

For further information and to ascertain what, if any, matters have been added, deleted, or postponed, please contact:

The Office of the Secretary at (202) 551-5400.

Dated: June 25, 2015.

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75288; File No. SR-NYSE-2015-27]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending the Eighth Amended and Restated Operating Agreement of the Exchange To Establish a Regulatory Oversight Committee as a Committee of the Board of Directors of the Exchange and Make Certain Conforming Amendments to Exchange Rules

June 24, 2015

Pursuant to Section 19(b)(1)¹ of the Securities Exchange Act of 1934 (the “Act”)² and Rule 19b-4 hereunder,³ notice is hereby given that, on June 12, 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, 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: (1) amend the Eighth Amended and Restated Operating Agreement of the Exchange (“Operating Agreement”) to establish a Regulatory Oversight Committee (“ROC”) as a committee of the board of directors of the Exchange (the “Board”) and make certain conforming amendments to Rules 0 [sic], 1, 46, 46A and 497; (2) terminate the delegation agreement (the “Delegation Agreement”) among the Exchange, NYSE Market (DE), Inc. (“NYSE Market (DE)”), and NYSE Regulation, Inc. (“NYSE Regulation”), delete Rule 20, which sets

forth the terms of the delegation, and make certain conforming amendments to Section 4.05 of the Operating Agreement and Rules 0, 1, 22, 36, 37, 46, 48, 49, 54, 70, 103, 103A, 103B, 104, 422, 476A, and 497; (3) remove from the Exchange rules certain organizational documents of NYSE Regulation and NYSE Market (DE) in connection with the proposed termination of the Delegation Agreement; (4) amend the Operating Agreement to establish a Director Candidate Recommendation Committee (“DCRC”) as a committee of the Board and change the process by which non-Affiliated Director candidates are named; (5) amend the Operating Agreement to establish a Committee for Review as a sub-committee of the ROC and make conforming changes to Rules 308, 475, 476, 476A and 9310; and (6) replace references to the Chief Executive Officer of NYSE Regulation in Rules 48, 49 and 86 with references to the Chief Regulatory Officer of the Exchange. 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: (1) amend the Operating Agreement to establish a ROC as a Board committee and make certain conforming amendments to Rules 1, 46, 46A and 497; (2) terminate the Delegation Agreement, delete Rule 20, which sets forth the delegation from the Exchange to NYSE Market (DE) and NYSE Regulation,⁴ and make certain

conforming amendments to Section 4.05 of the Operating Agreement and Rules 0, 1, 22, 36, 37, 46, 48, 49, 54, 70, 103, 103A, 103B, 104, 422, 476A and 497; (3) remove from the Exchange rules certain constituent documents of NYSE Regulation and NYSE Market (DE) in connection with the proposed termination of the Delegation Agreement; (4) amend the Operating Agreement to establish a DCRC as a committee of the Board and change the process by which Non-Affiliated Director candidates are named; (5) amend the Operating Agreement to establish a Committee for Review as a sub-committee of the ROC and make conforming changes to Rules 308, 475, 476, 476A and 9310; and (6) replace references to the Chief Executive Officer of NYSE Regulation in Rules 48, 49 and 86 with references to the Chief Regulatory Officer of the Exchange (“CRO”).

The Exchange proposes that creation of the ROC, termination of the Delegation Agreement, and the above rule changes would be operative simultaneously. The Exchange would effect the changes described herein following approval of this rule filing no later than June 30, 2016, on a date determined by its Board.

Amendment of Operating Agreement To Create a ROC

In connection with its proposal to terminate the Delegation Amendment, which is discussed below, the Exchange proposes to establish a ROC. The proposed ROC would have the responsibility to independently monitor the Exchange’s regulatory operations. To effect this change, the Exchange proposes to amend Section 2.03(h) of the Operating Agreement to add a subsection (ii) providing for a ROC and delineating its composition and functions. The proposed new Section 2.03(h)(ii) of the Operating Agreement would be substantially similar to the recently approved changes by the Exchange’s affiliates NYSE Arca and NYSE MKT to establish ROCs⁵ as well as Article III, Section 5(c) of the By-Laws of the NASDAQ Stock Market LLC

MKT”) and NYSE Arca, Inc. (“NYSE Arca”) pursuant to intercompany Regulatory Services Agreements (each, an “RSA”) that give each exchange the contractual right to review NYSE Regulation’s performance.

