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

Brent J. Fields,

Secretary.

[FR Doc. 2014–30694 Filed 12–31–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73943; File No. SR–NASDAQ–2014–123]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rules 4751(h) and 4754(b) Relating to the Closing Process

December 24, 2014.

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 December 16, 2014, The NASDAQ Stock Market LLC (''NASDAQ'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 Rules 4751(h) and 4754(b) relating to the closing process.

The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaq.cchwallstreet.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 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

The Exchange is proposing to adopt changes related to the close of Regular Market Session[3] on NASDAQ, which are designed to bring consistency and stability to the processing of securities in the NASDAQ Closing Cross.[4] Each trading day, NASDAQ accepts orders designated to participate in the Closing Cross.[5] The Closing Cross is the process by which NASDAQ determines the price at which orders will be executed at market close. Beginning at 3:50 p.m. Eastern Time, NASDAQ disseminates an Order Imbalance Indicator[6] every five seconds until market close, which allows market participants to see the nature of interest in a security and make investment decisions accordingly. The NASDAQ closing process is initiated at 4:00 p.m. Eastern Time.[7] During the brief period between the initiation of the closing process and the conclusion of the last Closing Cross,[8] the continuous order book is open to accept orders and cancellations in a security until the Closing Cross for that security is complete. These orders can affect the ultimate closing price of the security. Although accepting orders and cancellations through the completion of a security's Closing Cross allows the greatest interest to participate in the Closing Cross, the Exchange has observed that in cases where there is aberrant volatility in a security due to an error,[9] accepting such order activity may also significantly alter the closing price. In normal trading, NASDAQ has observed that allowing order entry and cancellation in a security up to the completion of a security's Closing Cross provides little additional price discovery to offset the greater risk in allowing such order activity. Accordingly, NASDAQ is proposing to close the order book for participation in the Closing Cross once the closing process is initiated at 4:00 p.m. Eastern Time (the ''Lockdown Period''). As a consequence of closing the order book, orders entered for participation in the continuous market after the Lockdown Period has begun, but prior to completion of the Closing Cross, will not be accepted by the System.

Under the proposed process, at 4:00 p.m. Eastern Time, when the closing process is initiated, the Lockdown Period is triggered at which point the order book will no longer accept new orders for execution, and will cease to process order cancellation requests for resting orders. New orders received for participation in the Closing Cross after initiation of the Lockdown Period will be cancelled back to the member firm, and cancellations of resting orders will be processed after the Closing Cross is complete.[10] NASDAQ notes that the processing and calculation of the Closing Cross will remain unchanged.[11] Moreover, in proposing the Lockdown Period, NASDAQ is not altering how orders are processed prior to the Closing Cross, and after it is completed. Rather, NASDAQ is merely providing a precise time at which orders will not participate in the Closing Cross, in lieu of the uncertain, albeit brief, time under the current process. In addition to amending Rule 4754(b) to reflect the changes discussed above, NASDAQ is making a clarifying change to the rule text to make it clear that the Closing Cross begins at 4:00:00 *p.m.*. [sic]

In a related change, the Exchange is also proposing to harmonize the processing of Market Hours Day (''MDAY'') orders[12] in the Closing Cross. MDAY is a time-in-force characteristic of orders, which allows the order to be executed during the Regular Market Session. Under NASDAQ rules, MDAY-designated orders are available from 4:00 a.m. to 4:00 p.m. Eastern Time.[13] Currently, an order designated as MDAY entered after completion of the Closing Cross in a particular security may be rejected, cancelled, or modified to an order with a time-in-force of Immediate or Cancel,

[15] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] As defined by Rule 4120(b)(4)(D).

[4] *See* Rule 4754.

[5] *See* Rule 4754(a)(1) for a description of quotes and orders eligible for participation in the Closing Cross.

[6] The Order Imbalance Indicator provides information about orders eligible to participate in the Closing Cross and the price at which those orders would execute at the time of dissemination.

