

now proposes to implement functionality to allow market maker quotes to be removed from the trading system if a specified number of curtailment events occur across both ISE Gemini and the International Securities Exchange, LLC ("ISE").

To the extent that a market maker utilizes the offered functionality, ISE and ISE Gemini's trading systems will count the number of times a market maker's pre-set curtailment events occur on each exchange and aggregate them. Once a market maker's specified number of curtailment events across both markets is reached, the trading systems will remove the market maker's quotes in all classes on both ISE and ISE Gemini. The Exchange will then reject any quotes sent by the market maker after the parameters across both exchanges have been triggered until the market maker notifies the market operations staff of the Exchange that it is ready to come out of its curtailment. Once notified by the market maker, the Exchange will reactivate the market maker's quotes on the Exchange.

The Exchange believes that the proposal will enhance the Exchange's current risk management offering by allowing market makers to manage their risk across ISE and ISE Gemini. The Exchange also provides that the proposal will protect market makers from inadvertent exposure to excessive risk and thereby allow them to quote aggressively and provide more liquidity with greater size to both markets. The Exchange further represents that its proposal will operate consistently with the firm quote obligations of a broker-dealer pursuant to Rule 602 of Regulation NMS and that the functionality is not mandatory.

### III. Summary of Comment Letters

As noted above, the Commission received five comment letters in response to the Order Instituting Proceedings.<sup>10</sup> All of the commenters support the proposal. Three of the five commenters are registered options market makers on ISE,<sup>11</sup> while the other two are registered options market makers on both ISE and ISE Gemini.<sup>12</sup>

The commenters note that, while the current risk protections on the Exchange help manage risk, systems and other issues that trigger such risk parameters are normally not confined to a member

firm's activity on a single exchange.<sup>13</sup> Accordingly, the commenters believe that the Exchange's proposal to aggregate curtailment events across both ISE and ISE Gemini would allow market makers to more effectively manage risk.<sup>14</sup> The commenters state that the proposed rule change would allow market makers to continue to actively provide liquidity, while facilitating effective management of the risks associated with quoting a large number of option series across multiple exchanges.<sup>15</sup> Further, the commenters believe that allowing market makers to better manage their risk would benefit the broader market, as it would reduce disruptive trading events.<sup>16</sup>

Two commenters who are registered market makers on ISE but not on ISE Gemini also believe that the proposal is not unfairly discriminatory in violation of Section 6(b)(5) of the Act.<sup>17</sup> These two commenters note that the proposal is optional to market makers and is not unfairly discriminatory to firms who simply have no need for the proposal's additional protections by virtue of only trading on either ISE or ISE Gemini.<sup>18</sup>

### IV. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.<sup>19</sup> Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,<sup>20</sup> which requires, among other things, that the rules of a national securities exchange be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, not be designed to permit

unfair discrimination between customers, issuers, brokers, or dealers.

The Commission believes that the proposal could assist ISE Gemini market makers manage and reduce inadvertent exposure to excessive risk across both ISE and ISE Gemini. The Commission notes that the proposed functionality is not mandatory and must operate consistent with the firm quote obligations of Rule 602 of Regulation NMS. The Commission also notes that all five commenters expressed support for the proposal.

For the foregoing reasons, the Commission believes that the proposed rule change is consistent with the Act.

### V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act<sup>21</sup> that the proposed rule change (SR-ISEGemini-2014-09) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>22</sup>

**Kevin M. O'Neill,**  
*Deputy Secretary.*

[FR Doc. 2014-22785 Filed 9-24-14; 8:45 am]

BILLING CODE 8011-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73153; File No. SR-NYSE-2014-51]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Sections 902.03, 902.04, 902.05, 902.06 and 902.08 of the Listed Company Manual To Increase Certain of the Fees Set Forth Therein and To Delete Obsolete Rule Text

September 19, 2014.

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 September 8, 2014, 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, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to

<sup>10</sup> See *supra* note 7.

<sup>11</sup> See Akuna Letter; Hardcastle Letter; and Group One Letter, *supra* note 7.

<sup>12</sup> See Optiver Letter and IMC Letter, *supra* note 7.

