



SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75353; File No. SR-NYSE-2015-30]

July 2, 2015

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend its Price List to Revise: (i) the Non-Tier Adding Credit; (ii) Certain Fees for Executions at the Close; (iii) Credits Applicable to Designated Market Makers; (iv) Credits Applicable to Supplemental Liquidity Providers; and (v) Pricing Related to the Retail Liquidity Program Under Rule 107C as it Relates to Designated Market Maker Transactions, and to Make Non-Substantive Changes to the Price List

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 thereunder,³ notice is hereby given that, on June 26, 2015, 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 Substance of the Proposed Rule Change

The Exchange proposes to amend its price list to revise: (i) the non-tier adding credit; (ii) certain fees for executions at the close; (iii) credits applicable to designated market makers; (iv) credits applicable to supplemental liquidity providers; and (v) pricing related to the retail liquidity program under rule 107c as it relates to designated market

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

maker transactions, and to make non-substantive changes to the price list. The text of the proposed rule change is available on the Exchange's website at 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Price List to revise (i) the Non-Tier Adding Credit; (ii) certain fees for executions at the close; (iii) credits applicable to Designated Market Makers ("DMMs"); (iv) credits applicable to Supplemental Liquidity Providers ("SLPs"); and (v) pricing related to the Retail Liquidity Program under Rule 107C as it relates to DMM transactions, and to make non-substantive changes to the Price List. The Exchange proposes to implement the fee change effective July 1, 2015.

Member Organization Non-Tier Adding Credit

Member organizations are currently eligible for the Non-Tier Adding Credit for all orders in securities priced \$1.00 or more, other than Midpoint Passive Liquidity

(“MPL”)⁴ and Non-Display Reserve orders, that add liquidity to the NYSE unless a higher credit applies. The applicable rate for the Non-Tier Adding Credit is \$0.0015 per share. The Exchange proposes to lower this credit to \$0.0014 per share. The credits applicable to MPL orders and Non-Display Reserve orders would be unchanged.

Executions at the Close

The Exchange currently charges member organizations \$0.00095 per share for market-at-the-close (“MOC”) and limit-at-the-close (“LOC”) orders, unless a member organization meets specified thresholds set forth in the Price List for MOC and LOC activity. The Exchange proposes to increase this fee by \$0.00005 to \$0.0010 per share and to identify this pricing tier in the Price List as Non-Tier MOC/LOC.

The Exchange currently charges \$0.00065 per share for all MOC and LOC orders from any member organization executing (i) an ADV of MOC and LOC activity on the Exchange in the month of at least 0.375% of consolidated ADV (“CADV”) in NYSE-listed securities during the billing month (“NYSE CADV”); or (ii) an ADV of MOC and LOC activity on the Exchange in that month of at least 0.30% of NYSE CADV plus an ADV of total close activity (i.e., MOC and LOC and other executions at the close) on the Exchange in that month of at least 0.475% of NYSE CADV. The Exchange proposes to increase this fee to \$0.00070 per share and to identify this pricing tier in the Price List as MOC/LOC Tier 2.

The Exchange does not propose to change the fee of \$0.0006 per share applicable to MOC and LOC orders from any member organization executing an ADV of MOC and

⁴ An MPL Order is an undisplayed limit order that automatically executes at the mid-point of the best protected bid (“PBB”) or best protected offer (“PBO”), as such terms are defined in Regulation NMS Rule 600(b)(57) (together, “PBBO”). See Rule 13. See also 17 CFR 242.600(b)(57).

LOC activity on the NYSE in that month of at least 0.575% of NYSE CADV. The Exchange proposes to identify this tier in the Price List as MOC/LOC Tier 1.

DMMs

DMMs are currently eligible for a per share credit of \$0.0025 when adding liquidity in shares of each More Active Security⁵ if the More Active Security has a stock price of \$1.00 or more and the DMM quotes at the National Best Bid or Offer (“NBBO”) in the applicable security at least 10% of the time in the applicable month (“More Active Securities Quoting Requirement”). The Exchange proposes to raise this credit to \$0.0027 per share.

