

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-66680; File Nos. SR-BATS-2011-038; SR-BYX-2011-025; SR-BX-2011-068; SR-CBOE-2011-087; SR-C2-2011-024; SR-CHX-2011-30; SR-EDGA-2011-31; SR-EDGX-2011-30; SR-FINRA-2011-054; SR-ISE-2011-61; SR-NASDAQ-2011-131; SR-NSX-2011-11; SR-NYSE-2011-48; SR-NYSEAmex-2011-73; SR-NYSEArca-2011-68; SR-Phlx-2011-129)

March 29, 2012

Self-Regulatory Organizations; BATS Exchange, Inc.; BATS Y-Exchange, Inc.; NASDAQ OMX BX, Inc.; Chicago Board Options Exchange, Incorporated; C2 Options Exchange, Incorporated; Chicago Stock Exchange, Inc.; EDGA Exchange, Inc.; EDGX Exchange, Inc.; Financial Industry Regulatory Authority, Inc.; International Securities Exchange LLC; The NASDAQ Stock Market LLC; New York Stock Exchange LLC; NYSE Amex LLC; NYSE Arca, Inc.; National Stock Exchange, Inc.; NASDAX OMX PHLX LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Disapprove Proposed Rule Changes Relating to Trading Halts Due to Extraordinary Market Volatility

On September 27, 2011, each of BATS Exchange, Inc. (“BATS”), BATS Y-Exchange, Inc. (“BYX”), NASDAQ OMX BX, Inc. (“BX”), Chicago Board Options Exchange, Incorporated (“CBOE”), C2 Options Exchange, Incorporated (“C2”), Chicago Stock Exchange, Inc. (“CHX”), EDGA Exchange, Inc (“EDGA”), EDGX Exchange, Inc. (“EDGX”), Financial Industry Regulatory Authority, Inc. (“FINRA”), International Securities Exchange LLC (“ISE”), The NASDAQ Stock Market LLC (“Nasdaq”), National Stock Exchange, Inc. (“NSX”), New York Stock Exchange LLC (“NYSE”), NYSE Amex LLC (“NYSE Amex”), NYSE Arca, Inc. (“NYSE Arca”), and NASDAQ OMX PHLX LLC (“Phlx”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposed rule changes (the “SRO Proposals”) to amend certain of their respective rules relating to trading halts due to extraordinary market volatility. The SRO Proposals were published for comment in the Federal Register on October

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

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

4, 2011.<sup>3</sup> The Commission received seven comment letters on the SRO Proposals.<sup>4</sup>

On November 17, 2011, the Commission extended the time period in which to either approve the SRO Proposals, disapprove the SRO Proposals, or to institute proceedings to determine whether to disapprove the SRO Proposals, to December 30, 2011.<sup>5</sup> On December 28, 2011, the Commission instituted proceedings to determine whether to approve or disapprove the SRO Proposals.<sup>6</sup> The Commission thereafter received an additional three comment letters on the SRO Proposals.<sup>7</sup>

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<sup>3</sup> See Securities Exchange Act Release Nos. 65437 (September 28, 2011), 76 FR 61466; 65428 (September 28, 2011), 76 FR 61435; 65429 (September 28, 2011), 76 FR 61432; 65433 (September 28, 2011), 76 FR 61453; 65438 (September 28, 2011), 76 FR 61447; 65426 (September 28, 2011), 76 FR 61460; 65431 (September 28, 2011), 76 FR 61425; 65440 (September 28, 2011), 76 FR 61444; 65430 (September 28, 2011), 76 FR 61429; 65425 (September 28, 2011), 76 FR 61438; 65435 (September 28, 2011), 76 FR 61416 ; 65436 (September 28, 2011), 76 FR 61450; 65427 (September 28, 2011), 76 FR 61457; 65432 (September 28, 2011), 76 FR 61422; 65439 (September 28, 2011), 76 FR 61463; 65434 (September 28, 2011), 76 FR 61419 (collectively, the “Notices”).

<sup>4</sup> See Letter to Elizabeth M. Murphy, Secretary, Commission, from Ann L. Vlcek, Managing Director and Associate General Counsel, the Securities Industry and Financial Markets Association, dated October 27, 2011; Letter to Commission, from James J. Angel, Ph.D., CFA, Associate Professor of Finance, Georgetown University, McDonough School of Business, dated October 25, 2011; Letter to Elizabeth M. Murphy, Secretary, Commission, from Craig S. Donohue, CME Group, Inc., dated October 25, 2011; Letter to Elizabeth M. Murphy, Secretary, Commission, from Commissioner Bart Chilton, Commodity Futures Trading Commission, dated October 25, 2011; Letter to Elizabeth M. Murphy, Secretary, Commission, from Richard H. Baker, President and CEO, Managed Funds Association, dated October 25, 2011; Letter from Suzanne H. Shatto, dated October 20, 2011; Letter from Mark Roszak, dated October 4, 2011.

<sup>5</sup> See Securities Exchange Act Release No. 65770 (November 17, 2011), 76 FR 72492 (November 23, 2011).

<sup>6</sup> See Securities Exchange Act Release No. 66065 (December 28, 2011), 77 FR 316 (January 4, 2012) (“Order Instituting Proceedings”).

<sup>7</sup> See letters to Elizabeth Murphy, Secretary, Commission, from Timothy Quast, Managing Director, ModernIR, dated January 20, 2012; Craig S. Donohue, Chief Executive Officer, CME Group, Inc., dated January 25, 2012, and Ann L. Vlcek, Managing Director and Associate General Counsel, the Securities Industry and Financial Markets Association, dated February 7, 2012.

Section 19(b)(2) of the Act<sup>8</sup> provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the SRO Proposals not later than 180 days after the date of publication of notice of the filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the SRO Proposals, 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 SRO Proposals were published for notice and comment in the Federal Register on October 4, 2011. April 1, 2012 is 180 days from that date, and May 31, 2012 is an additional 60 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the SRO Proposals so that it has sufficient time to consider the SRO Proposals and the issues raised in the comment letters that have been submitted in connection with the SRO Proposals. Specifically, as the Commission noted in the Order Instituting Proceedings, the SRO Proposals raise issues including the potential interaction between the mechanisms for moderating volatility in individual securities and those for moderating volatility market-wide. In addition, the Commission is also considering commenters' concerns with the details of the SRO Proposals, including whether only the Level III circuit breaker should halt trading after 3:25 p.m. and whether the market-wide circuit breakers should be triggered if a significant number of volatility moderators for individual securities are triggered.<sup>9</sup>

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<sup>8</sup> 15 U.S.C. 78s(b)(2).

<sup>9</sup> See Order Instituting Proceedings, supra note 6 at 318, 319.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> designates May 31, 2012, as the date by which the Commission shall either approve or disapprove the SRO Proposals.

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> 15 U.S.C. 78s(b)(2).

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