

appropriate in furtherance of the purposes of the Act. In particular, the increase to the Linkage Routing Fee will apply equally to all non-customers. Additionally, although different linkage fees are assessed to different market participants (i.e., non-customers vs public customers), as described above, non-customer order flow can, in most cases, more easily route directly to other markets if desired and thus avoid Linkage fees. Therefore, it is equitable to assess a reasonable fee to cover the costs incurred for processing non-customer Linkage orders while continuing to exempt such public customer orders. The Exchange believes that the proposal to increase the linkage fee amount assessed to non-customers will not cause an unnecessary burden on intermarket competition because although the total fee amount assessed to an order routed via Linkage (i.e., the Linkage Routing fee and applicable C2 taker fee) may not always be lower than assessed at other exchanges, non-customer market participants may, as noted above, choose to specify that C2 not route orders away on its [sic] behalf, designate the order as Immediate or Cancel, or route directly to exchanges posting the best market to avoid Linkage routing fees. To the extent that the proposed changes make C2 a more attractive marketplace for market participants at other exchanges, such market participants are welcome to become C2 market participants.

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

The Exchange neither solicited nor received comments on the proposed rule change.

**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 Act<sup>6</sup> and paragraph (f) of Rule 19b-4<sup>7</sup> thereunder. 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. If the Commission takes such action, the Commission will institute proceedings to determine whether the proposed rule

change should be approved or disapproved.

**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](mailto:rule-comments@sec.gov). Please include File Number SR-C2-2014-025 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-C2-2014-025. 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, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10 a.m. and 3 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-C2-2014-025, and should be submitted on or before October 31, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-24207 Filed 10-9-14; 8:45 am]

**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-73303; File No. SR-NASDAQ-2014-096]**

**Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify NASDAQ Rule 7018 Fees**

October 6, 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 29, 2014, The NASDAQ Stock Market LLC ("NASDAQ" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. 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**

NASDAQ is proposing to modify NASDAQ Rule 7018 fees assessed for execution and routing securities listed on NASDAQ, the New York Stock Exchange ("NYSE") and on exchanges other than NASDAQ and NYSE.

The text of the proposed rule change is available at [nasdaq.cchwallstreet.com](http://nasdaq.cchwallstreet.com) at NASDAQ's principal office, 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, NASDAQ 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 those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set

<sup>8</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>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f).

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

NASDAQ is proposing to amend Rules 7018(1), (2) and (3) to modify fees assessed for execution and routing securities listed on NASDAQ ("Tape C"), NYSE ("Tape A") and on exchanges other than NASDAQ and the NYSE ("Tape B"), respectively. Currently under each of the rules noted above, the Exchange provides a credit of \$0.0029 per share executed to a member with (i) shares of liquidity provided in all securities during the month representing more than 0.10% of Consolidated Volume during the month, through one or more of its Nasdaq Market Center MPIDs, and (ii) Total Volume, as defined in Chapter XV, Section 2 of the Nasdaq Options Market rules, of 100,000 or more contracts per day in a month executed through one or more of its Nasdaq Options Market MPIDs. The Exchange has the same eligibility requirements for this credit tier and provides the same credit to members for each of the securities of the three Tapes under its rules.<sup>3</sup> NASDAQ is proposing to reduce the Consolidated Volume eligibility requirement of the tier from more than 0.10% to more than 0.08% for each type of security. The Exchange believes that the proposed lower Consolidated Volume requirement will encourage market participant activity and will also support price discovery and liquidity provision.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(4) and 6(b)(5) of the Act,<sup>5</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. This proposal is reasonable, equitable and not unfairly discriminatory for the reasons noted below.

NASDAQ believes that the proposed rule changes to the rebate tiers through

which members may earn a \$0.0029 per share executed rebate are reasonable because they will continue to provide a significant price reduction for members that support liquidity on both NASDAQ and the Nasdaq Options Market, while reducing the Consolidated Volume requirement, which may provide incentive to market participants to increase their [sic] overall liquidity they provide in order to qualify for the credit. In addition, NASDAQ believes that the proposed rule changes are consistent with an equitable allocation of fees because they reflect an allocation of rebates to liquidity providers designed to encourage beneficial market activity, with greater incentives for market participants that provide greater liquidity.

NASDAQ believes that the proposed rule changes are not unfairly discriminatory because they apply uniformly to securities of each of the Tapes and all members that are eligible for the tier will receive the credit. NASDAQ also believes that the changes are not unfairly discriminatory because they increase the availability of higher rebates without eliminating any of the other means by which a member may earn a higher rebate under Rule 7018(a). Lastly, NASDAQ believes that the changes are not unfairly discriminatory because market participants may qualify for a comparable or a higher rebate through alternative means that do not require participation in Nasdaq Options Market.

