

**SUPPLEMENTARY INFORMATION:** On November 17, 2014, the United States Postal Service® (Postal Service) filed a request with the Postal Regulatory Commission to remove Return Receipt for Merchandise service from the Mail Classification Schedule's market-dominant product list, pursuant to 39 U.S.C. 3642. Approval of this request would simplify the Postal Service's Ancillary Services product by recognizing that: (1) Return Receipt for Merchandise service has become outmoded; and (2) equivalent or improved product features can be obtained by transitioning to Signature Confirmation™ service or Certified Mail® service (return receipt requested). Interested persons may comment on, or view documents pertinent to, this request at <http://www.prc.gov>, Docket No. MC2015-8.

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

[FR Doc. 2014-27805 Filed 11-24-14; 8:45 am]

**BILLING CODE 7710-12-P**

## POSTAL SERVICE

### Transfer of First-Class Mail® Parcels to the Competitive Product List

**AGENCY:** Postal Service™.

**ACTION:** Notice.

**SUMMARY:** The Postal Service hereby provides notice that it has filed a request with the Postal Regulatory Commission to transfer First-Class Mail Parcels from the Mail Classification Schedule's Market-Dominant Product List to its Competitive Product List.

**DATES:** *Effective date:* November 25, 2014.

**FOR FURTHER INFORMATION CONTACT:** John F. Rosato, 202-268-8597, or [john.f.rosato@usps.gov](mailto:john.f.rosato@usps.gov).

**SUPPLEMENTARY INFORMATION:** On November 14, 2014 the United States Postal Service® filed a request with the Postal Regulatory Commission to transfer First-Class Mail Parcels from the Mail Classification Schedule's market-dominant product list to its competitive product list, pursuant to 39 U.S.C. 3642. The transfer would: (1) Remove First-Class Mail Parcels from the Market-Dominant Product List; and (2) replace it with a new "retail" subcategory within the competitive product list's First-Class Package Service product. The new retail subcategory would provide the same service standards and pricing structure as the current First-Class Mail Parcels product. Documents pertinent to this

request are available at <http://www.prc.gov>, Docket No. MC2015-7.

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73641; File No. 4-678]

### Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d-2; Order Approving and Declaring Effective a Proposed Plan for the Allocation of Regulatory Responsibilities Between the Financial Industry Regulatory Authority, Inc. and the Miami International Securities Exchange, LLC

November 19, 2014.

On October 14, 2014, Miami International Securities Exchange, LLC ("MIAX") and the Financial Industry Regulatory Authority, Inc. ("FINRA") (together with MIAX, the "Parties") filed with the Securities and Exchange Commission ("Commission" or "SEC") a plan for the allocation of regulatory responsibilities, dated October 13, 2014 ("17d-2 Plan" or the "Plan"). The Plan was published for comment on October 23, 2014.<sup>1</sup> The Commission received no comments on the Plan. This order approves and declares effective the Plan.

#### I. Introduction

Section 19(g)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>2</sup> among other things, requires every self-regulatory organization ("SRO") registered as either a national securities exchange or national securities association to examine for, and enforce compliance by, its members and persons associated with its members with the Act, the rules and regulations thereunder, and the SRO's own rules, unless the SRO is relieved of this responsibility pursuant to Section 17(d) or Section 19(g)(2) of the Act.<sup>3</sup> Without this relief, the statutory obligation of each individual SRO could result in a pattern of multiple examinations of broker-dealers that maintain memberships in more than one SRO ("common members"). Such regulatory duplication would add unnecessary

expenses for common members and their SROs.

Section 17(d)(1) of the Act<sup>4</sup> was intended, in part, to eliminate unnecessary multiple examinations and regulatory duplication.<sup>5</sup> With respect to a common member, Section 17(d)(1) authorizes the Commission, by rule or order, to relieve an SRO of the responsibility to receive regulatory reports, to examine for and enforce compliance with applicable statutes, rules, and regulations, or to perform other specified regulatory functions.

To implement Section 17(d)(1), the Commission adopted two rules: Rule 17d-1 and Rule 17d-2 under the Act.<sup>6</sup> Rule 17d-1 authorizes the Commission to name a single SRO as the designated examining authority ("DEA") to examine common members for compliance with the financial responsibility requirements imposed by the Act, or by Commission or SRO rules.<sup>7</sup> When an SRO has been named as a common member's DEA, all other SROs to which the common member belongs are relieved of the responsibility to examine the firm for compliance with the applicable financial responsibility rules. On its face, Rule 17d-1 deals only with an SRO's obligations to enforce member compliance with financial responsibility requirements. Rule 17d-1 does not relieve an SRO from its obligation to examine a common member for compliance with its own rules and provisions of the federal securities laws governing matters other than financial responsibility, including sales practices and trading activities and practices.

