2. Statutory Basis

FINRA believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[38] which requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA believes that the proposed rule change will increase transparency in the Asset-Backed Securities market, which may enhance the ability of investors to engage in meaningful price discovery to identify and negotiate fair and competitive prices for Asset-Backed Securities. In addition, the proposed dissemination of Asset-Backed Securities transaction data will allow investors to compare their executions with executions in the same and similar securities in the market and may facilitate their assessment of the quality of the executions provided to them. Similarly, additional transparency in such securities transactions may assist broker-dealers in complying with their regulatory obligations regarding best execution. Finally, for broker-dealers and institutional investors that hold positions in such Asset-Backed Securities, the proposed increased transparency may enable them to improve the accuracy of their valuation of such positions. These enhancements in pricing, increased capabilities to compare execution quality in transactions, and more accurate valuation of positions that may result from the additional market transparency are designed to deter or prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, and, in general, protect investors and the public interest.

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

FINRA 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. Based on the characteristics of the market, FINRA believes that additional price transparency in the Asset-Backed Securities market may enhance the ability of investors to identify and negotiate fair and competitive prices for these securities. In addition, dissemination may assist institutional and retail customers in determining the quality of executions provided to them, which should incentivize broker-dealers to provide competitive executions in such securities.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date 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 such 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

- 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–FINRA–2013–046 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–FINRA–2013–046. 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 the 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–2013–046 and should be submitted on or before December 17, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[39]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–28273 Filed 11–25–13; 8:45 am]

BILLING CODE 8011–01–P

[38] 15 U.S.C. 78*o*–3(b)(6).

[39] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70907; File No. SR–CBOE–2013–111]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the CBSX Fees Schedule

November 20, 2013.

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 November 14, 2013, Chicago Board Options Exchange, Incorporated (the ''Exchange'' or ''CBOE'') 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 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 amend the Fees Schedule of its CBOE Stock

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

[2] 17 CFR 240.19b–4.

Exchange (''CBSX''). The text of the proposed rule change is available on the Exchange's Web site (*http://www.cboe.com/AboutCBOE/CBOELegalRegulatoryHome.aspx*), 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, 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

CBSX proposes to make a number of amendments to Section 1 of its Fees Schedule, which states: The following fees from the CBOE Fee Schedule apply to CBSX Users: Sales Value Fee, Facility Fees (except section A of the Facility Fees), Trading Permit Fees, and Trading Permit Holder Application Fees. First, CBSX proposes [sic] remove ''Trading Permit Fees'' from the above statement. The only CBOE Trading Permit Fee that is applicable to CBSX is the CBSX Trading Permit Fee, which is $0.[3] Since this is a CBSX-specific fee, the Exchange proposes to add to the CBSX Fees Schedule Section 9, Permit Fees, with the statement CBSX will assess no permit fees. The Exchange also proposes to amend the reference in Section 1 of the CBSX Fees Schedule to the ''CBOE Fee Schedule'' to add the letter ''s'' at the end of the word ''Fee'', as that is the correct naming of the CBOE Fees Schedule.

Second, CBSX proposes to clarify that only those fees that are applicable to CBSX Users apply to CBSX Users by adding the parenthetical ''(as applicable)'' to the end of the statement ''The following fees from the CBOE Fee Schedule apply to CBSX Users''. For example, one of the Facility Fees listed on the CBOE Fees Schedule is the $120 Floor Manager badge fee. However, since CBSX is an all-electronic exchange that does not have a trading floor, CBSX Users could not have a Floor Manager, and therefore the Floor Manager badge fee would not be applicable to CBSX.

Third, CBSX proposes to delete from Section 1 the parenthetical that excepts from applicability to CBSX Users section A of the CBOE Facility Fees. For one, the CBOE Fees Schedule has been re-organized since Section 1 of the CBSX Fees Schedule was adopted, and there is no longer a ''section A'' of the CBOE Facility Fees. Further, the fees listed in the old Section A of the CBOE Facility Fees were the CBOE Booth Fees, which apply to CBOE Trading Permit Holders that have booths on the CBOE trading floor. Since CBSX is an all-electronic exchange that does not have a trading floor, CBSX Users would not have booths, and so this fee would not be applicable to CBSX Users (and therefore the inapplicability of the Booth Fees to CBSX Users would be covered by the aforementioned proposed addition of the parenthetical ''(as applicable)'').

