amend its Schedule of Fees. The text of the proposed rule change is available on the Exchange's Web site (*http://www.ise.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 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.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

1. Purpose

ISE proposes to increase the execution fee for Priority Customer [3] orders, from $0.18 per contract to $0.20 per contract, in certain singly-listed products listed and traded on the Exchange (''Singly Listed Symbols'').[4] The Exchange also proposes to increase the fee for Crossing Orders [5] for Priority Customers in Singly Listed Symbols, from $0.18 per contract to $0.20 per contract. With this proposed fee change, the Exchange seeks to standardize the fees charged to Priority Customer orders in Singly Listed Symbols with the fees the Exchange currently charges Firm Proprietary and Professional Customer orders that trade in these products. The execution fee and the fee for Crossing Orders for both Firm Proprietary and Professional Customer orders is currently $0.20 per contract in Singly Listed Symbols.

While the Exchange currently does not charge a fee for Priority Customer orders in Non-Select Symbols that are multiply-listed, the Exchange believes it is appropriate to charge Priority Customers for trading in Singly Listed Symbols to enable the Exchange, in part, to recoup the costs associated with maintaining these products. The Exchange notes that a number of its competitors currently charge a fee to Priority Customer orders in singly-listed products traded on their exchange. For example, NASDAQ OMX PHLX LLC (''PHLX'') charges Priority Customers $0.35 per contract for trading in singly-listed options on that exchange.[6] The Chicago Board Options Exchange, Inc. (''CBOE'') charges Priority Customers up to $0.44 per contract in certain index options that are singly-listed on that exchange.[7]

The Exchange also proposes to amend the list of Singly Listed Symbols on its Schedule of Fees in order to remove certain delisted symbols from the list of Singly Listed Symbols. Singly Listed Symbols are subject to the fees and rebates listed in Section I of the Exchange's Schedule of Fees. The Exchange is proposing to remove the following symbols from the list of Singly Listed Symbols, as that term is defined in the Preface of the Schedule of Fees: DMA, FUM, HSX, OOG, BYT, HVY, RUF, JLO, SIN, RND, HHO, PMP, POW, TNY, WMX, IXZ, UKX, and NXTQ. The Exchange has delisted these products and therefore, these products no longer trade on the Exchange and are no longer subject to the fees and rebates listed in Section I of the Schedule of Fees. Additionally, the Exchange had previously entered into a licensing agreement with the owners of certain of the indexes and adopted a surcharge to recoup the costs associated with licensing these indexes.[8] Since the Exchange no longer trades a number of the licensed indexes, i.e., NXTQ, FUM, HSX, POW, TNY, WMX and UKX, the Exchange proposes to remove the license surcharge associated with these products from its Schedule of Fees.

The Exchange has designated this proposal to be operative on October 1, 2012.

2. Basis

The Exchange believes that its proposal to amend its Schedule of Fees is consistent with Section 6(b) of the Act [9] in general, and furthers the objectives of Section 6(b)(4) of the Act [10] in particular, in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members. The Exchange's proposal to amend the fees for Singly Listed Symbols is reasonable because the Exchange is seeking to recoup costs associated with the continued listing and trading of these products.[11] The Exchange also believes the proposed fee change is equitable and not unfairly discriminatory because the proposed fees will more closely align Priority Customer fees with other market participant fees in these products. In addition, the Exchange believes that the proposed fees are reasonable, equitable and not unfairly discriminatory because the fees are consistent with price differentiation that exists today at all option exchanges.

The Exchange believes that it is reasonable to remove DMA, FUM, HSX, OOG, BYT, HVY, RUF, JLO, SIN, RND, HHO, PMP, POW, TNY, WMX, IXZ, UKX, and NXTQ from the list of Select Symbols because these symbols have been delisted and no longer trade on the Exchange. The Exchange believes that it is equitable and not unfairly discriminatory to remove these symbols from the list of Select Symbols because all members, uniformly, would not be assessed either the rebates or the fees pursuant to Section I of the Schedule of Fees with respect to these symbols. The Exchange further believes that updating its Schedule of Fees to remove singly-listed products that are no longer traded on the Exchange will provide Exchange Members with clarity as to the symbols that are singly-listed on the Exchange and their applicable fees.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

[3] ISE rules distinguish between Priority Customers and Professional Customer. A Priority Customer is a person or entity that is not a broker/dealer in securities, and does not place more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). *See* ISE Rule 100(a)(37A). A Professional Customer is a person or entity that is not a broker/dealer and is not a Priority Customer. *See* ISE Schedule of Fees. A Professional Order is an order that is for the account of a person or entity that is not a Priority Customer. *See* ISE Rule 100(a)(37C).

