

any such exchange) as ICC may determine in accordance with its liquidity policies and procedures.

Section 17A(b)(3)(F) of the Act³ requires, among other things, that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions, and to the extent applicable, derivative agreements, contracts and transactions and to comply with the provisions of the Act and the rules and regulations thereunder. ICC believes that the proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to ICC, in particular, to Section 17(A)(b)(3)(F),⁴ because ICC believes that the proposed rule changes will assure the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions. ICC's Liquidity Risk Management Framework describes ICC's liquidity resources as well as the methodology for testing the sufficiency of these resources. The proposed changes to the ICC Rules clarify ICC's authority to use, and provide details as to how ICC would use, Guaranty Fund and House Initial Margin as an internal liquidity resource. ICC believes the proposed revisions provide clarity and transparency in the ICC Rules, consistent with the ICC Liquidity Risk Management Framework regarding the use of House Initial Margin and Guaranty Fund assets as a liquidity resource. ICC believes clarity and transparency in its Rules is of value to the market in order to provide a comprehensive understanding of ICC's available liquidity resources and default management procedures related to liquidity. In addition, if needed, the available liquidity will allow ICC to meet its liquidity needs when managing one or more Clearing Participant defaults. As such, the proposed rule changes are designed to promote the prompt and accurate clearance and settlement of securities transactions, derivatives agreements, contracts, and transactions within the meaning of Section 17A(b)(3)(F)⁵ of the Act.

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

ICC does not believe the proposed rule changes would have any impact, or impose any burden, on competition. The clarification of ICC's authority to use Guaranty Fund and House Initial Margin as an internal liquidity resource

applies uniformly across all market participants. Therefore, ICC does not believe the proposed rule changes impose any burden on competition that is inappropriate 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 relating to the proposed rule change have not been solicited or received. ICC will notify the Commission of any written comments received by ICC.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) By order approve or disapprove such proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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-ICC-2014-08 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-ICC-2014-08. 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 filings will also be available for inspection and copying at the principal office of ICE Clear Credit and on ICE Clear Credit's Web site at <https://www.theice.com/notices/Notices.shtml?regulatoryFilings>.

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-ICC-2014-08 and should be submitted on or before August 4, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁶

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-16365 Filed 7-11-14; 8:45 am]

BILLING CODE 8011-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72561; File No. SR-MIAX-2014-35]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Its Fee Schedule

July 8, 2014.

Pursuant to the provisions of 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 June 25, 2014, Miami International Securities Exchange LLC ("MIAX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78q-1(b)(3)(F).

⁴ *Id.*

⁵ *Id.*

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 is filing a proposal to amend its Fee Schedule. The text of the proposed rule change is available on the Exchange's Web site at http://www.miaxoptions.com/filter/wotitle/rule_filing, at MIAX's principal office, 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 aspects 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 amend the Fee Schedule to reduce several testing and certification fees and System connectivity fees for non-Members. Specifically, the Exchange proposes to: (i) Reduce the non-Member API testing and certification fee; (ii) reduce the non-Member networking and certification fees; (iii) eliminate the fees for non-Members to test and certify additional connections; and (iv) reduce the non-Member networking connectivity fee.

API Testing and Certification

The Exchange assesses a one-time Application Programming Interface ("API") testing and certification fee on non-Members. Specifically, the Exchange assesses a one-time API Testing and Certification fee of \$5,000.00 on third party vendors³ and Service Bureaus⁴ whose software

³ Third party vendors are subscribers of MIAX's market and other data feeds, which they in turn use for redistribution purposes. Third party vendors do not provide connectivity and therefore are not subject to Network testing and certification.

⁴ A Service Bureau is a technology provider that offers and supplies technology and technology services to a trading firm that does not have its own proprietary system. The technology and technology services provided by Service Bureaus includes both

interfaces with MIAX software. The API makes it possible for third party vendors' and Service Bureaus' software to communicate with MIAX software applications, and is subject to testing with, and certification by, the Exchange. The Exchange originally established a higher fee for non-Members to reflect the greater amount of time spent by Exchange employees testing and certifying non-Members.⁵ Up to that point, it had been the Exchange's experience that Member testing takes less time than non-Member testing because Members have more experience testing these systems with exchanges; generally fewer questions and issues arise during the testing and certification process.⁶ Also, because third party vendors and Service Bureaus are redistributing data and reselling services to other Members and market participants the number and types of scenarios that need to be tested are more numerous and complex than those tested and certified for a single Member.⁷ Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to reduce the API testing and certification fee to \$1,000, the same price as EEMs in order to incent more non-Members to use the service.⁸

Non-Member Network Testing and Certification Fee

The Exchange assesses a one-time Network Testing and Certification fee on Service Bureaus and Extranet Providers.⁹ Specifically, the Exchange assesses a one-time Service Bureaus and Extranet Providers fee of \$2,000.00 for the initial one Gigabit connection and \$1,000 for each additional one Gigabit connection and \$6,000.00 for the initial ten Gigabit connection and \$4,000.00 for each additional ten Gigabit connection. The non-Member Network Testing and

software applications and connectivity, thus Service Bureaus are subject to both API testing and certification and Network testing and certification.