The Exchange also proposes to make the proposed new Section 9, Permit Fees, also include CBSX-specific application-related fees, and adopt a one-time ''Responsible Person'' fee of $500. A ''Responsible Person'' is an individual designated by an organization that is the holder of a Trading Permit to represent the organization with respect to that Trading Permit in all matters relating to CBSX. The Responsible Person must be a United States-based officer, director or management-level employee of the Permit Holder, who is responsible for the direct supervision and control of Associated Persons of that Permit Holder. Each organization that is the holder of a Trading Permit must designate an individual as the Responsible Person for the Permit Holder. The Responsible Person must be affiliated with the Permit Holder.[4] The Exchange conducts an investigation and review of each person who the holder of a Trading Permit has identified as the holder's Responsible Person. This investigation and review may include a fingerprint criminal background check and the individual's consent to the Exchange's jurisdiction over the individual. CBSX proposes to assess this fee in order to cover the costs of this investigation and review. This fee will not be assessed for a Responsible Person who is also an Associated Person with the same Trading Permit Holder, as the same investigation and review is conducted for each Associated Person as is conducted for each Responsible Person. Since the investigation and review will not be conducted twice for a Responsible Person who is also an Associated Person, CBSX does not propose to assess both fees in such a circumstance. Other exchanges [sic] assess a Responsible Person fee.[5]

Finally, CBSX proposes to add the language ''after three months, all fees as assessed by CBSX are considered final by CBSX'' to the end of the CBSX Fees Schedule. This will serve to encourage CBSX Users to promptly review their Exchange invoices so that any disputed charges can be addressed in a timely manner while the information and data underlying those charges is still easily and readily available. Other exchanges include this language in their Fees Schedules.[6]

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.[7] Specifically, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[8] requirements that the rules of an exchange be 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 facilitation 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. Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5)[9] requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange also believes the proposed rule change is consistent with Section 6(b)(4) of the Act,[10] which requires that Exchange rules provide for the equitable allocation of reasonable dues, fees, and other charges among its

[3] The actual fee listing corresponding to the CBSX Trading Permit on the CBOE Fees Schedule says ''No Access Fee''. *See* CBOE Fees Schedule, ''Trading Permit and Tier Appointment Fees'' table.

[4] *See* CBOE Rule 53.9 and Securities Exchange Act Release No. 70766 (October 28, 2013), 78 FR 65741 (November 1, 2013) (SR–CBOE–2013–101).

[5] *See* C2 Options Exchange, Incorporated (''C2'') Fees Schedule, Section 7K.

[6] *See* CBOE Fees Schedule, Footnote 7, and the end of the C2 Fees Schedule.

[7] 15 U.S.C. 78f(b).

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

[9] *Id.*

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

Trading Permit Holders and other persons using its facilities.

The Exchange believes that the proposal to remove ''Trading Permit Fees'' from the list of CBOE fees that are applicable to CBSX and instead add to the CBSX Fees Schedule Section 9, Permit Fees, with the statement CBSX will assess no permit fees will eliminate possible confusion by not forcing CBSX Users to look at the CBOE Fees Schedule to determine permit fees and wonder which permit fees apply to CBSX. Instead, there will be a clear listing on the CBSX Fees Schedule of the fact that there are no permit fees on CBSX. The Exchange also believes that the proposal to add the letter ''s'' to the end of the word ''Fee'' in Section 1 of the CBSX Fees Schedule will alleviate any potential confusion as it will now accurately refer to the CBOE Fees Schedule. This elimination of possible confusion will serve to remove impediments to and perfect the mechanism of a free and open market and a national market system.

Similarly, the Exchange believes that adding the parenthetical ''(as applicable)'' to the end of the statement ''The following fees from the CBOE Fee Schedule apply to CBSX Users'' will help eliminate confusion by simply making clear that only those fees on the CBOE Fees Schedule that are applicable to CBSX will apply to CBSX Users. This will serve to eliminate possible confusion, which in turn will remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange also believes that its proposal to delete from Section 1 the parenthetical that excepts from applicability to CBSX Users section A of the CBOE Facility Fees will eliminate possible confusion because there is no longer a ''section A'' of the CBOE Facility Fees. Further, the fees listed in the old Section A of the CBOE Facility Fees were the CBOE Booth Fees, which apply to CBOE Trading Permit Holders that have booths on the CBOE trading floor. Since CBSX is an all-electronic exchange that does not have a trading floor, CBSX Users would not have booths, and so this fee would not be applicable to CBSX Users (and therefore the inapplicability of the Booth Fees to CBSX Users would be covered by the aforementioned proposed addition of the parenthetical ''(as applicable)''). Deleting this obsolete reference will serve to eliminate possible confusion, which in turn will remove impediments to and perfect the mechanism of a free and open market and a national market system.

The Exchange believes that the proposed addition of the language ''after three months, all fees as assessed by the Exchange are considered final by the Exchange'' to the end of the CBSX Fees Schedule is reasonable because this will serve to encourage CBSX Users to promptly review their invoices so that any disputed charges can be addressed in a timely manner while the information and data underlying those charges is still easily and readily available. The Exchange believes that this is equitable and not unfairly discriminatory because it will apply to all market participants. Further, other exchanges include this language in their Fees Schedules.[11]

The Exchange believes the addition of the Responsible Person fee is reasonable because the amount of the fee is intended to cover the costs of the review and examination of Responsible Persons. The Exchange believes that this is equitable and not unfairly discriminatory because the fee will apply to all Responsible Person applicants (with the exception of those that are also Associated Person applicants.) [sic] The Exchange believes that it is equitable and not unfairly discriminatory to exempt Associated Person applicants with the same Permit Holder from the Responsible Person fee because the same investigation and review is conducted for each Associated Person as is conducted for each Responsible Person. Since the investigation and review will not be conducted twice for a Responsible Person who is also an Associated Person, the Exchange does not believe it would be equitable to assess both fees in such a circumstance. Finally, other exchanges [sic] assess a Responsible Person fee.[12]