To address regulatory duplication in these and other areas, the Commission adopted Rule 17d-2 under the Act.<sup>8</sup> Rule 17d-2 permits SROs to propose joint plans for the allocation of regulatory responsibilities with respect to their common members. Under paragraph (c) of Rule 17d-2, the Commission may declare such a plan effective if, after providing for appropriate notice and comment, it determines that the plan is necessary or appropriate in the public interest and for the protection of investors; to foster cooperation and coordination among the SROs; to remove impediments to, and

<sup>4</sup> 15 U.S.C. 78q(d)(1).

<sup>5</sup> See Securities Act Amendments of 1975, Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany S. 249, S. Rep. No. 94-75, 94th Cong., 1st Session 32 (1975).

<sup>6</sup> 17 CFR 240.17d-1 and 17 CFR 240.17d-2, respectively.

<sup>7</sup> See Securities Exchange Act Release No. 12352 (April 20, 1976), 41 FR 18808 (May 7, 1976).

<sup>8</sup> See Securities Exchange Act Release No. 12935 (October 28, 1976), 41 FR 49091 (November 8, 1976).

<sup>1</sup> See Securities Exchange Act Release No. 73383 (October 17, 2014), 79 FR 63448.

<sup>2</sup> 15 U.S.C. 78s(g)(1).

<sup>3</sup> 15 U.S.C. 78q(d) and 15 U.S.C. 78s(g)(2), respectively.

foster the development of, a national market system and a national clearance and settlement system; and is in conformity with the factors set forth in Section 17(d) of the Act. Commission approval of a plan filed pursuant to Rule 17d-2 relieves an SRO of those regulatory responsibilities allocated by the plan to another SRO.

## II. Proposed Plan

The proposed 17d-2 Plan is intended to reduce regulatory duplication for firms that are common members of both MIAX and FINRA.<sup>9</sup> Pursuant to the proposed 17d-2 Plan, FINRA would assume certain examination and enforcement responsibilities for common members with respect to certain applicable laws, rules, and regulations. The text of the Plan delineates the proposed regulatory responsibilities with respect to the Parties. Included in the proposed Plan is an exhibit (Miami International Securities Exchange, LLC Rules Certification for 17d-2 Agreement with FINRA, referred to herein as the "Certification") that lists every MIAX rule for which FINRA would bear responsibility under the Plan for overseeing and enforcing with respect to MIAX members that are also members of FINRA and the associated persons therewith ("Dual Members").

Specifically, under the 17d-2 Plan, FINRA would assume examination and enforcement responsibility relating to compliance by Dual Members with the rules of MIAX that are substantially similar to the applicable rules of FINRA,<sup>10</sup> as well as any provisions of the federal securities laws and the rules and regulations thereunder delineated in the Certification ("Common Rules"). In the event that a Dual Member is the subject of an investigation relating to a transaction on MIAX, the plan acknowledges that MIAX may, in its discretion, exercise concurrent jurisdiction and responsibility for such matter.<sup>11</sup>

Under the Plan, MIAX would retain full responsibility for surveillance, examination and enforcement with

respect to trading activities or practices involving MIAX's own marketplace, including, without limitation, registration pursuant to its applicable rules of associated persons (*i.e.*, registration rules that are not Common Rules); its duties and obligations as a DEA pursuant to Rule 17d-1 under the Act; and any MIAX rules that are not Common Rules.<sup>12</sup>

## III. Discussion

The Commission finds that the proposed Plan is consistent with the factors set forth in Section 17(d) of the Act<sup>13</sup> and Rule 17d-2(c) thereunder<sup>14</sup> in that the proposed Plan is necessary or appropriate in the public interest and for the protection of investors, fosters cooperation and coordination among SROs, and removes impediments to and fosters the development of the national market system. In particular, the Commission believes that the proposed Plan should reduce unnecessary regulatory duplication by allocating to FINRA certain examination and enforcement responsibilities for common members that would otherwise be performed by MIAX and FINRA. Accordingly, the proposed Plan promotes efficiency by reducing costs to common members. Furthermore, because MIAX and FINRA will coordinate their regulatory functions in accordance with the Plan, the Plan should promote investor protection.

