

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74407; File No. SR-NYSEArca-2014-89)

March 2, 2015

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, to List and Trade Shares of Eight PIMCO Exchange-Traded Funds

On August 15, 2014, NYSE Arca, Inc. (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to list and trade shares of the following eight PIMCO exchange-traded funds, pursuant to NYSE Arca Equities Rule 8.600: PIMCO StocksPLUS[®] Absolute Return Exchange-Traded Fund, PIMCO Small Cap StocksPLUS[®] AR Strategy Exchange-Traded Fund, PIMCO Fundamental IndexPLUS[®] AR Exchange-Traded Fund, PIMCO Small Company Fundamental IndexPLUS[®] AR Strategy Exchange-Traded Fund, PIMCO EM Fundamental IndexPLUS[®] AR Strategy Exchange-Traded Fund, PIMCO International Fundamental IndexPLUS[®] AR Strategy Exchange-Traded Fund, PIMCO EM StocksPLUS[®] AR Strategy Exchange-Traded Fund, and PIMCO International StocksPLUS[®] AR Strategy Exchange-Traded Fund (Unhedged) (each a “Fund” and collectively, the “Funds”). The proposed rule change was published for comment in the Federal Register on September 3, 2014.³ On October 15, 2014, pursuant to Section 19(b)(2) of the Act,⁴ the Commission designated a longer period within which to approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether to disapprove

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 72937 (Aug. 27, 2014), 79 FR 52385).

⁴ 15 U.S.C. 78s(b)(2).

the proposed rule change.⁵ On December 1, 2014, the Commission instituted proceedings under Section 19(b)(2)(B) of the Act⁶ to determine whether to approve or disapprove the proposed rule change.⁷ On December 23, 2014, the Exchange filed Amendment No. 1 to the proposed rule change, which entirely replaced and superseded its proposal as originally filed.⁸ The Commission has not received any comments on the proposed rule change.

Section 19(b)(2) of the Act⁹ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later

⁵ See Securities Exchange Act Release No. 73364, 79 FR 62988 (Oct. 21, 2014). The Commission designated a longer period within which to take action on the proposed rule change and designated December 2, 2014 as the date by which it should approve, disapprove, or institute proceedings to determine whether to disapprove the proposed rule change.

⁶ 16 U.S.C. 78s(b)(2)(B).

⁷ See Securities Exchange Act Release No. 73706, 79 FR 72223 (December 5, 2014) (“Order Instituting Proceedings”). In the Order Instituting Proceedings, the Commission noted that it was instituting proceedings to allow for additional analysis of the proposed rule change’s consistency with the requirement of Section (6)(b)(5) of the Act, which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest.

⁸ In Amendment No. 1, the Exchange: (1) clarified the definition of Fixed Income Instruments; (2) clarified that the types of securities and instruments specified as permitted investments may be economically tied to foreign countries; (3) clarified that the types of securities specified as permitted investments may be denominated in foreign currencies; (4) clarified that the Funds may invest in OTC foreign currency options contracts; (5) eliminated the ability of the Funds to enter into any series of purchase and sale contracts; (6) modified the proposal to exclude from the Funds’ permitted investments variable and floating rate securities and floaters and inverse floaters that are not Fixed Income Instruments; (7) modified the proposal to provide that a Fund may invest up to 20% of its total assets in (a) trade claims, (b) junior bank loans, (c) exchange-traded and OTC-traded structured products, and (d) privately placed and unregistered securities (except that no limit will apply to privately placed and unregistered securities that satisfy the listing requirements in the Exchange’s Rule 5.2(j)(3), Commentary .02(a)(6)); and (8) clarified that each Fund may invest up to 20% of its total assets in senior bank loans.

⁹ 15 U.S.C. 78s(b)(2).

than 180 days after the date of publication of notice of the filing the of the proposed rule change. The Commission may, however, extend the period for issuing an order approving or disapproving the proposed rule change 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 September 3, 2014,¹⁰ and the 180th day after publication of the notice of the filing of the proposed rule change in the Federal Register is March 2, 2015.

The Commission finds that it is 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 the proposed rule change, as modified by Amendment No. 1. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹¹ designates May 1, 2015 as the date by which the Commission shall either approve or disapprove the proposed rule change (File No. SR-NYSEArca-2014-89).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Brent J. Fields
Secretary

¹⁰ See supra note 3.

¹¹ 15 U.S.C. 78s(b)(2).

¹² 17 CFR 200.30-3(a)(57).