DMMs are currently eligible for a per share credit when adding liquidity in shares of each More Active Security if (a) the More Active Security has a stock price of \$1.00 or more, (b) the DMM meets the More Active Securities Quoting Requirement, (c) the DMM Quoted Size for an applicable month is at least 15% of the NYSE Quoted Size (defined in the Price List as the “More Active Securities Quoted Size Ratio Requirement”), and (d) the DMM’s providing liquidity meets certain thresholds, as follows:

- \$0.0029 per share if the DMM’s providing liquidity is 15% or less of the NYSE’s total intraday adding liquidity in each such security for that month;⁶ or

⁵ A “More Active Security” is a security with an average daily consolidated volume in the previous month equal to or greater than one million shares. See Price List.

⁶ The NYSE total intraday adding liquidity is totaled monthly and includes all NYSE adding liquidity, excluding NYSE open and NYSE close volume, by all NYSE participants, including SLPs, customers, Floor brokers and DMMs. See Price List.

- \$0.0032 per share if the DMM's providing liquidity is more than 15% of the NYSE's total intraday adding liquidity in each such security for that month.

The "NYSE Quoted Size" is calculated by multiplying the average number of shares quoted on the NYSE at the NBBO by the percentage of time the NYSE had a quote posted at the NBBO. The "DMM Quoted Size" is calculated by multiplying the average number of shares of the applicable security quoted at the NBBO by the DMM by the percentage of time during which the DMM quoted at the NBBO.

The Exchange proposes to make the following changes to these credits:

The Exchange proposes to raise the \$0.0029 per share credit to \$0.0031 per share when the DMM has a DMM Quoted Size for an applicable month that is at least 10% of the NYSE Quoted Size, reduced from the current requirement of 15% of the NYSE Quoted Size. In addition, the requirement that a DMM provide liquidity of 15% or less of the NYSE's total intraday adding liquidity to receive this credit would no longer apply.

The Exchange proposes to raise the \$0.0032 per share credit when adding liquidity to \$0.0034 per share. The requirements for this credit would remain unchanged, including the requirement to provide liquidity of more than 15% of the NYSE's total intraday adding liquidity in each such security for that month.

The Exchange proposes to delete the defined term, "More Active Securities Quoted Size Ratio Requirement," as currently set forth in the Price List, as part of the changes to these credits.

In any month in which a DMM quotes at the NBBO at least 20% of the time in a

security with a Security CADV⁷ of less than 1,000,000 shares per month (“Less Active Securities”), such DMM receives all of the market data quote revenue (the “Quoting Share”) received by the Exchange from the Consolidated Tape Association under the Revenue Allocation Formula of Regulation NMS (regardless of whether the stock price exceeds \$1.00). If the DMM quotes at the NBBO in a Less Active Security⁸ at least 15% of the time, but quotes less than 20% of the time in an applicable month, the DMM receives 50% of the Quoting Share.

The Exchange proposes to raise the threshold for the Security CADV of securities with respect to which DMMs would receive the Quoting Share from less than 1,000,000 shares to less than 1,500,000 shares in the previous month. A DMM would receive 50% of the Quoting Share if it quotes at the NBBO in a security that has a Security CADV of less than 1,500,000 shares in the previous month at least 15% of the time, but less than 20% of the time in an applicable month.

SLPs

SLPs are eligible for certain credits when adding liquidity to the Exchange. The amount of the credit is currently determined by the “tier” for which the SLP qualifies, which is based on the SLP’s level of quoting and the ADV of liquidity added by the SLP in assigned securities.

Currently, SLP Tier 3 provides that when adding liquidity to the NYSE in securities with a share price of \$1.00 or more, an SLP is eligible for a credit of \$0.0023

⁷ “Security CADV” is defined in the Price List as the average daily consolidated volume of a security.

⁸ “Less Active Securities” are defined in the Price List as securities that have a Security CADV of less than 1,000,000 shares per month in the previous month.

per share traded if the SLP (1) meets the 10% average or more quoting requirement in assigned securities pursuant to Rule 107B and (2) adds liquidity for assigned SLP securities in the aggregate⁹ of an ADV¹⁰ of more than 0.20% of NYSE CADV,¹¹ or with respect to an SLP that is also a DMM and subject to Rule 107B(i)(2)(a),¹² more than 0.15% of NYSE CADV. The SLP Tier 3 credit in the case of Non-Displayed Reserve Orders is \$0.0008. For less active SLP securities (i.e., securities with an ADV in the previous month of 500,000 share or less per month (“Less Active SLP Securities”)), under SLP Tier 3, the SLP is eligible for a per share credit of \$0.0028; \$0.0013 if a Non-Displayed Reserve Order.

