



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

January 13, 2015

OFFICE OF COMPLIANCE  
INSPECTIONS AND  
EXAMINATIONS

Dear Chief Regulatory Officer:

The Office of Market Oversight (“Market Oversight”) within the Office of Compliance Inspections and Examinations (“OCIE”) is preparing to conduct examinations of the national securities exchanges in Fiscal Year 2015 pursuant to Sections 17(a)(1) and 17(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 17a-1 thereunder. As part of its risk-based examination program, Market Oversight has established certain examination priorities for Fiscal Year 2015 that will guide the selection of the programs and areas to examine in the fiscal year.<sup>1</sup>

Market Oversight would like to provide the national securities exchanges with the following list of examination priorities for Fiscal Year 2015:

- Examination of certain exchanges’ compliance with undertakings imposed by applicable Orders Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 19(h)(1) and 21C of the Exchange Act (“OIP”). Those exchanges which became subject to an OIP in 2012, 2013, or 2014 would be examined as part of this initiative.
- Examination of certain exchanges’ internal controls surrounding regulatory responsibilities and decisions. For example, potential examinations in this area may include reviews of a national securities exchange’s outsourcing of regulatory functions, the funding of an exchange’s regulatory functions, and the governance and oversight of an exchange’s regulatory functions.
- Ongoing examination of listing exchanges’ monitoring and enforcement of initial and continued listing standards for exchange-traded products.
- Examination of options exchanges’ listing programs, including assessing compliance with listing requirements and evaluating the policies and procedures regarding listing programs.

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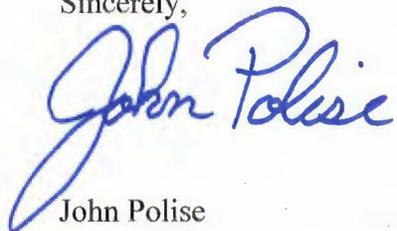
<sup>1</sup> This document was prepared by SEC staff, and the views expressed herein are those of OCIE. The Commission has expressed no view on this document’s contents. It is not legal advice; it is not intended to, does not, and may not be relied upon to create any rights, substantive or procedural, enforceable at law by any party in any matter civil or criminal.

- In coordination with OCIE's Technology Controls Program, examination of certain exchanges' controls related to the management of information technology, such as in the areas of: written supervisory policies and procedures; information security and incident response; business continuity planning and pandemic preparedness; computer, telecommunications and networking operations; software development and testing; outsourcing and vendor management; and enterprise risk management.
- Examination of certain exchanges' compliance with obligations under Section 31 of the Exchange Act and Rule 31 thereunder.

The preceding list of Fiscal Year 2015 Market Oversight examination priorities is not static and remains subject to change due to unexpected events in the market or other factors. Furthermore, subject to the availability of resources and other factors, Market Oversight also may establish additional examination priorities for Fiscal Year 2015.

Market Oversight looks forward to working with you and your staff in Fiscal Year 2015 to complete these examination priorities. If you have any questions concerning the matters discussed in this letter, please contact me at (202) 551-4981.

Sincerely,

A handwritten signature in blue ink that reads "John Polise". The signature is written in a cursive style with a large, looping initial "J".

John Polise  
National Associate Director  
OCIE Office of Market Oversight