

that DTC operates without a credit facility.

For the reasons stated above, the Commission does not object to the Advance Notice.

VI. Conclusion

It is therefore noticed, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act,²³ that the Commission *does not object* to the change described in advance notice SR-DTC-2014-805 and that DTC be and hereby is *authorized* to implement the change as of the date of this notice.

By the Commission.

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72127; File No. SR-BYX-2014-008]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.

May 8, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 29, 2014, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change 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 the Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the fee schedule applicable to

Members⁵ and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange 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. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective May 1, 2014, in order to modify pricing related to executions that occur on NASDAQ OMX BX, Inc. ("NASDAQ BX") through either a BYX + NASDAQ BX Destination Specific Order⁶ or through the Exchange's TRIM routing strategy.⁷ NASDAQ BX implemented certain pricing changes effective April 8, 2014, including modification from a highest potential rebate⁸ of \$0.0013 per share when removing liquidity to a highest potential rebate of \$0.0015 per share when

⁵ A Member is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

⁶ A "Destination Specific Order" is defined as a "market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the BATS Book. Destination Specific Orders that are not executed in full after routing away are processed by the Exchange as described below in Rule 11.13(a)(2)." BYX Rule 11.9(c)(12).

⁷ The TRIM routing strategy is set forth in BYX Rule 11.13(a)(3)(G).

⁸ NASDAQ BX maintains a tiered pricing structure that results in variable rebates and fees depending on the amount of liquidity added or removed. See the Nasdaq BX Pricing List available at http://www.nasdaqtrader.com/Trader.aspx?id=bx_pricing (last visited April 28, 2014).

removing liquidity.⁹ To maintain a direct pass through of the applicable economics for TRIM executions at NASDAQ BX (assuming the Exchange is able to achieve the highest potential rebate), the Exchange proposes to rebate \$0.0015 per share for an order routed through its TRIM routing strategy and executed on NASDAQ BX, rather than the rebate of \$0.0013 per share that it currently offers for such orders.

Similarly, because NASDAQ BX is part of the Exchange's "One Under/Better" pricing program for Destination Specific Orders, the Exchange intends to rebate \$0.0001 per share more than if a Member executed an order directly on NASDAQ BX. Accordingly, the Exchange proposes to rebate \$0.0016 per share for an order routed as a Destination Specific Order to NASDAQ BX and executed on NASDAQ BX, which is \$0.0001 per share more than NASDAQ BX rebates directly. The Exchange's "One Under/Better" pricing does not apply to securities priced below \$1.00. In addition, the Exchange will maintain the pricing currently charged by the Exchange for all other Destination Specific Orders.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule on May 1, 2014.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.¹⁰ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹¹ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that the proposed changes to certain of the Exchange's non-standard routing fees and strategies for orders routed to and executed on NASDAQ BX are equitably allocated,

⁹ See Securities Exchange Act Release No. 71956 (April 16, 2014), 79 FR 22565 (April 22, 2014) (SR-BX-2014-018) (Notice of Filing and Immediate Effectiveness).

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4).

²³ 12 U.S.C. 5465(e)(1)(I).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

fair and reasonable, and non-discriminatory in that they are equally applicable to all Members and are designed to mirror or provide an improvement over the rebate applicable to the execution if such routed orders were executed directly by the Member at NASDAQ BX.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for order execution is extremely competitive, Members may readily opt to disfavor the Exchange's routing services if they believe that alternatives offer them better value. For orders routed through the Exchange and executed at NASDAQ BX through the TRIM routing strategy, the proposed fee change is designed to equal the rebate that a Member would have received if such routed orders would have been executed directly by a Member at NASDAQ BX.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and paragraph (f) of Rule 19b-4 thereunder.¹³ At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to rule-comments@sec.gov. Please include File Number SR-BYX-2014-008 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-BYX-2014-008. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room at 100 F Street NE., Washington, DC 20549-1090 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-BYX-2014-008, and should be submitted on or before June 4, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72129; File No. SR-MSRB-2014-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Consisting of Proposed Revisions to MSRB Rule G-30, on Prices and Commissions and the Deletion of Rule G-18, on Execution of Transactions

May 8, 2014.

I. Introduction

On January 29, 2014, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "SEC" or "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 consisting of proposed revisions to MSRB Rule G-30, on prices and commissions and the deletion of Rule G-18, on execution of transactions. The proposed rule change was published for comment in the **Federal Register** on February 19, 2014.³

The Commission received two comment letters on the proposal.⁴ On April 29, 2014, the MSRB submitted a response to these comments⁵ and filed Amendment No. 1 to the proposed rule change.⁶ The Commission is publishing

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 71536 (February 12, 2014), 79 FR 9558.

⁴ See Letter to Elizabeth M. Murphy, Secretary, Commission, from David L. Cohen, Managing Director and Associate General Counsel, Securities Industry and Financial Markets Association ("SIFMA"), dated March 12, 2014 (the "SIFMA Letter"); and Letter from Seth M. Yarmis, dated March 14, 2014 (the "Individual Investor Letter").

⁵ See Letter to Secretary, Commission, from Michael L. Post, Deputy General Counsel, MSRB, dated April 29, 2014 (the "MSRB Response Letter"), available at <http://www.sec.gov/comments/sr-msrb-2014-01/msrb201401-4.pdf>.

⁶ See Letter to Secretary, Commission, from Michael L. Post, Deputy General Counsel, MSRB, dated April 29, 2014 (the "MSRB Amendment Letter"), available at <http://www.sec.gov/comments/sr-msrb-2014-01/msrb201401-3.pdf>. In Amendment No. 1, the MSRB partially amended the text of the original proposed rule change to (i) revise Supplemental Material .05 of Rule G-30 to reference MSRB Rule G-48 (Transactions with Sophisticated Municipal Market Professionals) rather than MSRB Rule G-17; (ii) amend the text of MSRB Rule G-48(b) to reference MSRB Rule G-30 rather than Rule G-18; (iii) preserve rule number G-18 for possible future rulemaking; and (iv) insert a clarifying clause into Supplementary Material .02(b) of Rule G-30. The MSRB also requested that the proposed rule change be made effective 60 days after Commission approval.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f).

¹⁴ 17 CFR 200.30-3(a)(12).