

requires, among other things, that FINRA rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest. FINRA also believes that the proposed rule change is consistent with the provisions of Section 15A(b)(11) of the Act.<sup>12</sup> Section 15A(b)(11) requires that FINRA rules include provisions governing the form and content of quotations relating to securities sold otherwise than on a national securities exchange which may be distributed or published by any member or person associated with a member, and the persons to whom such quotations may be supplied.

FINRA believes that the extension of the Tier Size Pilot for an additional three months is consistent with the Act in that it would provide the Commission and FINRA with additional time to determine whether the pilot tiers should be made permanent.

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

FINRA does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

### **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) of the Act<sup>13</sup> and Rule 19b-4(f)(6) thereunder.<sup>14</sup>

A proposed rule change filed under Rule 19b-4(f)(6)<sup>15</sup> normally does not become operative prior to 30 days after

the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),<sup>16</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

FINRA has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest because such waiver will allow the pilot program to continue without interruption. Therefore, the Commission designates the proposal as operative upon filing.<sup>17</sup>

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 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-FINRA-2015-010 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-FINRA-2015-010. 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/>

<sup>16</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>17</sup> For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

[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 St. 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 FINRA. 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-FINRA-2015-010, and should be submitted on or before June 8, 2015.

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

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015-11869 Filed 5-15-15; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-74939; File No. SR-BYX-2015-24]

### **Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.**

May 12, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 1, 2015, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other

<sup>18</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>12</sup> 15 U.S.C. 78o-3(b)(11).

<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f)(6). 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 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.

<sup>15</sup> 17 CFR 240.19b-4(f)(6).

charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site at [www.batstrading.com](http://www.batstrading.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 Exchange 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 these 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 Statutory Basis for, the Proposed Rule Change**

##### **1. Purpose**

The Exchange proposes to modify its fee schedule in order to: (1) Amend the rebate associated with removing liquidity from the Exchange; (2) eliminate the NBBO Setter Tier; and (3) simplify pricing related to Physical Connection Fees.

##### **Standard Remove Rebate**

The Exchange currently provides a rebate of \$0.0016 per share for Members' orders that remove liquidity from the Exchange, which includes those orders

that yield fee codes BB, N, and W. The Exchange proposes to amend its Fee Schedule to decrease the rebate for orders that remove liquidity to \$0.0015 per share.

##### **NBBO Setter Tier**

The Exchange currently offers an additional incentive per share for orders from Members that have an ADAV<sup>6</sup> equal to or greater than 0.30% of the TCV<sup>7</sup> and that add liquidity on the Exchange and establish a new NBBO. Specifically, the Exchange provides an additional rebate of \$0.0001 per share for such orders. The Exchange is proposing to eliminate this additional incentive because it has not achieved the desired effect, despite being designed to incentivize Members to add liquidity that sets the NBBO. As such, the Exchange is proposing to delete the NBBO Setter Tier in footnote 3 and replace it with "(Reserved.)" The Exchange is also proposing to delete each reference to footnote 3 in the Fee Codes and Associated Fees section of the fee schedule.

##### **Physical Connection Fees**

The Exchange currently maintains a presence in two third-party data centers: (i) The primary data center where the Exchange's business is primarily conducted on a daily basis, and (ii) a secondary data center, which is predominantly maintained for business continuity purposes. The Exchange currently assesses fees to Members and non-Members of \$1,000 for any 1G physical port connection at either data center and of \$2,500 for any 10G physical port connection at either data center. The Exchange also provides market participants with the ability to access the Exchange's network through another data center entry point, or Point of Presence ("PoP"), at a data center other than the Exchange's primary or secondary data center.<sup>8</sup> The Exchange currently charges \$2,000 for any 1G physical port to connect to the Exchange in any data center where the Exchange maintains a PoP other than the Exchange's primary or secondary data center and \$5,000 per month for each single physical 10G port provided by the Exchange to any Member or non-member in any data center where the

Exchange maintains a PoP other than the Exchange's primary or secondary data center.

The Exchange proposes to simplify its pricing structure by imposing a uniform rate for physical ports regardless of the data center in which the port connection is made. Specifically, the Exchange proposes to charge \$1,000 per month for all 1G physical port connections and \$2,500 per month for all 10G physical ports in any location where the Exchange offers the ability to connect to Exchange systems, including the secondary data center and any PoP location. In conjunction with the proposed change, the Exchange also proposes minor changes to re-format the chart that sets forth physical connection fees and also proposes to re-locate such chart and the accompanying text such that physical connection fees directly follow logical port fees.