⁵ See Securities Exchange Act Release No. 68645 (January 14, 2013), 78 FR 4175 (January 18, 2013) (SR-MIAX-2012-05).

⁶ *Id.*

⁷ *Id.*

⁸ Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

⁹ An Extranet Provider is a technology provider that connects with MIAX systems and in turn provides such connectivity to MIAX participants that do not connect directly with MIAX. Extranet Providers do not provide software interfaces with MIAX software applications, thus Extranet Providers are not subject to API testing and certification.

Certification fees represent installation and support costs incurred by the Exchange as it works with each non-Member to make sure there are appropriate electronic connections with the Exchange. The Exchange originally established a higher fee for non-Members to reflect the greater amount of time spent by the Exchange employees testing and certifying non-Members.¹⁰ Up to that point, it had been the Exchange's experience that Member network connectivity testing takes less time than non-Member network connectivity testing because Members have more experience testing these systems with exchanges; generally fewer questions and issues arise during the testing and certification process.¹¹ In addition, non-Members are charged a discounted Network Testing and Certification Fee for additional connections because each connection will be used by different customers of the non-Member Service Bureaus and Extranet Providers and will need to be individually tested requiring more Exchange resources for testing and certification. Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to reduce the Network Testing and Certification Fee to \$1,000.00 per Member [sic] for a one Gigabit connection, and \$4,000.00 per Member [sic] for a ten Gigabit connection in order to incent more non-Members to use the service.¹² In addition, the Exchange proposes not to charge non-Members a Testing and Certification Fee for any additional connections they obtain. This will align the pricing of these services for non-Members with the current charges for Members.

Non-Member Network Connectivity Fees

The Exchange assesses fees to Service Bureaus, and Extranet Providers for electronic connections¹³ between those entities and the Exchange. The Connectivity fees are based upon the amount of bandwidth that will be used by the Service Bureau, or Extranet Provider. Specifically, the Exchange

¹⁰ *Id.*

¹¹ *Id.*

¹² Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

¹³ For purposes of this proposed rule change, the terms "connectivity" and "connections" refer to the physical connections between Member and non-Member electronic networks and the MIAX systems.

assesses a monthly non-Member Network Connectivity fee to Service Bureaus and Extranet Providers of \$2,000.00 for a one Gigabit connection, and \$10,000.00 for a ten Gigabit connection. The Exchange originally established a higher fee to Service Bureaus and Extranet Providers than to Members to reflect the fact that Service Bureaus and Extranet Providers serve as conduits to MIAX Members and non-Members that do not have their own proprietary systems or do not directly connect to MIAX. The Service Bureaus and Extranet Providers recover the cost of the MIAX Network Connectivity fee from their customers, resulting in a lower overall fee to Members and non-Members using the services of such third party providers. Although the cost to the Exchange to provide this service to non-Members remains higher than for Members, the Exchange proposes to lower the monthly non-Member Network Connectivity fee for Service Bureaus and Extranet Providers to \$1,000.00 for a one Gigabit connection, and \$5,000.00 for a ten Gigabit connection, the level as currently charged to Members in order to incent more non-Members to use the service.¹⁴

The Exchange proposes to implement the new fee beginning July 1, 2014.

2. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act¹⁵ in general, and furthers the objectives of Section 6(b)(4) of the Act¹⁶ in particular, in that it is an equitable allocation of reasonable fees and other charges among Exchange members.

The Exchange believes the proposed fees are a reasonable allocation of its costs and expenses among its Members and other persons using its facilities since it is recovering the costs associated with providing such infrastructure testing and certification services, and with offering access through the network connections and access and services through the Ports, responding to customer requests, configuring MIAX systems, programming API user specifications and administering the various services connectivity services. Access to the Exchange is provided on fair and non-discriminatory terms. The proposed fees

¹⁴ Notwithstanding the proposal reducing the fees for providing this service to non-Members despite the higher cost, the Exchange represents that it will continue to have adequate resources to fund its regulatory program and fulfill its responsibilities as a self-regulatory organization while the reduced fees are in effect.

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(4).

are reasonable since they are in the range of similar fees charged by another exchange. The Exchange believes the proposed fees are equitable and not unfairly discriminatory because the new fee levels result in a more reasonable and equitable allocation of fees amongst non-Members and Members for similar services.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposal will allow the Exchange to reduce non-Member fees to align them with similar fees charged to Member and thus should promote competition amongst these participants for these types of services. The proposal also reduces fees in a manner that should improve competition with another competing exchange by changing its rate to the same level. 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. In such an environment, the Exchange must continually adjust its fees to remain competitive with other exchanges and to attract order flow. The Exchange believes that the proposal reflects this competitive environment.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹⁷ 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

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-MIAX-2014-35 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-MIAX-2014-35. 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 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-MIAX-2014-35 and should be submitted on or before August 4, 2014. For the Commission, by the Division of Trading

and Markets, pursuant to delegated authority.¹⁸

Kevin M. O'Neill,
Deputy Secretary.

