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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-84805; File No. SR-NYSENAT-2018-25]

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Its Schedule of Fees and Rebates

December 12, 2018.

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 November 30, 2018, NYSE National, Inc. (the “Exchange” or “NYSE National”) 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 Schedule of Fees and Rebates to adopt a new Step Up Adding Tier that would set forth fees for displayed and non-displayed orders that add liquidity to the Exchange. The Exchange proposes to implement the rule change on December 3, 2018. 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.

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 Schedule of Fees and Rebates to adopt a new Step Up Adding Tier that would set forth fees for displayed and non-displayed orders that add liquidity to the Exchange.

The Exchange proposes to implement the rule change on December 3, 2018.

Proposed Step Up Adding Tier

The Exchange proposes a new Step Adding Tier for displayed and non-displayed orders in securities priced at or above \$1.00.

Under the proposed Step Up Adding Tier, the Exchange would offer the following fees for transactions in stocks with a per share price of \$1.00 or more when adding liquidity to the Exchange if the ETP Holder has 0.04% or more of Adding ADV as a percent of US CADV over the ETP Holder's Adding ADV as a % of US CADV in November 2018:

- \$0.0015 per share for adding displayed orders;

- \$0.0015 per share for orders that set a new Exchange BBO⁴;
- \$0.0017 per share for adding non-displayed orders; and
- \$0.0005 per share for MPL orders.

For example, in a given month of 20 trading days, assume that an ETP Holder adds liquidity of an ADV of 3.5 million shares in a month where CADV is 7 billion shares, or 0.05% of US CADV in November 2018 (the “Baseline”).⁵ Further assume that the ETP Holder adds liquidity of an ADV of 7 million shares in the relevant billing month, or 0.10% of US CADV. That ETP Holder would qualify for the proposed Step Up Adding Tier based on their 0.05% step up as a percent of US CADV over the ETP Holder’s Baseline.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ETP Holders 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,⁶ in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,⁷ 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

⁴ The term “BBO” is defined in Rule 1.1 to mean the best bid or offer that is a Protected Quotation on the Exchange. The term “BB” means the best bid that is a Protected Quotation on the Exchange and the term “BO” means the best offer that is a Protected Quotation on the Exchange.

⁵ The Exchange also proposes non-substantive changes to Adding Tier 1 to change the “m” in “More” to lower case and to Adding Tiers 2, 3 and 4 to remove superfluous commas following the word “share” in the adding MPL fee.

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4) & (5).

discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed Step Up Adding Tier fees for ETP Holders with 0.04% or more Adding average daily volume as a percentage of US CADV in addition to the ETP Holder's Adding ADV as a percentage of US CADV in November 2018 is reasonable because the proposed tier would further contribute to incentivizing ETP Holders to bring additional order flow to a public market. In particular, the Exchange believes that the tiered rates will provide an incentive for more active ETP Holders that do not meet the qualification for Adding Tiers 2, 3 and 4, which offer lower fees for adding liquidity, to add displayed liquidity to the Exchange, to the benefit of the investing public and all market participants. In addition, the Exchange believes that the proposed Step Up Adding Tier fees are equitable and not unfairly discriminatory because all similarly situated market participants who would submit additional liquidity to the Exchange in order to qualify for the fees would be subject to the same fees on an equal and non-discriminatory basis. The Exchange also believes that the proposed non-substantive changes would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased clarity and transparency, thereby reducing potential confusion.

Finally, the Exchange believes that it is subject to significant competitive forces, as 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,⁸ the Exchange believes that the proposed

⁸ 15 U.S.C. 78f(b)(8).

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 changes would encourage the submission of additional liquidity to a public exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders. The Exchange believes that this could promote competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution. The Exchange also believes that the proposed rule is designed to provide the public and investors with a Schedule of Fees and Rebates that is clear and consistent, thereby reducing burdens on the marketplace and facilitating investor protection.

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 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 ETP Holders 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)⁹ of the Act and subparagraph (f)(2) of Rule 19b-4¹⁰ 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)¹¹ 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:

- 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-NYSENAT-2018-25 on the subject line.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(2).

¹¹ 15 U.S.C. 78s(b)(2)(B).

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-NYSENAT-2018-25. 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSENAT-2018-25 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.¹²

Eduardo A. Aleman,

Deputy Secretary.

¹² 17 CFR 200.30-3(a)(12).

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