##### **Implementation Date**

The Exchange proposes to implement the amendments to its fee schedule effective immediately.

##### **2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>10</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members.

##### **Standard Remove Rebate**

The Exchange believes that its proposal to decrease the standard rebate for orders that remove liquidity and yield fee codes BB, N, or W represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because it will reduce costs for the Exchange, thereby allowing the Exchange to apply those costs elsewhere to the benefit of all Members. While adjusting the Exchange's rebate of \$0.0016 per share to remove liquidity to \$0.0015 per share will obviously result in a reduction in rebates paid per share to Members, the Exchange believes that

<sup>6</sup> "ADAV" means average daily volume calculated as the number of shares added per day.

<sup>7</sup> "TCV" means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply.

<sup>8</sup> See Securities Exchange Act Release No. 74050 (January 14, 2015), 80 FR 2989 (January 21, 2015) (SR-BYX-2015-01) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for use of BATS Y-Exchange, Inc.).

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(4).

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

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> The term "Member" is defined as "any registered broker or dealer that has been admitted to membership in the Exchange." See Exchange Rule 1.5(n).

any potential negative impact of this change will be outweighed by the Exchange's ability to apply the cost savings to other areas of the business, including enhanced rebates, reduced fees, and improved technology on the Exchange. The Exchange also believes that the proposed fee change is non-discriminatory because it would apply uniformly to all Members.

#### NBBO Setter Tier

The Exchange believes that the proposed elimination of the NBBO Setter Tier represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because, as described above, the reduced fees offered by this tier is not affecting Members' behavior in the manner originally conceived by the Exchange. While the Exchange acknowledges the benefit of Members entering orders that set the NBBO, the Exchange has generally determined that it is providing additional rebates for liquidity that would be added on the Exchange regardless of whether the tier existed. By reducing these fees, the Exchange is not only reducing the fees it receives for orders that would set the NBBO without being incentivized to do so, but also missing out on the opportunity to offer other rebates or reduced fees that could incentivize other behavior that would enhance market quality on the Exchange, which would benefit all Members. As such, the Exchange also believes that the proposed elimination of the NBBO Setter Tier would be non-discriminatory in that it currently applies equally to all Members and, upon elimination, would no longer be available to any Members. Further, it will allow the Exchange to explore other ways in which it may enhance market quality for all Members.

#### Physical Connection Fees

The Exchange believes that providing uniform rates for all 1G and 10G physical connections to Exchange is reasonable because such change represents a reduction in fees for any Member that connects to the Exchange at a PoP location and no change to fees for any Member located in the Exchange's primary or secondary data center. The Exchange also believes that the proposal is equitably allocated and not unreasonably discriminatory because, as proposed, market participants will be able to access the Exchange at uniform rates regardless of whether such access is at the Exchange's primary or secondary data center location or another location where the Exchange offers access.

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

The Exchange does not believe its proposed amendments to its fee schedule would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

#### Standard Remove Rebate

The Exchange does not believe that its proposal to amend the standard rebate for orders that remove liquidity from the Exchange would burden competition, but, rather, enhance the Exchange's ability to compete with other market centers. As described above, the Exchange believes that the reduced rebate would allow the Exchange opportunities to use the cost savings in order to enhance other components of the Exchange, including offering enhanced rebates, reduced fees, and improved technology on the Exchange, which the Exchange believes would better equip it to compete with other market centers.

#### NBBO Setter Tier

The Exchange does not believe that its proposal to eliminate the NBBO Setter Tier would burden competition, but, rather, enhance the Exchange's ability to compete with other market centers. As described above, the Exchange believes that it is offering a reduction in fees for orders that would be submitted to the Exchange without the reduced fee, which prevents the Exchange from being able to offer other rebates or reduced fees that might be able to enhance market quality to the benefit of all Members. As such, eliminating the NBBO Setter Tier will allow the Exchange other opportunities to enhance market quality on the Exchange and ultimately, better compete with other market centers.

#### Physical Connection Fees

The Exchange does not believe that the proposed change to physical port fees represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Rather, as described above, the Exchange is simply normalizing its fees for physical access to the Exchange regardless of the location where a physical connection is made. The offering is consistent with the Exchange's own economic incentives to facilitate as many market participants as possible in connecting to its market. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in

the financial markets. The Exchange does not believe that its proposal would burden intramarket competition because the fees for physical connections would apply uniformly to all Members.

#### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>12</sup> 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.