<sup>13</sup> See Akuna Letter; Group One Letter, Hardcastle Letter; IMC Letter; and Optiver Letter, *supra* note 7.

<sup>14</sup> See, e.g., Akuna Letter at 2; Hardcastle Letter at 2; and Optiver Letter, *supra* note 7.

<sup>15</sup> See Optiver Letter and IMC Letter, *supra* note 7.

<sup>16</sup> See Akuna Letter at 2; Hardcastle Letter at 2; and Optiver Letter, *supra* note 7.

<sup>17</sup> See Akuna Letter at 2 and Hardcastle Letter at 2, *supra* note 7.

<sup>18</sup> *Id.* One commenter also states that it does not believe the proposal places any undue burden on competition between options exchanges. See Group One Letter at 2, *supra* note 7.

<sup>19</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>20</sup> 15 U.S.C. 78f(b)(5).

<sup>21</sup> 15 U.S.C. 78s(b)(2).

<sup>22</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 Sections 902.03, 902.04, 902.05, 902.06 and 902.08 of the Listed Company Manual (the "Manual") to increase certain of the fees set forth therein and to delete obsolete rule text. The Exchange proposes to immediately reflect the proposed changes in the Manual, but not to implement the proposed fee changes until January 1, 2015. 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 Statutory Basis for, the Proposed Rule Change**

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

The Exchange proposes to amend Sections 902.03, 902.04, 902.05, 902.06 and 902.08 of the Manual to increase certain of the fees set forth therein and to delete obsolete rule text. The Exchange proposes to immediately reflect the proposed changes in the Manual, but not to implement the proposed fee changes until January 1, 2015.<sup>4</sup>

The Exchange proposes to amend Section 902.03 of the Manual which currently provides, in part, for minimum listing fees for subsequent listing of additional equity securities. The Exchange proposes to increase such

minimum listing fee from \$7,500 to \$10,000 effective January 1, 2015.

Section 902.03 of the Manual also currently provides, in part, for a fee for applications for changes that involve modifications to Exchange records (e.g., changes of name, par value, title of security or designation) and for applications relating to poison pills. The Exchange proposes to increase such application fee from \$7,500 to \$10,000 effective January 1, 2015.

Section 902.03 of the Manual also currently provides, in part, for annual fees for listed equity securities. Currently, the annual fee for an issuer's primary class of common shares or, if no class of common shares is listed on the Exchange, the preferred stock of such issuer is the greater of \$42,000 or \$0.00093 per share. The Exchange proposes to increase these thresholds to \$45,000 and \$0.001, respectively. Currently, the annual fee for each additional class of common shares, each additional class of preferred stock and each class of warrants is calculated as the greater of a specified minimum fee or \$0.00093 per share. The Exchange proposes to leave the minimum fee for those three categories unchanged, but to increase the fee per share for each category to \$0.001 per share.

Sections 902.04, 902.05 and 902.06 of the Manual set forth, in part, the annual fees for closed-end funds, structured products and short-term securities, respectively. In each case, the current annual fee for these securities is calculated as the greater of a specified minimum fee or \$0.00093 per share. The Exchange proposes to leave the minimum fee for those three categories of securities unchanged, but to increase the fee per share for each category to \$0.001 per share. The Exchange also proposes to delete obsolete text from Sections 902.05 and 902.06.

Section 902.08 of the Manual provides, in part, for initial and annual fees for debt securities and listed structured products traded on NYSE Bonds. The Exchange proposes to increase the initial listing fee for such securities from \$5,000 to \$15,000 and the annual fee from \$5,000 to \$15,000. The Exchange also proposes to delete certain obsolete text from Section 902.08 of the Manual.

