

the Shares in all trading sessions and to deter and detect violations of Exchange rules and applicable federal securities laws. FINRA, on behalf of the Exchange, will communicate as needed regarding trading in the Shares and the exchange-traded securities and instruments held by the Fund and the Subsidiary, which include exchange-traded Commodity-Related Equities, exchange-traded or exchange-cleared Commodity-Linked Investments (with the exception of exchange-cleared swaps), ETNs, ETFs and other exchange-traded investment companies, with other markets and other entities that are members of ISG, and FINRA may obtain trading information regarding trading in the Shares and such exchange-traded securities and instruments held by the Fund and the Subsidiary from such markets and other entities. In addition, the Exchange may obtain information regarding trading in the Shares and such exchange-traded securities and instruments held by the Fund and the Subsidiary from markets and other entities that are members of ISG, which includes securities and futures exchanges, or with which the Exchange has in place a comprehensive surveillance sharing agreement. Moreover, FINRA, on behalf of the Exchange, will be able to access, as needed, trade information for certain fixed income securities held by the Fund reported to FINRA's Trade Reporting and Compliance Engine.

(4) Prior to the commencement of trading, the Exchange will inform its members in an Information Circular of the special characteristics and risks associated with trading the Shares. Specifically, the Information Circular will discuss the following: (a) The procedures for purchases and redemptions of Shares in creation units (and that Shares are not individually redeemable); (b) Nasdaq Rule 2111A, which imposes suitability obligations on Nasdaq members with respect to recommending transactions in the Shares to customers; (c) how and by whom information regarding the Intraday Indicative Value and Disclosed Portfolio is disseminated; (d) the risks involved in trading the Shares during the Pre-Market and Post-Market Sessions when an updated Intraday Indicative Value will not be calculated or publicly disseminated; (e) the requirement that members deliver a prospectus to investors purchasing newly issued Shares prior to or concurrently with the confirmation of a transaction; and (f) trading information.

(5) For initial and continued listing, the Fund and the Subsidiary must be in

compliance with Rule 10A-3 under the Act.<sup>32</sup>

(6) The Fund may hold up to an aggregate amount of 15% of its net assets in illiquid assets (calculated at the time of investment). The Fund will monitor its portfolio liquidity on an ongoing basis to determine whether, in light of current circumstances, an adequate level of liquidity is being maintained, and will consider taking appropriate steps in order to maintain adequate liquidity if, through a change in values, net assets, or other circumstances, more than 15% of the Fund's net assets are held in illiquid assets.

(7) The Fund will invest directly in Commodity-Related Equities and will seek to gain exposure to Commodity-Linked Investments through investments in the Subsidiary. The Fund's investment in the Subsidiary will not exceed 25% of the Fund's total assets.

(8) The Fund will not invest in directly in physical commodities and may invest directly in ETNs, commodity-linked notes, ETFs, and other investment companies.

(9) The Subsidiary will seek to make investments in Commodity-Linked Investments. The Subsidiary will initially consider investing in futures contracts as outlined in the table in the Notice, though the table is subject to change.

(10) The Fund and the Subsidiary's investments will be consistent with the Fund's investment objectives and although certain investments will have a leveraging effect on the Fund, the Fund will not seek leveraged returns.

(11) With respect to the exchange-traded futures contracts and options on futures contracts held indirectly through the Subsidiary, not more than 10% of the weight<sup>33</sup> of such futures contracts and options on futures contracts in the aggregate shall consist of instruments whose principal trading market is not a member of ISG or is a market with which the Exchange does not have a comprehensive surveillance sharing agreement. In addition, not more than 10% of the equity securities (including shares of ETFs and closed-end funds) and ETNs in which the Fund may invest will be invested in securities that trade in markets that are not members of ISG or are parties to a comprehensive surveillance sharing agreement with the Exchange.

(12) A minimum of 100,000 Shares will be outstanding at the

<sup>32</sup> See 17 CFR 240.10A-3.

<sup>33</sup> To be calculated as the value of the contract divided by the total absolute notional value of the Subsidiary's futures contracts.

commencement of trading on the Exchange.

This approval order is based on all of the Exchange's representations, including those set forth above and in the Notice, and the Exchange's description of the Fund.

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>34</sup> and the rules and regulations thereunder applicable to a national securities exchange.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>35</sup> that the proposed rule change (SR-NASDAQ-2014-053), be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>36</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73230; File No. SR-FINRA-2014-036]

### Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Order Granting Approval of Proposed Rule Change Relating to the Composition of Hearing Panels and Extended Hearing Panels in Disciplinary Proceedings

September 26, 2014.