The Commission notes that, under the Plan, MIAX and FINRA have allocated regulatory responsibility for those MIAX rules, set forth in the Certification, that are substantially similar to the applicable FINRA rules in that examination for compliance with such provisions and rules would not require FINRA to develop one or more new examination standards, modules, procedures, or criteria in order to analyze the application of the rule, or a common member's activity, conduct, or output in relation to such rule. In addition, under the Plan, FINRA would assume regulatory responsibility for certain provisions of the federal securities laws and the rules and regulations thereunder that are set forth in the Certification. The Common Rules covered by the Plan are specifically listed in the Certification, as may be amended by the Parties from time to time.

According to the Plan, MIAX will review the Certification, at least annually, or more frequently if required by changes in either the rules of MIAX

or FINRA, and, if necessary, submit to FINRA an updated list of Common Rules to add MIAX rules not included on the then-current list of Common Rules that are substantially similar to FINRA rules; delete MIAX rules included in the then-current list of Common Rules that are no longer substantially similar to FINRA rules; and confirm that the remaining rules on the list of Common Rules continue to be MIAX rules that are substantially similar to FINRA rules.<sup>15</sup> FINRA will then confirm in writing whether the rules listed in any updated list are Common Rules as defined in the Plan. Under the Plan, MIAX will also provide FINRA with a current list of common members and shall update the list no less frequently than once each quarter.<sup>16</sup> The Commission believes that these provisions are designed to provide for continuing communication between the Parties to ensure the continued accuracy of the scope of the proposed allocation of regulatory responsibility.

The Commission is hereby declaring effective a Plan that, among other things, allocates regulatory responsibility to FINRA for the oversight and enforcement of all MIAX rules that are substantially similar to the rules of FINRA for common members of MIAX and FINRA. Therefore, modifications to the Certification need not be filed with the Commission as an amendment to the Plan, provided that the Parties are only adding to, deleting from, or confirming changes to MIAX rules in the Certification in conformance with the definition of Common Rules provided in the Plan. However, should the Parties decide to add a MIAX rule to the Certification that is not substantially similar to a FINRA rule; delete a MIAX rule from the Certification that is substantially similar to a FINRA rule; or leave on the Certification a MIAX rule that is no longer substantially similar to a FINRA rule, then such a change would constitute an amendment to the Plan, which must be filed with the Commission pursuant to Rule 17d-2 under the Act.<sup>17</sup>

## IV. Conclusion

This Order gives effect to the Plan filed with the Commission in File No. 4-678. The Parties shall notify all

<sup>15</sup> See paragraph 2 of the Plan.

<sup>16</sup> See paragraph 3 of the Plan.

<sup>17</sup> The Commission also notes that the addition to or deletion from the Certification of any federal securities laws, rules, and regulations for which FINRA would bear responsibility under the Plan for examining, and enforcing compliance by, common members, also would constitute an amendment to the Plan.

<sup>9</sup> The proposed 17d-2 Plan refers to these common members as "Dual Members." See Paragraph 1(c) of the proposed 17d-2 Plan.

<sup>10</sup> See paragraph 1(b) of the proposed 17d-2 Plan (defining Common Rules). See also paragraph 1(f) of the proposed 17d-2 Plan (defining Regulatory Responsibilities). Paragraph 2 of the Plan provides that annually, or more frequently as required by changes in either MIAX rules or FINRA rules, the parties shall review and update, if necessary, the list of Common Rules. Further, paragraph 3 of the Plan provides that MIAX shall furnish FINRA with a list of Dual Members, and shall update the list no less frequently than once each calendar quarter.

<sup>11</sup> See paragraph 6 of the proposed 17d-2 Plan.

<sup>12</sup> See paragraph 2 of the proposed 17d-2 Plan.

<sup>13</sup> 15 U.S.C. 78q(d).

<sup>14</sup> 17 CFR 240.17d-2(c).

members affected by the Plan of their rights and obligations under the Plan.

*It is therefore ordered*, pursuant to Section 17(d) of the Act, that the Plan in File No. 4-678, between FINRA and MIAX, filed pursuant to Rule 17d-2 under the Act, is approved and declared effective.

*It is further ordered* that MIAX is relieved of those responsibilities allocated to FINRA under the Plan in File No. 4-678.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>18</sup>

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

[FR Doc. 2014-27878 Filed 11-24-14; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73647; File No. SR-NASDAQ-2014-087]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Adopt an All-Inclusive Annual Listing Fee and Modify Certain Other Listing Fees

November 19, 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 November 7, 2014, The NASDAQ Stock Market LLC (“Nasdaq” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the 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 Substance of the Proposed Rule Change

The Exchange proposes to adopt an all-inclusive annual listing fee and modify certain other listing fees. While these amendments are effective upon filing, the Exchange has designated the proposed amendments to be operative on January 1, 2015.