#### **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](mailto:rule-comments@sec.gov). Please include File Number SR-BYX-2015-24 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-BYX-2015-24. 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

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

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

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 offices 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-BYX-2015-24, and should be submitted on or before June 8, 2015. June 5, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

**Robert W. Errett,**

*Deputy Secretary.*

[FR Doc. 2015-11879 Filed 5-15-15; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74928; File No. SR-NYSE-2015-18]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the Constituent Documents of Its Intermediate Parent Companies NYSE Holdings LLC., Intercontinental Exchange, Inc., To Eliminate Certain Provisions That by Their Terms Have Become Void and Are of No Further Force and Effect as a Result of the Sale by ICE of Euronext N.V. in June 2014 and Make Conforming Changes to the Independence Policy of the Board of Directors of ICE

May 12, 2015.

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 May 1, 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 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 the constituent documents of its intermediate parent companies NYSE Holdings LLC, a Delaware limited liability company ("NYSE Holdings"), and Intercontinental Exchange Holdings, Inc., a Delaware corporation ("ICE Holdings"), and its ultimate parent company, Intercontinental Exchange, Inc., a Delaware corporation ("ICE"), to eliminate certain provisions that by their terms have become void and are of no further force and effect as a result of the sale by ICE of Euronext N.V. ("Euronext") in June 2014. The Exchange also seeks approval of conforming changes to the Independence Policy of the Board of Directors of ICE (the "Independence Policy"). The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://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 requests approval to amend the constituent documents of its intermediate parent companies NYSE Holdings and ICE Holdings, and of its ultimate parent company, ICE, to eliminate certain provisions that by

their terms have become void and are of no further force and effect as a result of the sale by ICE of Euronext in June 2014, upon consummation of which ICE, ICE Holdings and NYSE Holdings ceased to control Euronext.<sup>4</sup> The Exchange also requests approval of conforming changes to the Independence Policy.<sup>5</sup>

The Exchange believes the proposed changes are desirable to avoid the potential for confusion that could arise if ICE, ICE Holdings and NYSE Holdings were to retain in their constituent documents or in the Independence Policy provisions that are no longer operative.

##### Background

In 2007, the Exchange's direct parent, NYSE Group Inc. ("NYSE Group"), entered into a business combination transaction with Euronext N.V. ("Euronext") in which NYSE Group and Euronext became wholly owned subsidiaries of a newly formed company, NYSE Euronext, a Delaware corporation. The Certificate of Incorporation and Bylaws of NYSE Euronext included provisions (a) requiring NYSE Euronext and its board of directors to give due consideration to requirements of European law and regulation applicable to the operation of Euronext's European business; (b) requiring NYSE Euronext and its board of directors to cause Euronext's subsidiaries to operate in compliance with applicable law and regulation and to cooperate with European regulators; (c) relating to board compositions and similar matters; and (d) prohibiting the amendment of such provisions without a supermajority vote of the directors in light of Euronext's minority representation on the board (collectively, the "European Provisions"). NYSE Euronext's

<sup>4</sup> ICE, a public company listed on the Exchange, owns 100% of ICE Holdings, which in turn owns 100% of NYSE Holdings. Through ICE Holdings, NYSE Holdings and NYSE Group, Inc., ICE indirectly owns (1) 100% of the equity interest of three registered national securities exchanges and self-regulatory organizations (together, the "NYSE Exchanges")—the Exchange, NYSE Arca, Inc. ("NYSE Arca") and NYSE MKT LLC ("NYSE MKT")—and (2) 100% of the equity interest of NYSE Market (DE), Inc., NYSE Regulation, Inc., NYSE Arca L.L.C. and NYSE Arca Equities, Inc. ICE also indirectly owns a majority interest in NYSE Amex Options LLC. See Exchange Act Release No. 70210 (August 15, 2013), 78 FR 51758 (August 21, 2013) (SR-NYSE-2013-42; SR-NYSEMKT-2013-50; SR-NYSEArca-2013-62) ("Release No. 70210") (approving proposed rule change relating to a corporate transaction in which NYSE Euronext will become a wholly owned subsidiary of IntercontinentalExchange Group, Inc.).

<sup>5</sup> The Exchange's affiliates NYSE Arca and NYSE MKT have also submitted the same proposed rule change. See SR-NYSEMKT-2015-32 and SR-NYSEArca-2015-33.

<sup>13</sup> 17 CFR 200.30-3(a)(12).

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

<sup>25</sup> 15 U.S.C. 78a.

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