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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-81548; File No. SR-NYSE-2017-44]

### **Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Change to Amend Its Rules to Make Technical and Conforming Updates, in Connection with the Merger of NYSE Arca Equities, Inc. with and into the Exchange's Affiliate NYSE Arca, Inc. and the Name Change of NYSE National, Inc.**

September 7, 2017

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, on August 25, 2017, 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 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 amend its rules to make technical and conforming updates in connection with (a) the merger of NYSE Arca Equities, Inc. with and into the Exchange's affiliate NYSE Arca, Inc. and (b) the name change of NYSE National, Inc. The proposed change is available on the Exchange's website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange,

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

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

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

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 rules to make technical and conforming updates in connection with (a) the merger of NYSE Arca Equities, Inc. (“NYSE Arca Equities”) with and into the Exchange’s affiliate NYSE Arca, Inc. (“NYSE Arca”), and (b) the name change of NYSE National, Inc.

Background

On June 2, 2017, the Exchange’s affiliate, NYSE Arca, filed rule changes with the Commission in connection with the proposed merger of NYSE Arca’s wholly-owned subsidiary, NYSE Arca Equities, with and into NYSE Arca (the “Merger”).<sup>4</sup> The proposed changes were approved by the Commission on August 17, 2017, and the Merger occurred on that same date.<sup>5</sup>

Prior to the Merger, NYSE Arca had two rulebooks: the NYSE Arca rules for its options market and the NYSE Arca Equities rules for its equities market. At the Merger, the NYSE Arca

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<sup>4</sup> See Securities Exchange Act Release No. 80929 (June 14, 2017), 82 FR 28157 (June 20, 2017) (SR-NYSEArca-2017-40).

<sup>5</sup> See Securities Exchange Act Release No. 81419 (August 17, 2017), 82 FR 40044 (August 23, 2017) (SR-NYSEArca-2017-40).

Equities rules were integrated into the NYSE Arca rules, so that there is now one NYSE Arca rulebook.<sup>6</sup> As part of such integration, some of the NYSE Arca rules were renumbered.

Accordingly, the Exchange proposes to amend certain of its rules, as detailed below, to make technical and conforming updates to its rules that cross reference the NYSE Arca rules and delete references to the NYSE Arca Equities.

In January 2017, the Exchange's parent NYSE Group, Inc. acquired all the capital stock of National Stock Exchange, Inc., which was renamed "NYSE National, Inc."<sup>7</sup> The Exchange proposes to update a reference to National Stock Exchange, Inc. found in the Exchange's rules to reflect the new name of such entity, NYSE National, Inc.

#### Proposed Rule Changes

- In Exchange Rule 5.2(j) (Exchange Traded Products), the Exchange proposes to update the cross references to NYSE Arca Equities Rule 5.2(j)(1) by deleting the word "Equities" from the term "NYSE Arca Equities Rule" and appending an "-E" to the end of the rule number. The new cross reference would be to "NYSE Arca Rule 5.2-E(j)(1)." Similarly, the Exchange proposes to update the cross references to subsections of NYSE Arca Options Rule 5.13 and to NYSE Arca Options Rule 5.3 by deleting the word "Options" from the term "NYSE Arca Options Rule" and appending an "-O" to the end of the rules number. The new cross references would be to "NYSE Arca Rule 5.13-O" and "NYSE Arca Rule 5.3-O," respectively, followed by any relevant subsection of the rule.
- In Exchange Rules 8.4 (Account Approval), 8.5 (Suitability), 8.6 (Discretionary

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<sup>6</sup> See id. at 40044.

<sup>7</sup> See Securities Exchange Act Release No. 79902 (January 30, 2017), 82 FR 9258 (February 3, 2017) (SR-NSX-2016-16).

Accounts), 8.7 (Supervision of Accounts), 8.8 (Customer Complaints), the Exchange proposes to update the references to NYSE Arca Equities Rules 9.18 by deleting the word “Equities” from the term “NYSE Arca Equities Rules” and appending an “-E” to the end of the rule number. The new cross references would be to “NYSE Arca Rule 9.18-E,” followed by any relevant subsection of the rule.

- In Exchange Rule 8.9 (Prior Approval of Certain Communications to Customers) the Exchange proposes to update the cross references to NYSE Arca Equities Rule 9.28 by deleting the word “Equities” from the term “NYSE Arca Equities Rule” and appending an “-E” to the end of the rule number. The new cross reference would be to “NYSE Arca Rule 9.28-E.”
- Finally, in Exchange Rule 19, Supplementary Material .01 (Locking or Crossing Protected Quotations in NMS Stocks) , the Exchange proposes to replace “NYSE Arca Equities, Inc.” with “NYSE Arca, Inc.” and replace “National Stock Exchange, Inc.” with “NYSE National, Inc.”.

None of the foregoing changes are substantive.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Exchange Act,<sup>8</sup> in general, and with section 6(b)(1)<sup>9</sup> in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Exchange Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Exchange Act, the rules and

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

<sup>9</sup> 15 U.S.C. 78f(b)(1).

regulations thereunder, and the rules of the Exchange.

The proposed rule change is a non-substantive change and does not impact the governance or ownership of the Exchange. The Exchange believes that the proposed rule change would enable the Exchange to continue to be so organized as to have the capacity to carry out the purposes of the Exchange Act and comply and enforce compliance with the provisions of the Exchange Act by its members and persons associated with its members, because ensuring that the rules accurately cross reference the rules of NYSE Arca and the name of NYSE National, Inc. would contribute to the orderly operation of the Exchange by adding clarity and transparency to its rules.

For similar reasons, the Exchange also believes that the proposed rule change is consistent with section 6(b)(5) of the Act,<sup>10</sup> in that 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 would remove impediments to and perfect the mechanism of a free and open market and a national market system by ensuring that market participants can more easily navigate, understand and comply with its rules. The Exchange believes that, by ensuring that such rules accurately cross-reference the rules of NYSE Arca and the name of NYSE National, Inc., the proposed rule change would reduce potential investor or market participant confusion.

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

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<sup>10</sup> 15 U.S.C. 78f(b)(5).

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 rule change is not intended to address competitive issues but rather is concerned solely with updating the rules to reflect its affiliate's merger and integrated rulebook.

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 proposed rule change has become effective pursuant to section 19(b)(3)(A) of the Act<sup>11</sup> and Rule 19b-4(f)(3)<sup>12</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 shall institute proceedings under section 19(b)(2)(B)<sup>13</sup> of the Act 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:

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(3).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2017-44 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-NYSE-2017-44. 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-NYSE-2017-44 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.<sup>14</sup>

**Eduardo A. Aleman,**

*Assistant Secretary.*

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<sup>14</sup> 17 CFR 200.30-3(a)(12).

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