

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73913; File No. SR-NYSEMKT-2014-95]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Designation of a Longer Period for Commission Action on a Proposed Rule Change Amending Rule 13—Equities and Related Rules Governing Order Types and Modifiers, as modified by Partial Amendment No. 1

December 22, 2014.

On October 31, 2014, NYSE MKT LLC (“Exchange”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² a proposed rule change to amend Exchange Rule 13—Equities and other Exchange rules governing order types and order modifiers. The proposed rule change was published in the *Federal Register* on November 20, 2014.³ On November 14, 2014, the Exchange submitted Partial Amendment No. 1 to the Commission and filed the Partial Amendment No. 1 to the public comment file.⁴ The Commission has received no other comment on the proposal.

Section 19(b)(2) of the Act⁵ provides that, within 45 days of the publication of the notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be disapproved. The Commission is extending this 45-day time period.

The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change, as modified by Partial Amendment No. 1. Accordingly, the Commission, pursuant to Section

19(b)(2) of the Act,⁶ designates February 18, 2015, as the date by which the Commission should either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-NYSEMKT-2014-95).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73910; File No. SR-NYSEMKT-2014-102]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Exchange Rules Regarding Trade Nullification and Price Adjustment

December 22, 2014.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on December 10, 2014, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) filed with the Securities and Exchange Commission (“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 the Substance of the Proposed Rule Change

The Exchange proposes to amend exchange rules regarding trade nullification and price adjustment. 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.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to add Rule 966NY, “Trade Nullification and Price Adjustment Procedure.”³ As proposed, Rule 966NY would allow for transactions to be nullified if both parties to the transaction agree to the nullification and allow the price of executions to be adjusted if the price adjustment is agreed to by both parties to the transaction and authorized by the Exchange.⁴ The Exchange is also proposing to make other conforming administrative changes to streamline the rules governing this subject with the Exchange’s rules.

Background

Currently, pursuant to Commentary .02 of Rule 965NY, the Exchange allows for parties to agree to nullify an execution. Commentary .02 of Rule 965NY also states that once both parties agree to the trade nullification, one party must “promptly notify the Exchange for dissemination of cancellation information to the Options Price Reporting Authority.” In addition, the Exchange currently allows for a mutual price adjustment for trades that meet the obvious error (or catastrophic error) requirements pursuant to Exchange Rule 975NY if those mutual agreements are done within specific timeframes.⁵ The Exchange is now proposing to relocate the aforementioned trade nullification language and add a provision to allow parties to mutually adjust prices of executions outside of those done in obvious error. The Exchange’s proposal is based upon similar rules of the Chicago Board Options Exchange

³ The Exchange notes that there are efforts by the exchanges to create a uniform trade nullification and adjustment rule. Should the uniform rule be approved and effective, the Exchange will amend its rules appropriately.

⁴ The Exchange notes that, as proposed, Rule 966NY would only apply to trades that were executed on the Exchange and, as such, any orders that were either fully or partially routed to, or executed, on another exchange would not be subject to the proposed Rule 966NY.

⁵ See Rule 975NY(a)(3) and (7) and 975NY(d)(3).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 73595 (November 14, 2014), 79 FR 69153.

⁴ See letter from Sudhir Bhattacharyya, Vice President, New York Stock Exchange, to Kevin M. O’Neill, Deputy Secretary, Commission, dated November 14, 2014.

⁵ 15 U.S.C. 78s(b)(2).

⁶ *Id.*

⁷ 17 CFR 200.30-3(a)(31).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.