



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-81061; File No. SR-NYSEArca-2017-70)

June 30, 2017

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Specify in Exchange Rules the Exchange's Primary and Secondary Sources of Data Feeds from NYSE MKT LLC

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 21, 2017, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II 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 specify in Exchange rules the Exchange's primary and secondary sources of data feeds from NYSE MKT LLC for order handling and execution, order routing, and regulatory compliance. 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

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 NYSE Arca Equities Rule 7.37 ("Rule 7.37") to specify in Exchange rules the primary and secondary sources of data feeds from NYSE MKT LLC ("NYSE MKT") that the Exchange would use for order handling and execution, order routing, and regulatory compliance.

On July 18, 2014, the Exchange filed a proposed rule change that clarified the Exchange's use of certain data feeds for order handling and execution, order routing, and regulatory compliance.⁴ As noted in that filing, the data feeds available for the purposes of order handling and execution, order routing, and regulatory compliance at the Exchange include the exclusive securities information processor ("SIP") data feeds⁵ or proprietary data feeds from individual market centers ("Direct Feed"). On February 24, 2015, the Exchange adopted Commentary .01 to Rule 7.37 to specify which data feeds that the Exchange uses for the

⁴ See Securities Exchange Act Release No. 72708 (July 29, 2014), 79 FR 45572 (Aug. 5, 2014) (SR-NYSEArca-2014-82).

⁵ The SIP feeds are disseminated pursuant to effective joint-industry plans as required by Rule 603(b) of Regulation NMS. 17 CFR 242.603(b). The three joint-industry plans are: (1) the CTA Plan, which is operated by the Consolidated Tape Association and disseminates transaction information for securities with the primary listing market on exchanges other than NASDAQ Stock Market LLC ("Nasdaq"); (2) the CQ Plan, which disseminates consolidated quotation information for securities with their primary listing on exchanges other than Nasdaq; and (3) the Nasdaq UTP Plan, which disseminates consolidated transaction and quotation information for securities with their primary listing on Nasdaq.

handling, execution, and routing of orders, as well as for regulatory compliance.⁶ After implementation of Pillar, the Exchange's new trading technology system, Commentary .01 was replaced by Rule 7.37(d).⁷

NYSE MKT has amended its rules to provide for an intentional access delay to certain inbound and outbound order messages on that exchange (the "Delay Mechanism").⁸ NYSE MKT will be implementing the Delay Mechanism when it transitions to the Pillar trading platform.⁹ The Delay Mechanism adds 350 microseconds of one-way latency to inbound and outbound communications, including all outbound communications to NYSE MKT's Direct Feeds.¹⁰ NYSE MKT will not apply the Delay Mechanism to outbound communications to the SIP.¹¹ To use the lowest-latency source of information regarding NYSE MKT quotes and trades in Tape A and B securities, the Exchange proposes to amend Rule 7.37(d) to specify that the Exchange would use the SIP Data Feed as the primary source of data for all securities, including Tape C, from that market center, and would use the Direct Feed from NYSE MKT as the secondary source.

The Exchange proposes to implement these changes coincident with the transition of NYSE MKT to the Pillar technology and with the implementation of the Delay Mechanism,

⁶ See Securities Exchange Act Release No. 74409 (March 2, 2015), 80 FR 12221 (March 6, 2015) (SR-NYSEArca-2015-11).

⁷ See Securities Exchange Act Release No. 79078 (October 11, 2016), 81 FR 71559 (October 17, 2016) (SR-NYSEArca-2016-135).

⁸ See NYSE MKT Rule 7.29E(b).

⁹ Securities Exchange Act Release No. 80700 (May 16, 2017), 82 FR 23381 (May 22, 2017) (SR-NYSEMKT-2017-05) (Approval Order).

¹⁰ See NYSE MKT Rule 7.29E(b)(1)(E).

¹¹ See NYSE MKT Rule 7.29E(b)(2)(C).

which are expected to be on July 24, 2017.¹²

The Exchange also proposes non-substantive amendments to Rule 7.37(d) to update the names of the market centers and to eliminate an inoperative market center.¹³

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,¹⁴ in general, and furthers the objectives of Section 6(b)(5),¹⁵ in particular, because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that the proposed rule change removes impediments to and perfects the mechanism of a free and open market because it would provide notice of which data feeds the Exchange uses for execution and routing decisions and for order handling and regulatory compliance, thus enhancing transparency.

¹² See NYSE Group Pillar Migration Trader Update available at <https://www.nyse.com/publicdocs/nyse/notifications/trader-update/Pillar%20Migration%20Update.pdf>

¹³ Specifically the Exchange proposes to update the names of Bats BYX Exchange, Inc. (formerly BATS Y-Exchange, Inc.), Bats BZX Exchange, Inc. (formerly BATS Exchange, Inc.), Bats EDGA Exchange, Inc. (formerly EDGA Exchange, Inc.), Bats EDGX Exchange, Inc. (formerly EDGX Exchange, Inc.), NASDAQ BX, Inc. (formerly NASDAQ OMX BX, Inc.) and NASDAQ PHLX LLC (formerly NASDAQ OMX PHLX, LLC). The Exchange also proposes to remove National Stock Exchange LLC, which is currently not operating and therefore the Exchange is not receiving any data feeds from that market center. See Securities Exchange Act Release No. 80018 (February 10, 2017), 82 FR 10947 (February 16, 2017) (SR-NSX-2017-04).

¹⁴ 15 U.S.C. 78f(b).

¹⁵ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change is not designed to address any competitive issue but rather would provide the public and investors with information about which data feeds the Exchange uses for execution and routing decisions and for order handling and regulatory compliance.

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

Because the foregoing proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)¹⁶ of the Act and Rule 19b-4(f)(6) thereunder.¹⁷

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action,

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change, along with a brief description and the text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

the Commission shall institute proceedings to determine whether the proposed rule 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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSEArca-2017-70 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-NYSEArca-2017-70. 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, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the 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-NYSEArca-2017-70, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Brent J. Fields
Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