⁵ See Securities Exchange Act Release No. 75155 (June 11, 2015) (SR-NYSEArca-2015-29) (“Arca ROC Approval Order”) (approving creation of a ROC with primary responsibility to independently monitor the exchange’s regulatory operations) and Securities Exchange Act Release No. 75148 (June 11, 2015) (SR-NYSEMKT-2015-27) (“MKT ROC Approval Order”) (same).

¹ 15 U.S.C. 78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

⁴ NYSE Regulation, a not-for-profit subsidiary of the Exchange, performs the Exchange’s regulatory functions pursuant to the Delegation Agreement. NYSE Regulation performs regulatory functions for the Exchange’s affiliates NYSE MKT LLC (“NYSE

("NASDAQ") (the "NASDAQ Bylaws").⁶

In particular, Section 2.03(h)(ii) would provide that the Board shall appoint a ROC on an annual basis. Proposed Section 2.03(h)(ii) would describe the composition of the ROC. Proposed Section 2.03(h)(ii) would also describe the functions and authority of the ROC. The proposed ROC's responsibilities would be to:

- oversee the Exchange's regulatory and self-regulatory organization responsibilities and evaluate the adequacy and effectiveness of the Exchange's regulatory and self-regulatory organization responsibilities;
- assess the Exchange's regulatory performance; and
- advise and make recommendations to the Board or other committees of the Board about the Exchange's regulatory compliance, effectiveness and plans.⁷

In furtherance of these functions, the proposed new subsection of the Operating Agreement would provide the ROC with the authority and obligation to review the regulatory budget of the Exchange and specifically inquire into the adequacy of resources available in the budget for regulatory activities. Under the proposed amendment, the ROC would be charged with meeting regularly with the CRO in executive session and, in consultation with the Exchange's Chief Executive Officer, establishing the goals, assessing the performance, and recommending the CRO's compensation. Finally, under the proposed rule, the ROC would be responsible for keeping the Board informed with respect to the foregoing matters.⁸

⁶ See Securities Exchange Act Release No. 53128 (January 13, 2006), 71 FR 3550 (January 23, 2006) (File No. 10-131) ("NASDAQ Approval Order") (order granting application of NASDAQ for registration as a national securities exchange). As noted below, members of the NASDAQ ROC must satisfy both NASDAQ's public director and independent director requirements.

⁷ These three core responsibilities of the proposed ROC would be substantially similar to those of the ROCs of self-regulatory organizations ("SROs"). See, e.g., Arca ROC Approval Order, at 2; MKT ROC Approval Order, at 2; NASDAQ Bylaws, Article III, Section 5; Securities Exchange Act Release No. 58375 (August 18, 2008), 73 FR 49498, 49502 (August 21, 2008) (File No. 10-182) ("Release No. 34-58375") (approving application of BATS Exchange, Inc. ("BATS") seeking registration as a national securities exchange); Securities Exchange Act Release No. 61698 (March 10, 2010), 75 FR 13151, 13161 (March 12, 2010) ("BATS Approval Order") (approving application of EDGX Exchange, Inc. and EDGA Exchange, Inc., seeking registration as a national securities exchange); and Amended and Restated By-Laws of Miami International Securities Exchange, LLC, Article IV, Section 4.5(c).