Similarly, SLP Tier 2 provides that an SLP adding liquidity in securities with a per share price of \$1.00 or more is eligible for a per share credit of \$0.0026 if the SLP: (1) meets the 10% average or more quoting requirement in an assigned security pursuant to Rule 107B; and (2) adds liquidity for all assigned SLP securities in the aggregate of an ADV of more than 0.45% of NYSE CADV, or with respect to an SLP that is also a DMM and subject to Rule 107B(i)(2)(a), more than 0.40% of NYSE CADV¹³. The SLP Tier 2

⁹ Under Rule 107B, an SLP can be either a proprietary trading unit of a member organization (“SLP-Prop”) or a registered market maker at the Exchange (“SLMM”). For purposes of the 10% average or more quoting requirement in assigned securities pursuant to Rule 107B, quotes of an SLP-Prop and an SLMM of the same member organization are not aggregated. However, for purposes of adding liquidity for assigned SLP securities in the aggregate, shares of both an SLP-Prop and an SLMM of the same member organization are included.

¹⁰ The defined term, “ADV,” used here as defined in footnote 2 to the Price List.

¹¹ NYSE CADV is defined in the Price List as the consolidated average daily volume of NYSE-listed securities.

¹² Rule 107B(i)(2)(A) prohibits a DMM from acting as a SLP in the same securities in which it is a DMM.

¹³ In determining whether an SLP meets the requirement to add liquidity in the

credit in the case of Non-Displayed Reserve Orders is \$0.0011. For Less Active SLP Securities, under SLP Tier 2, the SLP is eligible for a per share credit of \$0.0031; [§]0.0016 if a Non-Displayed Reserve Order.

SLP Tier 1 provides that an SLP adding liquidity in securities with a per share price of \$1.00 or more is eligible for a per share credit of \$0.0029 if the SLP: (1) meets the 10% average or more quoting requirement in an assigned security pursuant to Rule 107B; and (2) adds liquidity for all for assigned SLP securities in the aggregate of an ADV of more than 0.90% of NYSE CADV, or with respect to an SLP that is also a DMM and subject to Rule 107B(i)(2)(a), more than 0.85% of NYSE CADV. The SLP Tier 1 credit in the case of Non-Displayed Reserve Orders is \$0.0014. For Less Active SLP Securities, the SLP is eligible for a per share credit of \$0.0034; \$0.0019 if a Non-Displayed Reserve Order.

Finally, the SLP Non-Tier provides that an SLP adding liquidity in securities with a per share price of \$1.00 or more that does not qualify for the credits described above is eligible for the applicable rate for the base SLP tier, which would be the rate that applies to the non-SLP activity of the member organization, i.e., the non-Tier Adding Credit, Tier 3 Adding Credit, Tier 2 Adding Credit or Tier 1 Adding Credit (“SLP Non-Tier”). In the case of Non-Displayed Reserve Orders, there is no credit under the SLP Non-Tier.

For SLP Tier 3, SLP Tier 2, and SLP Tier 1, the Exchange proposes to eliminate the higher credits that currently apply to Less Active Securities. Accordingly, regardless of the ADV of a security, SLPs would receive a per share credit of \$0.0023, \$0.0026, and

aggregate of an ADV of more than 0.35% or 0.30% depending on whether the SLP is also a DMM, the SLP may include shares of both an SLP-Prop and an SLMM of the same member organization.

\$0.0029 for SLP Tier 3, SLP Tier 2, and SLP Tier 1, respectively and \$.0008, \$0.0011, and \$0.0014 for Non-Displayed Reserve Orders for SLP Tier 3, SLP Tier 2, and SLP Tier 1, respectively.

In addition, for SLP Tier 1 and SLP Tier 2, the Exchange proposes to lower the ADV percentage requirement for credits for SLPs that are also DMMs and subject to Rule 107B(i)(2)(A). The ADV percentage requirement for SLPs that are also DMMs and subject to Rule 107B(i)(2)(A) for SLP Tier 1 and SLP Tier 2 would decrease from 0.85% to 0.65% and 0.40% to [0.30%], respectively. The Exchange does not propose to change the ADV percentage requirement for SLP Tier 3, nor does the Exchange propose any changes to the SLP Non-Tier.