[4] Singly Listed Symbols are identified by their ticker symbols on the Exchange's Schedule of Fees.

[5] A Crossing Order is an order executed in the Exchange's various auction mechanisms, and also includes Qualified Contingent Cross orders. *See* ISE Schedule of Fees.

[6] *See* PHLX Fee Schedule, Section III, at *http://www.nasdaqtrader.com/content/marketregulation/membership/phlx/feesched.pdf.*

[7] *See* CBOE Fees Schedule, at *http://www.cboe.com/publish/feeschedule/CBOEFeeSchedule.pdf.*

[8] *See* Securities Exchange Act Release Nos. 51962 (July 1, 2005), 70 FR 40088 (July 12, 2005) (SR–ISE–2005–29); 53173 (January 24, 2006), 71 FR 5096 (January 31, 2006) (SR–ISE–2006–03); 53914 (June 7, 2006) [sic], 71 FR 33022 (June 7, 2006) (SR–ISE–2006–25); 54697 (November 2, 2006) (71 FR 65857 (November 9, 2006) (SR–ISE–2006–61); 55407 (March 6, 2007), 72 FR 11411 (March 13, 2007) (SR–ISE–2007–13); and 59171 (December 29, 2008), 74 FR 482 (January 6, 2009) (SR–ISE–2008–98).

[9] 15 U.S.C. 78f(b).

[10] 15 U.S.C. 78f(b)(4).

[11] The Exchange continues to incur costs for maintaining Singly Listed Symbols including marketing expenses. In addition, the Exchange incurs certain additional costs related to singly-listed products as compared to multiply-listed products. For example, in analyzing an obvious error for a singly-listed option, the Exchange does not have the additional data points available in establishing a theoretical price as is the case for a multiply-listed option. For this reason, a singly-listed option requires additional analysis and administrative time to comply with Exchange rules to resolve an obvious error.

19(b)(3)(A)(ii) of the Act.[12] 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.* Please include File Number SR–ISE–2012–80 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–ISE–2012–80. 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 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 ISE. 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–ISE–2012–80, and should be submitted on or before November 2, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2012–25081 Filed 10–11–12; 8:45 am]

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[12] 15 U.S.C. 78s(b)(3)(A)(ii).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–67996; File No. SR–Phlx–2012–118]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Inbound Routing From an Affiliated Exchange

October 5, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that, on September 28, 2012, NASDAQ OMX PHLX LLC (the ''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''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 is filing a proposed rule change for the NASDAQ OMX PSX facility of PHLX (''PSX'') to continue to accept inbound orders routed by Nasdaq Execution Services LLC (''NES'') from the NASDAQ OMX BX Equities Market of NASDAQ OMX BX, Inc. (''BX''), as described further below, for an additional six month pilot period. The text of the proposed rule change is available at *http://nasdaqomxphlx.cchwallstreet.com,* at Phlx's principal office, and at the Commission's Public Reference Room.

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

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

Currently, NES is the approved outbound routing facility of BX, providing outbound routing to other market centers.[3] PHLX and BX have previously adopted rules to permit PSX to receive inbound routes of certain orders by NES in its capacity as an order routing facility of BX.[4] The Exchange specifically has adopted a rule to prevent potential informational advantages resulting from the affiliation between PHLX and NES, as related to NES's authority to route certain orders from BX.[5] NES's authority to route these orders to BX is subject to a pilot period ending October 6, 2012.[6] The Exchange hereby seeks to extend the previously approved pilot period (with the attendant obligations and conditions) for an additional six months, through March 30, 2013.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[7] in general, and with Sections 6(b)(5) of the Act,[8] 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

[3] BX Rule 4758(b).

[4] *See* Securities Exchange Act Release Nos. 65553 (October 13, 2011), 76 FR 64987 (October 19, 2011) (SR–Phlx–2011–138); and 65470 (October 3, 2011), 76 FR 62489 (October 7, 2011) (SR–BX–2011–048).

[5] *See* PHLX Rule 985(c)(2).

[6] *See* Securities Exchange Act Release No. 65553 (October 13, 2011), 76 FR 64987 (October 19, 2011) (SR–Phlx–2011–138).

[7] 15 U.S.C. 78f.

[8] 15 U.S.C. 78f(b)(5).