⁸ The obligations of the proposed ROC would be substantially similar to those of other SROs' ROCs. See, e.g., NASDAQ Bylaws, Article III, Section 5; Bylaws of NASDAQ OMX PHLX LLC, Article V,

The Exchange proposes that the ROC would consist of at least three members, each of whom would be a director of the Exchange that satisfies the independence requirements of the Exchange.⁹ The Exchange believes that a ROC comprised of at least three independent members is appropriate. The size and composition of the proposed ROC would be the same as that of the ROCs of other SROs.¹⁰ A ROC with at least three independent directors has been recognized as one of several measures that can help ensure the independence of the regulatory function from the market operations and commercial interests of a national securities exchange.¹¹

Further, proposed Section 2.03(h)(ii) would provide that the Board may, on affirmative vote of a majority of directors, at any time remove any member of the ROC for cause. Proposed Section 2.03(h)(ii) would also provide that a failure of the member to qualify as independent under the independence policy would constitute a basis to remove a member of the ROC for cause. Similar authority is found in the bylaws governing the ROCs of other SROs.¹² In addition, proposed Section 2.03(h)(ii) would provide that, if the term of office of a ROC committee member terminates under this section, and the remaining term of office of such committee member at the time of termination is not more than three months, during the period of vacancy the ROC would not be

Section 5-2; Third Amended and Restated Bylaws of BATS-Exchange, Inc., Article V, Section 6(c).

⁹ The Exchange's independence requirements are set forth in the Independence Policy of the Board of Directors of the Exchange available at http://wallstreet.cch.com/MKT/pdf/independence_policy.pdf. See Securities Exchange Act Release No. 67564 (August 1, 2012), 77 FR 47161 (August 7, 2012) (SR-NYSE-2012-17; SR-NYSEArca-2012-59; SR-NYSEMKT-2012-07) (approving NYSE's director independence policy).

¹⁰ See e.g., NASDAQ By-laws, Article III, Section 5(c) (specifying a ROC comprising three independent directors); Third Amended and Restated Bylaws of BATS Exchange, Inc., Article V, Section 6(c) ("BATS Bylaws") (same); and Chicago Board Options Exchange, Incorporated ("CBOE") Bylaws, Article IV, Section 4.5 (specifying a ROC of at least three directors all of whom shall be "non-industry" directors).

¹¹ See, e.g., Release No. 34-58375, 73 FR at 49502; Securities Exchange Act Release No. 61152 (December 10, 2009), 74 FR 66699, 66704-705 (December 16, 2009) (File No. 10-191) (approving application of C2 Options Exchange, Incorporated, seeking registration as a national securities exchange); BATS Approval Order, 75 FR at 13161.

¹² See e.g., BATS Bylaws, Article V, Section 2(a) ("the Chairman may, at any time, with or without cause, remove any member of a committee so appointed, with the approval of the Board."); Second Amended and Restated By-laws of National Stock Exchange, Inc., Article V, Section 5.2 (same). Comparable provisions were recently approved for the Exchange's affiliates NYSE Arca and NYSE MKT. See Arca ROC Approval Order, at 2; MKT ROC Approval Order, at 3. [sic]

deemed to be in violation of its compositional requirements by virtue of the vacancy. Once again, this is consistent with the rules and bylaws of other SROs.¹³ Finally, the Exchange proposes to add text to Section 2.03(h) providing that vacancies in the membership of any board committee would be filled by the Exchange board, which is consistent with proposed Section 2.03(h)(ii).¹⁴

The Exchange believes that the proposed rule change creating an independent Board committee to oversee the adequacy and effectiveness of the performance of its self-regulatory responsibilities is consistent with previously approved rule changes for other SROs and would enable the Exchange to undertake its regulatory responsibilities under a corporate governance structure that is consistent with its industry peers.¹⁵ Moreover, the Exchange believes that the proposed ROC would ensure the continued independence of the regulatory process.¹⁶ In particular, integral to the proposal is that the oversight of the Exchange's self-regulatory responsibilities and regulatory performance, including review of the regulatory plan, programs, budget and staffing would be by a ROC composed of individuals independent of Exchange management and a CRO having general supervision of the regulatory operations of the Exchange that meets regularly with the ROC.¹⁷

The Exchange also proposes to make the following conforming amendments to Rules 1, 46, 46A and 497:

- The Exchange proposes to amend Rule 1, which defines the "Exchange", to replace a reference to the "Board of Directors of NYSE" with the "Exchange's Regulatory Oversight Committee", which would be the successor to the regulatory responsibilities of the NYSE Regulation board of directors.
- The Exchange proposes to amend Rule 46(b), which governs the

¹³ See e.g., NASDAQ Bylaws, Article III, Section 2(b).