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

NASDAQ does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>6</sup> NASDAQ notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, NASDAQ must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, NASDAQ believes that the degree to which fee changes in this market may impose any

burden on competition is extremely limited. In this instance, the change to the routing credit tier does not impose a burden on competition because NASDAQ's routing services are optional and are the subject of competition from other exchanges and broker-dealers that offer routing services, as well as the ability of members to develop their own routing capabilities. In sum, if the changes proposed herein are unattractive to market participants, it is likely that NASDAQ will lose market share as a result. Accordingly, NASDAQ does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

Written comments were neither solicited nor received.

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

The foregoing change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>7</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-NASDAQ-2014-096 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090. All submissions should refer to File Number SR-NASDAQ-2014-096. This

<sup>3</sup> See Rules 7018(a)(1), (2) and (3).

<sup>4</sup> 15 U.S.C. 78f.

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>6</sup> 15 U.S.C. 78f(b)(8).

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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, 100 F Street NE., Washington, DC 20549 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 offices 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-NASDAQ-2014-096, and should be submitted on or before October 31, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

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

[FR Doc. 2014-24227 Filed 10-9-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73304; File No. SR-NYSE-2014-54]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change That Constitutes a Stated Interpretation With Respect to the Meaning, Administration, and Enforcement of Rule 46

October 6, 2014.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the

“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that October 2, 2014, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 proposes a rule change that constitutes a stated interpretation with respect to the meaning, administration, and enforcement of Rule 46. The Exchange is not proposing any changes to the text of the current version of Rule 46. The proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.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 self-regulatory organization 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 those 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 New York Stock Exchange LLC (“NYSE” or the “Exchange”) proposes a rule change that constitutes a stated interpretation with respect to the meaning, administration, and enforcement of Rule 46 in connection with the transfer of qualified Intercontinental Exchange, Inc. (“ICE”) staff Floor Governors to NYSE Regulation, Inc. (“NYSE Regulation”).

Rule 46 permits the Exchange to appoint active NYSE members<sup>4</sup> as Floor

Officials.<sup>5</sup> Rule 46 also permits the Exchange to appoint “qualified” ICE employees to act as Floor Governors, one of the more senior types of Floor Officials.<sup>6</sup> Supplementary Material .10 defines “qualified” employees as “employees of ICE or any of its subsidiaries, excluding employees of NYSE Regulation, Inc., who shall have satisfied any applicable testing or qualification required by the NYSE for all Floor Governors.”

The prohibition on appointing NYSE Regulation employees to act as Floor Governors was put in place when the “qualified Exchange employee” category of Floor Official was adopted in 2008.<sup>7</sup> The prohibition was necessary to avoid potential conflicts of interest insofar as the process for qualifying Floor Officials, including Floor Governors, was performed by NYSE Regulation.<sup>8</sup> However, while Rule 46 prohibits appointment of NYSE Regulation employees to act as Floor Governors, the Exchange believes that the Rule does not prohibit already qualified Floor Governors from becoming NYSE Regulation employees. The hiring by NYSE Regulation of ICE employees or members who are already

person associated with a member organization who has been approved by the Exchange and designated by such member organization to effect transactions on the Exchange trading Floor or any facility thereof.

<sup>5</sup> Floor Officials are delegated certain authority from the Board of Directors of the Exchange to supervise and regulate active openings and unusual situations that arise in connection with the making of bids, offers or transactions on the trading Floor, and to review and approve certain trading actions, such as trades to be effected at wide variations in price and delayed openings and trading halts.

<sup>6</sup> Pursuant to Rules 46 and 46A, Floor Governors are one of several ranks of the broader category of Floor Officials, including, in order of increasing seniority, Floor Officials, Senior Floor Officials, Executive Floor Officials, Floor Governors and Executive Floor Governors. See Securities Exchange Act Release No. 57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2008-19).

<sup>7</sup> See Securities Exchange Act Release No. 34-57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2007-2).

<sup>8</sup> NYSE Regulation examined the fitness of prospective Floor Officials and administered a mandatory education program, which all candidates for Floor Official, including Floor Governor, had to complete. NYSE Regulation also administered a qualifying examination. See Securities Exchange Act Release No. 34-57627 (April 4, 2008), 73 FR 19919 (April 11, 2008) (SR-NYSE-2007-2). On June 14, 2010, the Exchange, NYSE Regulation and FINRA [sic] retained the Financial Industry Regulatory Authority (“FINRA”) pursuant to a Regulatory Services Agreement (“RSA”) to perform the market surveillance, enforcement and other miscellaneous functions that up to that point had been performed by NYSE Regulation, including all education and testing-related regulatory services on behalf of NYSE Regulation, including the Floor Official mandatory education program and qualification testing. See Securities Exchange Act Release No. 62355 (June 22, 2010), 75 FR 36729 (June 28, 2010) (SR-NYSE-2010-46).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

<sup>4</sup> Rule 2(a) states that the term “member,” when referring to a natural person, means a natural

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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