

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-72265; File No. SR-NYSEArca-2013-127)

May 28, 2014

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change, as Modified by Amendments No. 1 and No. 2 Thereto, to List and Trade Shares of Nine Series of the IndexIQ Active ETF Trust under NYSE Arca Equities Rule 8.600

On November 18, 2013, NYSE Arca, Inc. (“Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act” or “Exchange Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade shares of the IQ Long/Short Alpha ETF, IQ Bear U.S. Large Cap ETF, IQ Bear U.S. Small Cap ETF, IQ Bear International ETF, IQ Bear Emerging Markets ETF, IQ Bull U.S. Large Cap ETF, IQ Bull U.S. Small Cap ETF, IQ Bull International ETF and IQ Bull Emerging Markets ETF (collectively, “Funds”). On November 26, 2013, the Exchange filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The proposed rule change, as modified by Amendment No. 1, was published for comment in the Federal Register on December 4, 2013.<sup>4</sup>

On January 15, 2014, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> the Commission designated a longer period within which to either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove the

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> Amendment No. 1 clarifies (i) how certain holdings will be valued for purposes of calculating a fund’s net asset value, and (ii) where investors will be able to obtain pricing information for certain underlying holdings.

<sup>4</sup> Securities Exchange Act Release No. 70954 (November 27, 2013), 78 FR 72955 (“Notice”).

<sup>5</sup> 15 U.S.C. 78s(b)(2).

proposed rule change.<sup>6</sup> On March 4, 2014, the Commission instituted proceedings to determine whether to approve or disapprove the proposed rule change.<sup>7</sup> On April 11, 2014, the Exchange submitted Amendment No. 2 to the proposed rule change.<sup>8</sup> The Commission received no comments on the proposed rule change.

Section 19(b)(2) of the Act<sup>9</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for notice and comment in the Federal Register on December 4, 2013. June 2, 2014 is 180 days from that date, and August 1, 2014 is 240 days from that date.

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<sup>6</sup> See Securities Exchange Act Release No. 71309, 79 FR 3657 (January 22, 2014). The Commission determined that it was appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change. Accordingly, the Commission designated March 4, 2014 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

<sup>7</sup> See Securities Exchange Act Release No. 71645, 79 FR 13349 (March 10, 2014).

<sup>8</sup> In Amendment No. 2, the Exchange provided additional details describing how the contents of the portfolio composition of the Fund would be disclosed on a daily basis. Specifically, the Fund will disclose on the Fund's website the following information regarding each portfolio holding, as applicable to the type of holding: ticker symbol, CUSIP number or other identifier, if any; a description of the holding (including the type of holding, such as the type of swap); the identity of the security, commodity, index or other asset or instrument underlying the holding, if any; for options, the option strike price; quantity held (as measured by, for example, par value, notional value or number of shares, contracts or units); maturity date, if any; coupon rate, if any; effective date, if any; market value of the holding; and the percentage weighting of the holding in the applicable Fund's portfolio.

<sup>9</sup> 15 U.S.C. 78s(b)(2).

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider this proposed rule change. The proposed rule change would permit the listing and trading of shares of the Funds, which intend to invest primarily in exchange-traded funds (“ETFs”), swap agreements, options contracts and futures contracts. Four of the Funds would use the leverage inherent in swaps and other derivatives to give the funds 200% exposure to their investments.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates August 1, 2014 as the date by which the Commission should either approve or disapprove the proposed rule change (File Number SR-NYSEArca-2013-127), as modified by Amendments No. 1 and No. 2 thereto.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Kevin M. O’Neill  
Deputy Secretary

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<sup>10</sup> Id.

<sup>11</sup> 17 CFR 200.30-3(a)(57).