[7] Once the closing process is initiated, the System will execute crosses in each individual security traded on NASDAQ one by one. The order in which each security is processed is random and differs day by day.

[8] This brief period is normally well under one second.

[9] For example, a member firm that enters an order that is erroneous in price and/or size may cause significant order imbalances, which may cause the closing price of the security to be significantly different from what is anticipated.

[10] A member firm that sends a cancellation request during the Lockdown Period will receive an execution message for that order if it is executed in the Closing Cross.

[11] The closing process will still be initiated at 4:00 p.m. Eastern Time, and the order in which securities enter into their individual Closing Crosses will continue to be random.

[12] *See* Rule 4751(h)(6).

[13] *Id.*

depending on the means of entry. Member firms may enter MDAY-designated orders through OUCH, FLITE, RASH, INET FIX, QIX or SUMO FIX ports.[14] These various means of connecting to the Exchange for order entry provide member firms with differing functionality. The Exchange notes that a MDAY-designated order entered after the conclusion of the Regular Market Session through an OUCH, FLITE or RASH port will be modified to an order with a time-in-force of Immediate or Cancel. A MDAY-designated order entered after the conclusion of Regular Market Session through an INET FIX port will be modified to a System Hours Day order.[15] Lastly, a MDAY-designated order entered after the conclusion of the Regular Market Session through a QIX or SUMO FIX port will be rejected. The Exchange notes that the vast majority of such orders are [sic] entered near the end of the Regular Market Session by member firms seeking to execute prior to the conclusion of the session. In an effort to simplify the treatment of order handling on the Exchange, NASDAQ is proposing to harmonize how MDAY orders entered after the closing cross is initiated are handled. Specifically, NASDAQ is proposing to no longer accept orders with a time-in-force of MDAY that are entered after initiation of the Lockdown Period. The Exchange notes that not accepting orders after the Closing Cross is initiated will simplify market participant processing and avoid confusion concerning how such orders are handled upon conclusion of the Regular Market Session. Lastly, with the proposed implementation of the Lockdown Period, such simplification will also aid NASDAQ in operating the Closing Cross by reducing the logical steps necessary to process MDAY-designated orders. As a consequence, NASDAQ is adding language to the rule to reflect that such orders will not be accepted after 4:00 p.m.

Similarly, NASDAQ is proposing to modify the processing of Good-til-market close orders (''GTMC'').[16] GTMC is a time-in-force characteristic of orders, which allows the order to be executed from 4:00 a.m. to 8:00 p.m. Eastern Time. GTMC orders entered after the Closing Cross are converted to a time-in-force of System Hours Immediate or Cancel. In lieu of converting such orders, NASDAQ is proposing to no longer accept GTMC orders after initiation of the Lockdown Period at 4:00 p.m. Eastern Time. As a consequence, NASDAQ is amending language in the rule concerning acceptance of GTMC orders up to 8:00 p.m. Eastern Time to reflect that such orders will not be accepted after 4:00 p.m., and is deleting text concerning conversion of the order. NASDAQ is also making a technical change to the rule text to harmonize the terminology used under the other time-in-force designations under Rule 4751(h). Specifically, NASDAQ is replacing the word ''and'' with ''until.''

The Exchange plans on implementing the proposed changes in mid-February 2015, and will provide at least 30 days prior notice of the implementation date and testing opportunities for member firms via an Equity Trader Alert.