Finally, the Exchange proposes to raise the per share credits for Non-Displayed Reserve Orders for SLP Tier 3, from \$0.0008 to \$0.0009, for SLP Tier 2, from \$0.0011 to \$0.0012, and for SLP Tier 1, from \$0.0014 to \$0.0015.

Retail Liquidity Program

The Retail Liquidity Program is a pilot program that is designed to attract additional retail order flow to the Exchange for NYSE-listed securities while also providing the potential for price improvement to such order flow.¹⁴ Retail order flow is submitted through the Retail Liquidity Program as a distinct order type called a “Retail Order,” which is defined in Rule 107C(a)(3) as an agency order or a riskless principal order that meets the criteria of Financial Industry Regulatory Authority, Inc. Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a

¹⁴ See Rule 107C. See also Securities Exchange Act Release Nos. 67347 (July 3, 2012), 77 FR 40673 (July 10, 2012) (SR-NYSE-2011-55) (establishing the Retail Liquidity Program pilot) and 74454 (March 6, 2015), 80 FR 13054 (March 12, 2015) (SR-NYSE-2015-10) (extending the pilot period to September 30, 2015).

Retail Member Organization (“RMO”), provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology.¹⁵ In addition to RMOs, Retail Liquidity Providers (“RLPs”) were created as an additional class of market participant under the Retail Liquidity Program. RLPs are required to provide potential price improvement for Retail Orders in the form of “RPIs,” which are non-displayed interest that is better than the PBBO.¹⁶ Member organizations other than RLPs are also permitted, but not required, to submit RPIs.

RLP executions of RPIs against Retail Orders are currently provided with a credit of \$0.0003 per share if the RLP satisfies the applicable percentage requirement of Rule 107C. RPIs of an RLP that does not satisfy the applicable percentage requirement of Rule 107C are subject to a fee of \$0.0003 per share.

A fee of \$0.0003 per share also currently applies to non-RLP member organization executions of RPIs against Retail Orders, unless the non-RLP member organization executes an ADV during the month of at least 500,000 shares of RPIs, in which case a credit of \$0.0003 per share applies.

For executions of Retail Orders if executed against RPIs or MPL Orders, RMOs

¹⁵ RMO is defined in Rule 107C(a)(2) as a member organization (or a division thereof) that has been approved by the Exchange under Rule 107C to submit Retail Orders.

¹⁶ RLP is defined in Rule 107C(a)(1) as a member organization that is approved by the Exchange to act as such and that is required to submit RPIs in accordance with Rule 107C. RPI is defined in Rule 107C(a)(4) and consists of non-displayed interest in NYSE-listed securities that is priced better than the PBBO by at least \$0.001 and that is identified as such.

are not currently charged or provided with a credit (i.e., they are free).¹⁷

The Exchange proposes a credit of \$0.0020 per share for executions of an RPI by a DMM that is not an RLP against a Retail Order. The Exchange also proposes to exclude DMMs from the other rates applicable to non-RLP Member organizations in connection with the executions of RPIs against Retail Orders.

Finally, the Exchange proposes to make non-substantive changes to the Price List. Effective June 1, 2015, the Exchange eliminated the credit of \$0.0010 per share for executions of Non-Displayed Reserve Orders for market participants, other than SLPs, that provide liquidity.¹⁸ The Exchange proposes to add a line item to the Price List for Non-Displayed Reserve Orders, and to add a comma to the description of the Non-Tier Adding Credit, to make it clear in the Price List that there is no charge with respect to executions of Non-Displayed Reserve Orders for market participants, other than SLPs, that provide liquidity.

The above proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that members and member organizations would have in complying with the proposed change.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹⁹ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of

¹⁷ Retail Orders are otherwise charged according to standard fees applicable to non-Retail Orders if executed against the Book.

¹⁸ See Securities Exchange Act Release No. 75139 (June 10, 2015), 80 FR 34475 (June 16, 2015) (SR-NYSE-2015-28).

