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–C2–2013–003 and should be submitted on or before March 5, 2013.

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

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–03102 Filed 2–11–13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–68840; File No. SR–BX–2013–008]

Self-Regulatory Organizations; NASDAQ OMS BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Add Routing Functionality to the NASDAQ OMX BX Equities Market

February 6, 2013.

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 January 23, 2013, NASDAQ OMX BX, Inc. (''BX'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 proposes to add routing functionality to the NASDAQ OMX BX Equities Market.

The text of the proposed rule change is below; proposed new language is italicized.

* * * * *

4700. The NASDAQ OMX BX Equities Market

* * * * *

4750. Execution Services

* * * * *

4758. Order Routing

(a) Order Routing Process

(1) No change.

(A) No change.

(i)–(vii) No change.

(viii) BDRK is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(ix) BCST is a routing option under which orders check the System for available shares and simultaneously route the remaining shares to destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS and to certain, but not all, exchanges. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center.

(B) No change.

(b)–(d) No change.

* * * * *

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 purpose of the proposed rule change is to attract additional business to and enhance the functionality offered by the Exchange's NASDAQ OMX BX Equities Market by providing additional optional outbound routing services. Most equities exchanges today provide routing services and the Exchange offers a variety of routing strategies. Currently, Rule 4758, Order Routing, describes the order routing process and states that all routing shall be in compliance with Rule 611 of Regulation NMS under the Act.[3] Furthermore, it enumerates BX's routing strategies: BSTG, BSKN, BSCN, BSKP, BTFY, BMOP and BCRT.

Proposed Rule 4758(a)(1)(A)(viii) will provide that BDRK is a routing option under which orders check the System for available shares and simultaneously route to certain destinations on the System routing table that are not posting Protected Quotations within the meaning of Regulation NMS (i.e. ''dark venues'' or ''dark pools''). If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. This strategy is intended to attract market participants that seek to execute on BX or on dark pools without executing on another exchange. Members may seek to execute in this manner to interact with resting liquidity in addition to that available on BX, while also minimizing market impact and transaction fees.

For example, if the National Best Bid/Offer (''NBBO'') is \$10.00–\$10.01, and BX, DarkVenueA and ARCA each offer 100 shares at \$10.01, a BDRK order to buy 1000 shares at \$10.01 IOC will be handled as follows: 100 shares for execution on BX and 100 shares routed to DarkVenue A simultaneously at \$10.01; the remaining 800 shares are not routed and not executed, and cancelled back to the entering participant because it was an IOC order. The order did not route to ARCA because it is not a dark venue. As a second example, if the NBBO is \$10.00–\$10.01, and BX, DarkVenueA and ARCA each offer 100 shares at \$10.01, a BDRK order to buy 1000 shares at \$10.01 DAY will be

[13] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] 17 CFR 242.611.

handled as follows: 100 shares for execution on BX and 100 shares routed to DarkVenue A simultaneously at $10.01; the remaining 800 shares are posted on the BX book (because it is a DAY order). Once again, the order did not route to ARCA because it is not a dark venue.

Proposed Rule 4758(a)(1)(A)(ix) will provide that BCST is a routing option under which orders check the System for available shares and simultaneously route to select dark venues and to certain low cost exchanges. If shares remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, the System will not route the order to the locking or crossing market center. This strategy is also intended to attract market participants who seek to save on trading fees by only executing on the Exchange, on dark venues, or on no cost and low cost exchanges.

For example, if the NBBO is $10.00–$10.01, and BX, DarkVenueA and ARCA each offer 100 shares at $10.01, a BCST order to buy 1000 shares at $10.01 DAY will be handled as follows: 100 shares for execution on BX and 100 shares routed to DarkVenue A simultaneously at $10.01; the remaining 800 shares are posted on the BX book (because it is a DAY order). The order did not route to ARCA because it is neither a dark venue nor a no cost or low cost exchange. As a second example, if the NBBO is $9.90–$10.00, with BYX offering 100 shares at $10.00 and BX, DarkVenueA and ARCA each offer 100 shares at $10.01, a BCST order to buy 1000 shares at $10.01 DAY will be handled as follows: 100 shares routed to BYX at $10.00, 100 shares for execution on BX and 100 shares routed to DarkVenue A simultaneously at $10.01; the remaining shares are posted on the BX book (because it is a DAY order). The order did not route to ARCA because it is neither a dark venue nor a no cost or low cost exchange.

In all cases, these routing strategies are designed to comply with SEC Rule 611 and the other provisions of Regulation NMS.[4] Accordingly, both BDRK and BCST will honor Protected Quotations within the meaning of Regulation NMS and will not route to any market centers included in their respective routing table at a price inferior to an available Protected Quotation. For example, if the NBBO is $9.90–$10.00, with NYSE offering 100 shares at $10.00 and BX, DarkVenueA and ARCA each offering 100 shares at $10.01, a BCST order to buy 1000 shares at $10.01 DAY will not be routed because NYSE's Protected Quotation is not included in the routing table, by definition, for BCST.

The Exchange will notify its membership of the implementation date, which the Exchange expects will be on or about the 30th day after this filing.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[5] in general, and with Sections 6(b)(5) of the Act,[6] 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 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, because BX will be better able to serve its customers and compete with other markets by offering additional optional routing services. Specifically, the two new routing strategies will provide market participants with greater flexibility in routing orders without developing order routing strategies on their own.