For the same reasons set forth below in the Statutory Basis section, the Exchange proposes to make the aforementioned fee increases to better reflect (i) the Exchange's costs related to listing equity securities and the corresponding value of such listing to issuers and (ii) the increased compliance and technology costs

required to operate and maintain the Exchange's bond platform

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

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>5</sup> in general, and furthers the objectives of Sections 6(b)(4)<sup>6</sup> of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5)<sup>7</sup> of the Act in that it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that amending Section 902.03 of the Manual to increase the minimum listing fee for subsequent listing of additional equity securities and the application fee for changes that involve modifications to Exchange records from \$7,500 to \$10,000 is reasonable because the resulting fees would better reflect the Exchange's costs related to such listing. For the same reasons, the Exchange believes it is reasonable to increase the minimum annual fee for an issuer's primary class of equity securities, to the greater of \$45,000 or \$0.001 per share and to increase the fee per share for each additional class of common shares, each additional class of preferred stock, each class of warrants, each class of listed securities of closed-end funds, and each listed issue of structured products and short-term securities to \$0.001 per share. In this regard, the Exchange notes that it will have been two years since it last increased these fees.

The Exchange believes that it is reasonable to increase the initial and annual fee for debt securities and listed structured products traded on NYSE Bonds, in each case from \$5,000 to \$15,000. The proposed fee increases set forth herein will enable the Exchange to ensure that it is providing a high standard of regulation and oversight of the market. To that end, the Exchange believes it is reasonable to increase the initial and annual fee for listed debt securities and structured products to ensure that the fees for such regulation and market oversight are equitably allocated amongst all issuers of securities listed on the Exchange. The Exchange notes that its compliance and technology costs to operate the NYSE Bonds platform are constantly increasing and that it works continually

<sup>4</sup> The Exchange has proposed changes to the Manual, as reflected in Exhibit 5 attached hereto, in a manner that would permit readers of the Manual to identify the changes that would be implemented on January 1, 2015. The Commission notes that Exhibit 5 is attached to the filing, not to this Notice.

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(4).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

to enhance the platform, including the recent addition of Bondwatch, a web-based system that enables investors to obtain real-time pricing information. The proposed increases, therefore, will help defray the Exchange's costs to operate the platform.

The Exchange believes that it is equitable and not unfairly discriminatory to have different pricing schemes for equity and bond issuers because, while the overall costs to operate and maintain the Exchange's equity and bond platforms have both increased, the costs attributable to the equity platform are proportionately higher than those to the bond platform.

The Exchange believes that the non-substantive changes that are proposed are reasonable because they will result in the removal of obsolete text from the Manual.

#### *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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to ensure that the fees charged by the Exchange accurately reflect the services provided and benefits realized by listed companies. The proposed fee increases will apply to all issuers listed on the Exchange, therefore they will be equitably allocated amongst all issuers and will not be unfairly discriminatory towards an individual issuer or class of issuers. Further, because issuers have the option to list their securities on a different national securities exchange, the Exchange does not believe that the proposed fee changes impose a burden on competition.

#### *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)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> 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)<sup>10</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2014-51 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-2014-51. 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-NYSE-2014-51 and should be submitted on or before October 16, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-22790 Filed 9-24-14; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-73156; File No. SR-ICEEU-2014-13]

### **Self-Regulatory Organizations; ICE Clear Europe Limited; Notice of Filing of Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Amendment No. 1, Relating to the 2014 ISDA Credit Derivatives Definitions**

September 19, 2014.

#### **I. Introduction**

On August 14, 2014, ICE Clear Europe Limited ("ICE Clear Europe") filed with the Securities and Exchange Commission ("Commission") the proposed rule change SR-ICEEU-2014-13 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> The proposed rule change was published for comment in the **Federal Register** on August 20, 2014.<sup>3</sup> The Commission did not receive comments on the proposed rule change. On September 19, 2014, ICE Clear Europe filed Amendment No. 1 to the proposed rule change.<sup>4</sup> The Commission is publishing this notice to solicit comments on Amendment No. 1 from interested persons and is approving the proposed rule change, as modified by

<sup>11</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>3</sup> Securities Exchange Act Release No. 34-72849 (August 14, 2014), 79 FR 49357 (August 20, 2014) (SR-ICEEU-2014-13) (hereinafter referred to as the "Initial Rule Filing").

<sup>4</sup> ICE Clear Europe filed Amendment No. 1 to the proposed rule change to address the timing of the commencement of clearing of transactions incorporating the 2014 ISDA Credit Derivatives Definitions in light of changes in the implementation timing of the industry-wide ISDA protocol, as discussed in more detail below.

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

<sup>10</sup> 15 U.S.C. 78s(b)(2)(B).