¹⁴ NYSE Arca, NYSE MKT and NASDAQ have the same provision. See Arca ROC Approval Order, at 3; MKT ROC Approval Order, at 3; Second Amended Limited Liability Co. Agreement of the NASDAQ Stock Market LLC, Section 9(g).

¹⁵ See NASDAQ Bylaws, Article III, Section 5(c); BATS Bylaws, Article V, Section 6(c). See also Arca ROC Approval Order and MKT ROC Approval Order, note 5, *supra*.

¹⁶ See, e.g., Securities Exchange Act Release No. 48946 (December 17, 2003), 68 FR 74678, 74687 (August 21, 2008) (SR-NYSE-2003-34) ("Release No. 34-48946") (approving significant restructuring of NYSE governance architecture centered on Board independent f [sic] members, member organizations, and listed issuers).

¹⁷ See, e.g., Release No. 34-48946, 68 FR at 74687.

appointment of Floor Officials, to replace the reference to the “NYSE Regulation Board of Directors” with the proposed ROC as the entity that the Board would consult with on those appointments.

- Similarly, the Exchange proposes to amend Rule 46A, which governs the appointment of Executive Floor Governors, to replace the “Board of Directors of NYSE Regulation” with the proposed ROC as the entity that the Board would consult with on those appointments.

- Finally, Rule 497 sets forth certain requirements that securities issued by Intercontinental Exchange, Inc., or its affiliates must meet before they can be listed on the Exchange. The Exchange proposes to replace “NYSE Regulation Board of Directors” in Rule 497(b) and (c)(1) with “Exchange’s Regulatory Oversight Committee”. Following approval of this rule filing, the ROC would be the entity that would approve regulatory findings that the security to be listed satisfies Exchange listing rules under Rule 497(b) and that would receive the reports specified in Rule 497(c).¹⁸

Termination of Delegation Agreement and Deletion of Rule 20

The Exchange proposes to terminate the Delegation Agreement and delete Rule 20, which sets forth the delegation to its subsidiaries NYSE Regulation and NYSE Market (DE) of the Exchange’s regulatory and market functions, respectively.¹⁹

The Delegation Agreement was executed in 2006 following the merger of New York Stock Exchange, Inc. (“NYSE, Inc.”), with Archipelago Holdings, Inc. as part of that transaction NYSE Regulation became a separate not-for-profit entity and the NYSE Regulation board of directors assumed the ROC’s oversight functions

and responsibilities.²⁰ The Delegation Agreement set forth the terms under which the Exchange delegated its functions to its newly created subsidiaries. It should be noted that, although the Exchange delegated performance of its regulatory functions to NYSE Regulation and the performance of its market functions to NYSE Market (DE), the Exchange retained ultimate responsibility for the operations, rules and regulations developed by NYSE Regulation and NYSE Market (DE) as well as their enforcement.²¹

The Exchange proposes to terminate the Delegation Agreement and re-integrate its regulatory and market functions. The proposed ROC would provide independent oversight of the regulatory function of the Exchange. As the Commission has noted, a complete structural separation of the regulatory and market functions of an SRO is only one of a “variety” of ways to ensure the independence of the regulatory process.²² As noted above, the Exchange believes its proposal to establish a ROC to undertake the oversight of the Exchange’s regulatory responsibilities would ensure independence in the regulatory process and would have the additional benefit of aligning the Exchange’s corporate governance practices with its industry peers.