#### I. Introduction

On August 7, 2014, Financial Industry Regulatory Authority, Inc. ("FINRA") 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> a proposed rule change to expand the pool of persons eligible to serve as Panelists on a Hearing Panel or an Extended Hearing Panel. The proposed rule change was published for comment in the **Federal Register** on August 21, 2014.<sup>3</sup> The Commission received no comments on the proposed rule change. The

<sup>34</sup> 15 U.S.C. 78f(b)(5).

<sup>35</sup> 15 U.S.C. 78s(b)(2).

<sup>36</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Securities Exchange Act Release No. 72854 (August 15, 2014), 79 FR 49549.

Commission is approving the proposed rule change.

## II. Description of the Proposal

FINRA proposes to amend Rule 9231 to establish a category of persons eligible to serve as Panelists on a Hearing Panel or an Extended Hearing Panel that includes persons currently serving, or having served previously, on a committee appointed or approved by the FINRA Board. FINRA also proposes to make a conforming amendment to Rule 9232, which establishes criteria for the appointment of eligible Panelists to Hearing Panels and Extended Hearing Panels. The proposed rule change would provide FINRA with a larger pool of individuals with experience and expertise that could serve as Panelists.

## III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association and, in particular, the requirements of Section 15A of the Act.<sup>4</sup>

Specifically, the Commission finds that the proposed rule change is consistent with Section 15A(b)(8) of the Act,<sup>5</sup> which requires, among other things, that FINRA's rules provide a fair procedure for the disciplining of members and persons associated with members. The Commission believes that the proposed rule change will allow FINRA to address complaints filed with the Office of Hearing Officers in a timely manner, and that the complaints will be heard by Panelists who should possess the requisite knowledge and experience to enable them to render a proper and informed judgment. The Commission believes the proposed rule change will allow the Chief Hearing Officer enough flexibility to appoint Extended Hearing Panels that are composed of qualified Panelists capable of responding to complex issues often associated with Extended Hearings, while simultaneously reducing the burdens and time constraints shouldered by all who serve as Panelists.

The Commission also finds that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>6</sup> which requires, among other things, that FINRA's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in

general, to protect investors and the public interest. The Commission believes that expanding the pool of eligible Panelists to include those persons currently serving, or those having served previously, on a committee appointed or approved by the FINRA Board will allow qualified Panelists to promptly address allegations of misconduct by FINRA members and their associated persons. The Commission believes it is in the public interest, and consistent with the Act, that FINRA's mechanism for conducting disciplinary proceedings be designed to address allegations of misconduct properly and in a timely manner. The Commission believes that expanding the pool of applicants to include persons currently serving, or those having served previously, on a Committee appointed or approved by the FINRA Board should enhance FINRA's ability to conduct disciplinary proceedings in a fair and reasonable manner.

## VI. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>7</sup> that the proposed rule change (SR-FINRA-2014-036), be, and hereby is, approved.

**Kevin M. O'Neill,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73231; File No. SR-ICC-2014-15]

### Self-Regulatory Organizations; ICE Clear Credit LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Clarify the Implementation of the Revised 2014 ISDA Credit Derivatives Definitions

September 26, 2014.

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> notice is hereby given that on September 19, 2014, ICE Clear Credit LLC ("ICC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by ICC. ICC filed the proposal pursuant to Section 19(b)(3)(A) of the

Act,<sup>3</sup> and Rule 19b-4(f)(4)(i)<sup>4</sup> thereunder, so that the proposal was effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The principal purpose of the proposed changes is to amend the ICC Clearing Rules (the "Rules") in order to make clarifying changes related to the implementation of the revised Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA") on February 21, 2014 (the "2014 ISDA Definitions") in light of changes in the timing of the industry-wide ISDA protocol.

### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, ICC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. ICC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of these statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

On September 5, 2014, the Commission issued an order approving ICC's rule filing consisting of proposed amendments to the ICC Rules to incorporate references to the 2014 ISDA Definitions (ICC-2014-11).<sup>5</sup> At the time of filing, the planned industry implementation date for the 2014 ISDA Definitions was September 22, 2014. As has been publicly announced by ISDA, following member feedback, the implementation date for the conversion of existing transactions to the 2014 ISDA Definitions under the ISDA protocol has been delayed until October 6, 2014. In addition, the industry consensus date for the commencement of trading of new transactions based on

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(4)(i).

<sup>5</sup> Order Approving Proposed Rule Change, as Modified by Amendment No. 2 Thereto, to Revise Rules to Provide for the 2014 ISDA Definitions, Securities Exchange Act Release No. 34-73007 (September 5, 2014), 79 FR 54331 (September 15, 2014) (SR-ICC-2014-11).

<sup>4</sup> 15 U.S.C. 78o-3.

<sup>5</sup> 15 U.S.C. 78o-3(b)(8).

<sup>6</sup> 15 U.S.C. 78o-3(b)(6).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

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

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