2. Statutory Basis

The Exchange believes that the proposed rule changes [sic] are consistent with Section 6 of the Act, in general, and further the objectives of Section 6(b)(5) of the Act, in particular, in that they are 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; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Specifically, the proposed changes promote just and equitable principles of trade and perfect the mechanisms of a free and open market and the national market system by providing greater clarity concerning the System's operation during the closing process and how orders with certain time-in-force characteristics are processed at the market close. In addition, the proposed changes will contribute to the protection of investors and the public interest by making the Exchange's rules easier to understand. The proposed change to implement the Lockdown Period is designed to promote a stable closing process and avoid the impact of erroneous order activity on the market close process. Closing the order book to new orders and cancellations during the very brief period between the initiation of the closing process at 4:00 p.m. Eastern Time and the completion of the last Closing Cross will ensure that the System is able to cross all securities without impact from erroneous order activity in a single security. Accordingly, the proposed change promotes a fair and orderly market during the closing process, and thereby further perfects the mechanism of a free and open market. The proposed changes to the processing of MDAY-designated orders further these objectives because they simplify processing of orders, thereby avoiding any market participant confusion on how such orders are treated when entered after the Regular Market Session has ended. Uniformly rejecting such orders, which are designed to execute during Regular Market Session, is consistent with a market participant's intent to execute during Regular Market Session and will remove complication in the handling of such orders. To the extent a member firm would like to participate in post-market hours trading, it may enter a new order eligible to participate in post-market trading. Likewise, the proposed changes to the processing of GTMC-designated orders further these objectives because the changes simplify processing of such orders when entered after the Closing Cross process has begun. Rather than converting GTMC-designated orders to an order with a different time-in-force if entered after the market close, NASDAQ will no longer accept them once the Closing Cross has been initiated, which is consistent with a market participant's intent to execute during the period from 4:00 a.m. and 4:00 p.m. As noted above, to the extent a member firm would like to participate in post-market hours trading, it may enter a new order eligible to participate in post-market trading. Moreover, simplifying the processing of both MDAY- and GTMC-designated orders will remove complication in the handling of such orders, thereby further improving the operation of the market.

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

The Exchange does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Specifically, the changes are designed to promote consistency and stability in the closing process and in the handling of orders after the Regular Market Session has ended. Such changes do not place a burden on competition between market participants as the changes are applied consistently to all participants. Moreover, the proposed changes do not

[14] *See http://www.nasdaqtrader.com/Trader.aspx?id=TradingSpecs* for a description of the various order entry port specifications.

[15] A System Hours Day order remains available for potential display and/or execution from 4:00 a.m. until 8:00 p.m. Eastern Time on the day it was submitted unless cancelled by the entering party. *See* Rule 4751(h)(2).

[16] *See* Rule 4751(h)(8).

impose a burden on competition among exchanges as they are done for regulatory purposes and are therefore irrelevant to competition.

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

No written comments were either solicited or received.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) 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)(ii) of the Act [17] and subparagraph (f)(6) of Rule 19b–4 thereunder.[18] 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: (i) Necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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–NASDAQ–2014–123 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549.

All submissions should refer to File Number SR–NASDAQ–2014–123. 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–NASDAQ–2014–123 and should be submitted on or before January 2, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Brent J. Fields,

Secretary.

[FR Doc. 2014–30702 Filed 12–31–14; 8:45 am]

BILLING CODE 8011–01–P

[17] 15 U.S.C. 78s(b)(3)(a)(ii).

[18] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

[19] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–73942; File No. SR–MIAX–2014–66]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the MIAX Options Fee Schedule

December 24, 2014.

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 December 19, 2014, Miami International Securities Exchange LLC (''MIAX'' or the ''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 proposal to amend the MIAX Options Fee Schedule.

The text of the proposed rule change is available on the Exchange's Web site at *http://www.miaxoptions.com/filter/wotitle/rule_filing,* at MIAX's principal office, 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 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 amend its Fee Schedule to increase the monthly fee for Internal Distributors and External Distributors of MIAX Top of Market (''ToM'') and Administrative Information Subscriber (''AIS''). Specifically, the Exchange proposes to: (i) Increase the fee charged to Internal Distributors of ToM and AIS from $1,000 to $1,250 per month; and (ii) increase the fee charged to External Distributors of ToM and AIS from $1,500 to $1,750 per month.

The Exchange charges monthly fees to Distributors of the ToM and AIS market data products that receive a feed of data either directly from MIAX or indirectly through another entity and then

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

[2] 17 CFR 240.19b–4.