January 30, 2008

Joint Industry Plan: Order Approving Joint Amendment No. 25 to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage Relating to Response Time for Certain Orders Sent Through the Linkage

I. Introduction


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4 See Section 2(16) of the Linkage Plan. For the purposes of this Joint Amendment No. 25 only, references to “Linkage Orders” herein pertain to P/A Orders and Principal Orders. For definitions of “P/A Order” and “Principal Order,” see Section 2(16)(a) and (b) of the Linkage Plan, respectively.
another market before the member\textsuperscript{5} can trade through that market and (ii) the timeframe within which a Participant must respond to a Linkage Order after receipt of that Linkage Order. On December 4, 2007, the Commission summarily put into effect Joint Amendment No. 25 on a temporary basis not to exceed 120 days and solicited comment on Joint Amendment No. 25 from interested persons.\textsuperscript{6} The Commission received no comments on Joint Amendment No. 25. This order approves Joint Amendment No. 25.

II. Description of the Proposed Amendment

In Joint Amendment No. 25, the Participants proposed to reduce the amount of time a member must wait after sending a Linkage Order to another market before the member can trade through that market. The Participants proposed to decrease this time period from 5 seconds to 3 seconds. The Participants also proposed to reduce the time frame in which a Participant must respond to a Linkage Order from 5 seconds to 3 seconds after receipt of that Linkage Order.

III. Discussion and Commission Findings

The Commission previously determined, pursuant to Rule 608 under the Act,\textsuperscript{7} to put into effect summarily on a temporary basis not to exceed 120 days, the changes to the Linkage Plan detailed above in Joint Amendment No. 25.\textsuperscript{8} After careful consideration of Joint Amendment No. 25, the Commission finds that approving Joint Amendment No. 25 is consistent with the requirements of the Act and the rules and regulations thereunder. Specifically, the Commission

\textsuperscript{5} The term “member,” as used herein, includes NYSE Arca OTP Holders and OTP Firms and Boston Options Exchange (“BOX”) Options Participants. See NYSE Arca Rules 1.1(q) and 1.1(r) and Chapter I, Sec. 1(a)(40) of BOX Rules, respectively.


\textsuperscript{7} 17 CFR 242.608.

\textsuperscript{8} See supra note 6.
finds that Joint Amendment No. 25 is consistent with Section 11A of the Act\textsuperscript{9} and Rule 608 of Regulation NMS thereunder\textsuperscript{10} in that it is in the public interest, for the protection of investors, and the maintenance of fair and orderly markets. The Commission believes that reducing the time required by a Participant to respond to a Linkage Order and the amount of time a member sending a Linkage Order must wait before trading through a nonresponsive Participant should facilitate the more timely execution of orders across the options exchanges.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act\textsuperscript{11} and Rule 608 thereunder,\textsuperscript{12} that Joint Amendment No. 25 is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.\textsuperscript{13}

Florence E. Harmon  
Deputy Secretary

\textsuperscript{10} 17 CFR 242.608.  
\textsuperscript{11} 15 U.S.C. 78k-1.  
\textsuperscript{12} 17 CFR 242.608.  
\textsuperscript{13} 17 CFR 200.30-3(a)(29).