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

The Exchange 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. The Exchange does not believe that the proposed rule change will impose any burden on intramarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes apply to all qualifying CBSX market participants equally. The Exchange does not believe that the proposed rule change will impose any burden on intermarket competition that is not necessary or appropriate in furtherance of the purposes of the Act because the proposed changes are all specific to CBSX operations and fees, and are not transaction fee changes or competitive fee changes. To the extent that such changes may make CBSX a more attractive market to market participants at other exchanges, such market participants may elect to become CBSX market participants.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [13] and paragraph (f) of Rule 19b–4 [14] thereunder. 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 will 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 email to *rule-comments@sec.gov.* Please include File Number SR–CBOE–2013–111 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–2013–111.* This file

[11] *See* CBOE Fees Schedule, Footnote 7, and the end of the C2 Fees Schedule.

[12] *See* C2 Fees Schedule, Section 7K.

[13] 15 U.S.C. 78s(b)(3)(A).

[14] 17 CFR 240.19b–4(f).

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 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–CBOE–2013–111 and should be submitted on or before December 17, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[15]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–28274 Filed 11–25–13; 8:45 am]

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[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70905; File No. SR–NYSEArca–2013–122]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing of Proposed Rule Change Relating to the Use of Derivative Instruments by PIMCO Total Return Exchange Traded Fund

November 20, 2013.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on November 6, 2013, NYSE Arca, Inc. (the ''Exchange'' or ''NYSE Arca'') 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.

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

The Exchange proposes to amend the description of the means of achieving the investment objective applicable to the PIMCO Total Return Exchange Traded Fund relating to its Use [sic] of derivative instruments. The text of the proposed rule change is available on the Exchange's Web site at *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 Commission has approved the listing and trading on the Exchange of shares (''Shares'') of the PIMCO Total Return Exchange Traded Fund (''Fund''),[4] under NYSE Arca Equities Rule 8.600, which governs the listing and trading of Managed Fund Shares. The Shares are offered by PIMCO ETF Trust (the ''Trust''), a statutory trust organized under the laws of the State of Delaware and registered with the Commission as an open-end management investment company.[5] The investment manager to the Fund is Pacific Investment Management Company LLC (''PIMCO'' or the ''Adviser'').

In this proposed rule change, the Exchange proposes changing the description of the Fund's use of derivative instruments, as described below.

On December 6, 2012, the staff of the Commission's Division of Investment Management (''Division'') issued a no-action letter (''No-Action Letter'') relating to the use of derivatives by actively-managed exchange traded funds (''ETFs'').[6] The No-Action Letter noted that, in March of 2010, the Commission announced in a press release that the staff was conducting a review to evaluate the use of derivatives by mutual funds, ETFs, and other investment companies and that, pending completion of this review, the staff would defer consideration of exemptive requests under the 1940 Act relating to, among others, actively-managed ETFs that would make significant investments in derivatives.

The No-Action Letter stated that Division staff will no longer defer consideration of exemptive requests under the 1940 Act relating to actively-managed ETFs that make use of derivatives provided that they include representations to address some of the concerns expressed in the Commission's March 2010 press release. These representations are: (i) That the ETF's board periodically will review and approve the ETF's use of derivatives and how the ETF's investment adviser assesses and manages risk with respect to the ETF's use of derivatives; and (ii) that the ETF's disclosure of its use of derivatives in its offering documents and periodic reports is consistent with relevant Commission and staff guidance. The No-Action Letter stated that the Division would not recommend enforcement action to the Commission under sections 2(a)(32), 5(a)(1), 17(a),

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] *See* Securities Exchange Act Release No. 66321 (February 3, 2012), 77 FR 6850 (February 9, 2012) (SR–NYSEArca–2011–95) (''Prior Order''). *See also* Securities Exchange Act Release No. 65988 (December 16, 2011), 76 FR 79741 (December 22, 2011) (SR–NYSEArca–2011–95) (''Prior Notice,'' and together with the Prior Order, the ''Prior Release'').

[5] The Trust is registered under the Investment Company Act of 1940 (''1940 Act''). On October 29, 2012 the Trust filed with the Commission the most recent post-effective amendment to its registration statement under the Securities Act of 1933 (15 U.S.C. 77a) (''1933 Act'') and under the 1940 Act relating to the Fund (File Nos. 333–155395 and 811–22250) (the ''Registration Statement''). The description of the operation of the Trust and the Fund herein is based, in part, on the Registration Statement. In addition, the Commission has issued an order granting certain exemptive relief to the Trust under the 1940 Act. *See* Investment Company Act Release No. 28993 (November 10, 2009) (File No. 812–13571) (''Exemptive Order'').

[6] *See* No-Action Letter dated December 6, 2012 from Elizabeth G. Osterman, Associate Director, Office of Exemptive Applications, Division of Investment Management.