

VI. Conclusion

It is therefore noticed, pursuant to Section 806(e)(1)(I) of the Clearing Supervision Act,²⁸ that the Commission *does not object* to the change described in advance notice SR-NSCC-2014-805 and that NSCC be and hereby is *authorized* to implement the change as of the date of this notice.

By the Commission.

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72123; File No. SR-NYSE-2014-25]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Price List, Effective May 2, 2014, To Set Forth a Fee for a Bond Trading License Under Rule 87 and a Rebate for Bond Liquidity Providers That Bring Liquidity to the Exchange's Bond Market in Accordance With Rule 88 and To Delete an Obsolete Fee

May 8, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that, on May 2, 2014, New York Stock Exchange LLC ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("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, effective May 2, 2014, to (1) set forth a fee for a bond trading license under Rule 87 and a rebate for BLPs that bring liquidity to the Exchange's bond market in accordance with Rule 88 and (2) delete an obsolete fee. The text of the proposed rule change is available on the Exchange's Web site at www.nyse.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

²⁸ 12 U.S.C. 5465(e)(1)(I).

¹ 15 U.S.C. 78s(b)(1).

² 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 Price List, effective May 2, 2014, to (1) set forth a fee for a bond trading license under Rule 87 and a rebate for BLPs that bring liquidity to the Exchange's bond market in accordance with Rule 88 and (2) delete an obsolete fee.

On February 27, 2014, the Exchange filed a proposed rule change to make permanent its pilot program that provided for a bond trading license for member organizations that desire to trade only debt securities on the Exchange and that established a new class of market participants called BLPs.³ The proposal was published for comment on March 14, 2014 and approved by the Securities and Exchange Commission ("Commission") on April 25, 2014.⁴

The Exchange proposes to amend its Price List to set forth the price of the bond trading license and a liquidity provider rebate and cap. First, the Exchange will offer a bond trading license under Rule 87 for \$1,000. By way of comparison, a trading license under Rule 300, which covers all debt and equity securities listed on the Exchange, is \$40,000. Second, if a BLP

³ See Securities Exchange Act Release No. 71671 (March 10, 2014), 79 FR 14558 (March 14, 2014) (SR-NYSE-2014-08). The Commission previously approved the proposed bond trading license and BLP program on a pilot basis. See Securities Exchange Act Release No. 63736 (January 19, 2011), 76 FR 4959 (January 27, 2011) (SR-NYSE-2010-74). The pilot program was originally scheduled to expire on January 19, 2012, but the Commission approved two one-year extensions. See Securities Exchange Act Release No. 65995 (December 16, 2011), 76 FR 79726 (December 22, 2011) (SR-NYSE-2011-63); Securities Exchange Act Release No. 68533 (December 21, 2012), 77 FR 77166 (December 31, 2012) (SR-NYSE-2012-74). The pilot program terminated on January 19, 2014.

⁴ See Securities Exchange Act Release No. 72026 (April 25, 2014) (SR-NYSE-2014-08).

meets the quoting requirements for a bond pursuant to Rule 88, the BLP will receive a liquidity provider rebate of \$0.05 per bond, with a \$50.00 rebate cap per transaction. The rebate first will be applied against any bond liquidity taking or other fees that the BLP owes to the Exchange. If the rebate exceeds such fees in any given month, the Exchange will pay the excess amount to the BLP. The Exchange does not propose any changes to its Price List for liquidity taking transactions on its bond platform, which were adopted on a permanent basis in 2010.⁵

The Exchange also proposes to delete the reference to a \$5,000 fee for the NYSE-Sponsored Graphic User Interface, which is no longer offered and not necessary for market participants to submit orders to NYSE Bonds.

The proposed change is 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,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 discriminate between customers, issuers, brokers or dealers. The Exchange believes that it is reasonable to charge a lower fee for a bond trading license because holders will only be able to trade the narrower class of securities, rather than all securities on the Exchange. The price also reflects the Exchange's lower cost of administering and surveilling a narrower class of securities. The bond trading license fee is equitable because it will be offered to all market participants that wish to trade the narrower class of debt securities only.

The Exchange believes that the proposed rebate and rebate cap are reasonable because they will reward liquidity providers on the bond platform. The Exchange believes that it is reasonable to cap the rebates because excess rebates will be paid to the BLP after the rebates are applied against any bond liquidity taking or other fees that

⁵ See Securities Exchange Act Release No. 63593 (December 21, 2010), 75 FR 81701 (December 28, 2010) (SR-NYSE-2010-83).

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4), (5).

the BLP owes to the Exchange. The cap will help to ensure that the rebates do not have an inappropriate negative impact on fees collected for other transactions or programs. The liquidity provider rebate and cap are equitable because they will apply to all BLPs that meet their quoting obligations under Rule 88.

The deletion of the reference to a \$5,000 fee for the NYSE-Sponsored Graphic User Interface, which is no longer offered and not necessary for market participants to submit orders to NYSE Bonds, is reasonable and equitable because it will add clarity to the Price List and provide better notice to market participants.

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 rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Debt securities typically trade in a decentralized over-the-counter ("OTC") dealer market that is less liquid and transparent than the equities markets. The Exchange believes that the proposed change would increase competition with these OTC venues by reducing the cost of obtaining an Exchange trading license and rewarding market participants for actively quoting and providing liquidity in the only transparent bond market, which the Exchange believes will enhance market quality.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues that are not transparent. In such an environment, the Exchange must continually review, and consider adjusting its fees and rebates to remain competitive with other exchanges as well as with alternative trading systems and other venues that are not required to comply 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 change 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)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 email to rule-comments@sec.gov. Please include File Number SR-NYSE-2014-25 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-2014-25. This file number should be included on the subject line if email 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 Web site (<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 Web site 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 such 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-2014-25 and should be submitted on or before June 4, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72132; File No. SR-DTC-2014-805]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and No Objection To Advance Notice To Renew DTC's Existing Credit Facility

May 8, 2014.

Pursuant to Section 806(e)(1) of Title VIII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, entitled the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act")¹ and Rule 19b-4(n)(1)(i) under the Securities Exchange Act of 1934,² notice is hereby given that on April 21, 2014, The Depository Trust Company ("DTC")

⁸ 15 U.S.C. 78f(b)(8).

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).

¹² 17 CFR 200.30-3(a)(12).

¹ 12 U.S.C. 5465(e)(1).

² 17 CFR 240.19b-4(n)(1)(i).