[FR Doc. 2014-16369 Filed 7-11-14; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72560; File No. SR-NYSEARCA-2014-72]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the Fees for NYSE ArcaBook

July 8, 2014.

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 June 24, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 the fees for NYSE ArcaBook, which will be operative on July 1, 2014. 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the fees for NYSE ArcaBook, which will be operative on July 1, 2014.

NYSE ArcaBook is a real-time market data product that is a compilation of all limit orders resident in the NYSE Arca limit order book. The Exchange charges the following monthly display fees for NYSE ArcaBook:⁴

Access Fee	\$2,000.
Redistribution Fee ...	\$1,500.
Subscriber Fees	Professional: \$40. Non-professional: \$10. Non-professional Fee Cap: \$20,000.

The cap applies to any broker-dealer for non-professional subscribers that maintain brokerage accounts with the broker-dealer.⁵ The Exchange proposes to establish tiered non-professional user fees, which would remain at the current rate of \$10 per user for up to 1,500 non-professional users, and then decrease to \$6 per user for the next 1,500 non-professional users and then decrease to \$3 per user for all non-professional users above that level, with the non-professional fee cap for broker-dealers set at \$40,000. Most vendors with non-professional users will pay the same fees as they do today, while a small number of vendors with larger numbers of non-professional users will pay more than they do today.

The Exchange believes that the proposed rule change is consistent with the market-based approach of the Securities and Exchange Commission ("Commission"). The decision of the United States Court of Appeals for the District of Columbia Circuit in *NetCoalition v. SEC*, 615 F.3d 525 (D.C. Cir. 2010), upheld reliance by the Commission upon the existence of competitive market mechanisms to set reasonable and equitably allocated fees for proprietary market data:

In fact, the legislative history indicates that the Congress intended that the market system 'evolve through the interplay of competitive forces as unnecessary regulatory restrictions are removed' and that the SEC wield its regulatory power 'in those situations where competition may not be sufficient,' such as

in the creation of a 'consolidated transactional reporting system.'

Id. at 535 (quoting H.R. Rep. No. 94-229 at 92 (1975), as reprinted in 1975 U.S.C.A.N. 323). The court agreed with the Commission's conclusion that "Congress intended that 'competitive forces should dictate the services and practices that constitute the U.S. national market system for trading equity securities.'" ⁶

As explained below in the Exchange's Statement on Burden on Competition, the Exchange believes that there is substantial evidence of competition in the marketplace for proprietary market data and that the Commission can rely upon such evidence in concluding that the fees proposed in this filing are the product of competition and therefore satisfy the relevant statutory standards.⁷ In addition, the existence of alternatives to NYSE ArcaBook, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources, as described below, further ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, when vendors and subscribers can elect such alternatives.

As the *NetCoalition* decision noted, the Commission is not required to undertake a cost-of-service or ratemaking approach.⁸ The Exchange believes that, even if it were possible as a matter of economic theory, cost-based pricing for non-core market data would be so complicated that it could not be done practically.⁹

⁶ *NetCoalition*, 615 F.3d at 535.

⁷ Section 916 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") amended paragraph (A) of Section 19(b)(3) of the Act, 15 U.S.C. 78s(b)(3), to make clear that all exchange fees for market data may be filed by exchanges on an immediately effective basis.

⁸ *NetCoalition*, 615 F.3d at 536.

⁹ The Exchange believes that cost-based pricing would be impractical because it would create enormous administrative burdens for all parties, including the Commission, to cost-regulate a large number of participants and standardize and analyze extraordinary amounts of information, accounts, and reports. In addition, and as described below, it is impossible to regulate market data prices in isolation from prices charged by markets for other services that are joint products. Cost-based rate regulation would also lead to litigation and may distort incentives, including those to minimize costs and to innovate, leading to further waste. Under cost-based pricing, the Commission would be burdened with determining a fair rate of return, and the industry could experience frequent rate increases based on escalating expense levels. Even in industries historically subject to utility regulation, cost-based ratemaking has been discredited. As such, the Exchange believes that cost-based ratemaking would be inappropriate for proprietary market data and inconsistent with Congress's direction that the Commission use its authority to foster the development of the national

Continued

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ See Securities Exchange Act Release No. 71483 (February 5, 2014), 79 FR 8217 (February 11, 2014) (SR-NYSEArca-2014-12).

⁵ See Securities Exchange Act Release No. 54597 (October 12, 2006), 71 FR 62029 (October 20, 2006) (SR-NYSEArca-2006-21).