¹⁹ 15 U.S.C. 78f(b).

the Act,²⁰ in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

Member Organization Non-Tier Adding Credit

The Exchange believes that the change to the Member Organization Non-Tier Adding Credit for executions of orders in securities with a per share price of \$1.00 or more is reasonable, equitable and not unfairly discriminatory because it is intended to incentivize member organizations to submit additional amounts of liquidity to the Exchange to be eligible to receive the higher credits available from the Tier 1 Adding Credit, the Tier 2 Adding Credit and the Tier 3 Adding Credit. The Exchange believes that the proposed lower credit for the Member Organization Non-Tier Adding Credit is equitable and not unfairly discriminatory because it would apply equally to all member organizations.

Executions at the Close

The Exchange believes that increasing the MOC/LOC Non-Tier fee to \$0.0010 is reasonable because this rate would be lower than the non-tier rate, Tier F, for market-on-close and limit-on-close orders on the NASDAQ Stock Market (“NASDAQ”), of \$0.0015 per executed share.²¹ Similarly, the Exchange believes that increasing the MOC/LOC Tier 2 fee to \$0.0007 per share is reasonable because it would be lower than the lowest fee for market-on-close and limit-on-close orders on NASDAQ, of \$0.0008 per executed

²⁰ 15 U.S.C. 78f(b)(4) and (5).

²¹ See NASDAQ Rule 7018(d).

share. The Exchange notes that it is not changing the fee of \$0.0006 for MOC/LOC Tier

1. The Exchange believes that maintaining the lowest fee for the highest liquidity requirements would incentivize member organizations to send in more closing auction volume to the primary market, thereby deepening the Exchange's liquidity pool and supporting the quality of price discovery. The Exchange believes that it is equitable and not unfairly discriminatory to charge lower fees to member organizations that make significant contributions to market quality by providing higher volumes of liquidity, which benefits all market participants. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because all similarly situated member organizations would be subject to the same fee structure.

The Exchange believes that the proposal to add defined terms to the Price List for the MOC/LOC fee tiers is reasonable because the change would make the Price List clearer and easier to understand.

DMMs

The Exchange believes that the proposed higher credits would increase the incentive to DMMs to provide additional liquidity on the Exchange to meet the quoting and quoted size requirements for the higher credits. Moreover, the requirement is equitable and not unfairly discriminatory because it would apply equally to all DMM firms.

The Exchange believes that the \$0.0031 rebate for DMMs when adding liquidity with orders, other than MPL orders, in a More Active Security if the More Active Security has a stock price of \$1.00 or more and the DMM meets the More Active Securities Quoting Requirement and has a DMM Quoted Size for an applicable month

that is at least 10% of the NYSE Quoted Size is reasonable because the requirement for DMM Quoted Size would be reduced from 15% to 10% of the NYSE Quote Size, the DMM would still need to meet the More Active Securities Quoting Requirement of 10%, and the requirement for providing liquidity of 15% or less of the NYSE's total intraday adding in liquidity in each such security would no longer apply. The Exchange believes that maintaining the requirement for DMM Quoted Size at 15% of the NYSE Quote Size for the \$0.0034 credit is reasonable as the credit for meeting that requirement would be higher than the \$0.0031 credit for meeting the lower requirement of at least 10% of NYSE Quoted Size. Moreover, the requirements are equitable and not unfairly discriminatory because they would apply equally to all DMMs.

The Exchange believes that expanding the number of securities that can make a DMM eligible to receive the market data quote revenue is reasonable as it would encourage greater quoting in an expanded universe of less active securities where there may be fewer liquidity providers. Moreover, the requirement is equitable and not unfairly discriminatory because it would apply equally to all DMMs.

SLPs

The Exchange believes that removing the higher credits for SLPs that apply to providing liquidity in Less Active Securities is reasonable and would not impose a burden on competition because the credits would be removed in their entirety and generally have not encouraged liquidity on the Exchange, as intended.

The Exchange believes that lowering the ADV percentage requirements for the SLP Tier 1 and SLP Tier 2 credits for SLPs that are also DMMs and subject to Rule 107B(i)(2)(A) is reasonable because lowering the requirements would increase the

incentives to add liquidity and more closely compares to the requirements for SLP Tier 3. Moreover, the requirement is equitable and not unfairly discriminatory because it would apply equally to all SLPs.