The text of the proposed rule change is available at <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, 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 aspects of such statements.

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

###### 1. Purpose

Nasdaq proposes to adopt an all-inclusive annual listing fee, which will simplify billing and provide transparency and certainty to companies as to the annual cost of listing, modify annual fees for listed companies that remain on the existing fee schedule, and clarify certain fee rules.

Nasdaq understands from speaking with listed companies that many companies object to the number and in some cases the variable nature of certain of Nasdaq’s listing fees. For example, a company may owe fees when it issues additional shares as a result of events that do not raise money and cannot always be forecasted or budgeted for by the company, such as the exercise by employees of stock options or the implementation of a reverse stock split. To address such concerns, Nasdaq has determined to create an alternative fee schedule, which eliminates fees related to the issuance of additional shares, record-keeping changes, and substitution listing events, thereby simplifying and clarifying for companies the annual fees to which they are subject. In addition, under this alternative fee structure, Nasdaq will also eliminate the fee for a written interpretation of the listing rules and for review by Nasdaq Staff of a compliance plan. As a result, companies subject to this alternative structure will pay only a single annual fee to Nasdaq, which will include all the ordinary costs of listing for the year.<sup>3</sup> This change will also benefit Nasdaq, by eliminating the

<sup>3</sup> A company that receives a delisting determination or public reprimand letter must still pay fees for review of that decision by an independent Hearings Panel or the Nasdaq Listing and Hearing Review Council. Companies also will pay application and entry fees to list new classes of securities.

multiple invoices that must be sent to a company each year<sup>4</sup> and providing more certainty as to revenue.

As detailed in the charts below, for companies listed on the Capital Market, other than ADRs and Closed-end Funds, the all-inclusive annual fee will range from \$42,000 to \$75,000; for ADRs listed on the Capital Market the all-inclusive annual fee will range from \$37,000 to \$45,000. On the Global and Global Select Markets, the all-inclusive annual fee for companies other than ADRs and Closed-end Funds will range from \$45,000 to \$155,000 and the all-inclusive annual fee for ADRs will range from \$45,000 to \$75,000. The all-inclusive annual fee for Closed-end Funds listed on any market tier will range from \$30,000 to \$100,000. In each case, a company’s all-inclusive annual fee will be based on its total shares outstanding.<sup>5</sup>

While this alternative is being introduced in response to feedback from Nasdaq’s listed companies, Nasdaq also understands that this innovation may not be appealing to all companies and therefore proposes to allow currently listed companies the option to switch to the proposed all-inclusive annual fee schedule for 2015 or to wait until 2018, when it will become mandatory for all companies. However, Nasdaq will offer incentives to companies that voluntarily elect the all-inclusive annual fee schedule for 2015.<sup>6</sup> Specifically, any company that chooses to be subject to

<sup>4</sup> In addition to the annual fee, companies are also billed quarterly for listing of additional shares fees and upon the occurrence of events that result in record keeping and substitution listing fees.

<sup>5</sup> In establishing the fee changes described in this rule filing, including the changes to the number and cut-off point of pricing tiers, Nasdaq considered various factors that distinguish companies, including market tier, shares outstanding, and security type, as well as the perceived use of various Nasdaq regulatory and support services by companies of various characteristics. Pricing for similar securities on other national securities exchanges was also considered. Based on this analysis, Nasdaq proposes to modify the number of fee tiers within the annual fee schedule to better align fees with the size of the companies that pay those fees and the use Nasdaq believes that companies of various sizes typically make of Nasdaq’s services. In setting the all-inclusive annual fee, Nasdaq reviewed the billing history of more than 1,800 companies that had been listed on Nasdaq for at least four years to determine the fees assessed these companies for all listing-related services, including those assessed for listing of additional shares, record-keeping changes, substitution listing events, rule interpretations, and compliance plan reviews. Nasdaq established the all-inclusive annual fee for each security type and shares outstanding tier based on this analysis of historical fees paid and regulatory services used, taking into account the changes also proposed to the annual fee schedule.

<sup>6</sup> Companies may make this election on the NASDAQ OMX Listing Center Web site. A copy of the electronic form that will be used for this purpose is attached to the rule filing as Exhibit 3.

<sup>18</sup> 17 CFR 200.30-3(a)(34).

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

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