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

The Exchange 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, as amended. BX competes with many exchanges and other execution venues for the execution of orders in equities. Market participants can choose where to send their orders. Accordingly, the proposal is pro-competitive in that it affords the Exchange the opportunity to compete with other exchanges in terms of offering new routing strategies.

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) of the Act[7] and subparagraph (f)(6) of Rule 19b–4 thereunder.[8]

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. The Exchange has provided the Commission 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.

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–BX–2013–008 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–BX–2013–008. 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

[4] 17 CFR 242.611.

[5] 15 U.S.C. 78f.

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78s(b)(3)(A).

[8] 17 CFR 240.19b–4(f)(6).

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–BX–2013–008 and should be submitted on or before March 5, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Kevin M O'Neill,

Deputy Secretary.

[FR Doc. 2013–03099 Filed 2–11–13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–68842; File No. SR–FINRA–2013–013]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Filing of Proposed Rule Change To Require Members To Report OTC Equity Transactions as Soon As Practicable, But No Later Than 10 Seconds, Following Execution

February 6, 2013.

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 February 1, 2013, Financial Industry Regulatory Authority, Inc. ("FINRA") 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 FINRA. 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

FINRA is proposing to amend FINRA trade reporting rules to require that members report over-the-counter ("OTC") transactions in NMS stocks and OTC Equity Securities,[3] and cancellations of such transactions, to FINRA as soon as practicable, but no later than 10 seconds, following execution (or cancellation, as applicable).

The text of the proposed rule change is available on FINRA's Web site at *http://www.finra.org,* at the principal office of FINRA, on the Commission's Web site at *http://www.sec.gov,* 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, FINRA 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. FINRA 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

FINRA trade reporting rules require that members report OTC transactions in NMS stocks and OTC Equity Securities that are executed during the hours that the FINRA Facilities are open within 30 seconds of execution.[4] In addition, members must report the cancellation of a trade within 30 seconds of the time of cancellation if the trade is both executed and cancelled on the same day during normal market hours.[5] Under current FINRA guidance, members are expected to report transactions as soon as practicable and should not withhold trade reports, e.g., by programming their systems to delay reporting until the last permissible second.[6]

FINRA is proposing to amend its trade reporting rules to require members to report OTC trades in NMS stocks and OTC Equity Securities as soon as practicable, but no later than 10 seconds, following execution and to report trade cancellations as soon as practicable, but no later than 10 seconds, after the time of cancellation.[7] Under the proposed rule change, all transactions not reported within 10 seconds will be marked late (unless expressly subject to a different reporting requirement [8] or excluded from the trade reporting rules altogether). FINRA understands that there will be isolated instances where a member is unable to report trades within the time period prescribed by rule, and FINRA will continue to look for a pattern and practice [9] of unexcused late trade reporting before taking action against a member. Pursuant to Rules 6181 and 6623, unexcused late reporting occurs when there are "repeated reports of executions submitted after the required time period without reasonable justification or exceptional circumstances." The rules also provide that "[e]xceptional circumstances will be determined on a case-by-case basis and may include instances of system failure by a member or service bureau, or unusual market conditions, such as extreme volatility in a security, or in the market as a whole."

FINRA also is proposing to adopt Supplementary Material to clarify the requirement that members report trades and trade cancellations "as soon as

[9] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b–4.

[3] OTC transactions in NMS stocks, as defined in SEC Rule 600(b) of Regulation NMS, are reported through the Alternative Display Facility ("ADF") or a Trade Reporting Facility ("TRF"), and transactions in "OTC Equity Securities," as defined in FINRA Rule 6420 (i.e., non-NMS stocks such as OTC Bulletin Board and OTC Market securities), are reported through the OTC Reporting Facility ("ORF"). The ADF, TRFs and ORF are collectively referred to herein as the "FINRA Facilities."

[4] *See, e.g.,* FINRA Rules 6282(a), 6380A(a), 6380B(a) and 6622(a).

The TRFs and ORF are open between 8:00 a.m. and 8:00 p.m., and the ADF is open between 8:00 a.m. and 6:30 p.m.

[5] *See, e.g.,* FINRA Rules 6282(j)(2)(A), 6380A(g)(2)(A), 6380B(f)(2)(A) and 6622(f)(2)(A).

Members must report all cancellations of previously reported trades to FINRA; however, where the trade is executed or canceled outside of normal market hours, the 30-second requirement does not apply to the reporting of the cancellation.

[6] *See Regulatory Notice* 10–24 (April 2010).

[7] FINRA also is proposing conforming changes to replace the reference to 30 seconds with 10 seconds in the rules relating to the reporting of stop stock and "prior reference price" transactions. *See* FINRA Rules 6282(a)(4), 6380A(a)(5), 6380B(a)(5) and 6622(a)(5).

[8] For example, the proposed rule change will not amend the reporting requirements applicable to transactions in Restricted Equity Securities, as defined in Rule 6420, effected under Securities Act Rule 144A, which transactions currently are not subject to the 30-second reporting requirement. *See* Rule 6622(a)(3).

[9] The Commission notes that FINRA Rules refer to "a pattern *or* practice." *See, e.g.,* FINRA Rule 6282 (emphasis added).