The Exchange believes that increasing the credits for SLPs for Non-Displayed Reserve Orders for SLP Tier 3, SLP Tier 2 and SLP Tier 1 is reasonable because the added incentive created by the availability of the higher credit is reasonably related to an SLP's liquidity obligations on the Exchange and the value to the Exchange's market quality associated with higher volumes. The proposed changes also are equitable and not unfairly discriminatory because all similarly situated SLPs would be eligible to qualify for the rates by satisfying the related thresholds, where applicable.

Retail Liquidity Program

The Exchange believes that the proposed change to the rates under the Retail Liquidity Program is reasonable. The Exchange originally introduced the existing rates approximately three years ago.²² At that time, the Exchange stated that, because the Retail Liquidity Program was a pilot program, the Exchange anticipated that it would periodically review applicable pricing to seek to ensure that it contributes to the goal of the Retail Liquidity Program, which is designed to attract additional retail order flow to the Exchange for NYSE-listed securities while also providing the potential for price improvement to such order flow. The proposed new rate is a result of this review.

The proposed new rate would be set at a level that would reasonably incentivize DMMs to contribute to RPI liquidity being available for interaction with Retail Orders which would encourage more Retail Orders being submitted to the Exchange. Together,

²² See Securities Exchange Act Release No. 67529 (July 27, 2012), 77 FR 46137 (August 2, 2012) (SR-NYSE-2012-30).

this would increase the pool of robust liquidity available on the Exchange, thereby contributing to the quality of the Exchange's market and to the Exchange's status as a premier destination for liquidity and order execution. The Exchange believes that, because Retail Orders are likely to reflect long-term investment intentions, they promote price discovery and dampen volatility. Accordingly, the presence of Retail Orders on the Exchange has the potential to benefit all market participants. In addition, the Exchange believes that it is equitable and not unfairly discriminatory to allocate higher or additional credits to DMMs compared to other market participants because the higher credit is reasonably related to a DMM's affirmative obligations on the Exchange.²³ The Exchange also believes the proposed credit is equitable and not unfairly discriminatory because it will apply equally to all DMMs.

The Exchange believes that the non-substantive clarifying changes to the Price List are reasonable because they are designed to provide greater transparency with regard to how the Exchange assesses fees and provides rebates. The Exchange notes that the proposed non-substantive clarifying changes are not designed to amend any fee or rebate, nor to change how the Exchange assesses fees or calculates credits. In particular, the proposed changes are reasonable and equitable because they do not modify the fees or credits applicable to Non-Displayed Reserve Orders for market participants, other than SLPs, that provide liquidity.

The Exchange believes that it is subject to significant competitive forces, as

²³ Under Rule 104(a), DMMs registered in one or more securities traded on the Exchange have obligations with respect to the quality of the markets in securities to which they are assigned, such as engaging in a course of dealings for their own account to provide a continuous two-sided quote with reasonable size, maintaining fair and orderly markets and facilitating openings, reopenings, and the close of trading in assigned securities.

described below in the Exchange's statement regarding the burden on competition.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,²⁴ the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, the Exchange believes that the proposed change would contribute to the Exchange's market quality by promoting price discovery and ultimately increased competition. For the same reasons, the proposed change also would not impose any burden on competition among market participants. Pricing for executions at the opening would remain at the same relatively low levels and would continue to reflect the benefit that market participants receive through the ability to have their orders interact with other liquidity at the opening.

Finally, the Exchange 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, the Exchange must continually adjust its fees and rebates 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 and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may

²⁴ 15 U.S.C. 78f(b)(8).

impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of member organizations 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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)²⁵ of the Act and subparagraph (f)(2) of Rule 19b-4²⁶ thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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 shall institute proceedings under Section 19(b)(2)(B)²⁷ of the Act to determine whether the proposed rule change should be approved or disapproved.

IV. Solicitation of Comments

²⁵ 15 U.S.C. 78s(b)(3)(A).

²⁶ 17 CFR 240.19b-4(f)(2).

²⁷ 15 U.S.C. 78s(b)(2)(B).

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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2015-30 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-NYSE-2015-30. This file number should be included on the subject line if e-mail 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the

NYSE's principal office and on its Internet website at www.nyse.com. 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-NYSE-2015-30 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁸

Robert W. Errett,
Deputy Secretary.

8011-01p

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²⁸ 17 CFR 200.30-3(a)(12).