The Exchange proposes to functionally separate its regulatory function from its business lines. The Exchange’s CRO would head the

proposed regulatory department and continue to manage the Exchange’s regulatory function, under the oversight of the proposed ROC. The regulatory staff supporting the NYSE’s regulatory functions would continue to report to the CRO.²³

Similarly, following termination of the Delegation Agreement, NYSE Market (DE)’s delegated market responsibilities would once again be performed by the Exchange. In a corporate structure such as the one the Exchange is proposing, where there is not a complete structural separation of the Exchange’s regulatory and market functions, a CRO reporting to an independent ROC adds a “significant degree of independence” that should “insulate” regulatory activity from economic pressures and potential conflicts of interest.²⁴

In light of the foregoing, the Exchange believes it appropriate to terminate the Delegation Agreement and delete Rule 20.

The Exchange proposes to make certain conforming amendments to its Rules to reflect the termination of Delegation Agreement and the re-integration of its regulatory operations. In particular, the Exchange proposes to make the following conforming amendments:

- The Exchange proposes to amend Section 4.05 of the Operating Agreement to remove references to “NYSE Regulation, Inc.” and replace one reference with “the Exchange’s regulatory staff”. The Exchange also proposes to delete the references to NYSE Regulation “assets” to reflect the proposed reintegration of the regulatory function. The crux of the provision would continue to require the Exchange to ensure that any fees, fines or penalties collected by Exchange regulatory staff would not be used for commercial purposes or distributed to NYSE Group, Inc. (which is the “Member” for purposes of the Operating Agreement) or any other entity. The proposed revision does not in any way alter previous commitments with respect to the use of fine income;²⁵

¹⁸ As discussed below, the Exchange also proposes additional amendments to Rule 497 arising out of the termination of the Delegation Agreement.

¹⁹ See Rule 20(a). Rule 20(b) requires that NYSE Market (DE) establish a Market Performance Committee and that NYSE Regulation establish a Regulatory Advisory Committee, each to include persons associated with member organizations and representatives of both those member organizations doing business on the Floor of the Exchange and those who do not do business on the Floor. As discussed below, the Exchange does not propose to retain these committees. Rather, the Exchange proposes that the Committee for Review, which would include persons associated with member organizations and representatives of both those member organizations doing business on the Floor of the Exchange and those who do not do business on the Floor, assume their advisory capacity. See note 44, *infra*, and accompanying text.

²⁰ The merger had the effect of “demutualizing” NYSE, Inc., by separating equity ownership from trading privileges, and converting it to a for-profit entity. See Securities Exchange Act Release No. 53382, 71 FR 11251, 11254 (February 27, 2006) (SR-NYSE-2005-77) (“Arca Merger Approval Order”). In the resulting re-organization, the Exchange became a wholly-owned subsidiary of NYSE Group Inc., and succeeded to NYSE, Inc.’s registration as a national securities exchange under the Exchange Act. See *id.*, at 11255. NYSE, Inc.’s pre-merger liabilities related to its regulatory functions were transferred to NYSE Regulation. See *id.*

²¹ See Arca Merger Approval Order, 71 FR at 11264 (the Exchange retains “ultimate responsibility for the fulfillment of its statutory and self-regulatory obligations under the Act”). The functions the Exchange delegated to NYSE Market (DE) included, among other things, operating the NYSE marketplace, including the automated systems supporting it; providing and maintaining a communications network infrastructure linking market participants for the efficient process and handling of quotations, orders, transaction reports and comparisons of transactions; acting as a Securities Information Processor for quotations and transaction information related to securities traded on NYSE and other trading facilities operated by NYSE Market (DE); administering the Exchange’s participation in National Market System Plans; and collecting, processing, consolidating and providing to NYSE Regulation accurate information requisite to operation of the surveillance audit trail. See generally Exhibit 5C.

²² See Release No. 34–48946, 68 FR at 74687.

²³ See *id.* The Exchange notes that the BOX Options Exchange’s CRO reports to both the ROC and the President of the Exchange. See Release No. 34–66871 (April 27, 2012), 77 FR 26323, 26330 (May 3, 2012) (File No. 10–206) (citing BOX Exchange Bylaws Section 7.01). NASDAQ’s CRO reports solely to the Chief Executive Officer of NASDAQ. See NASDAQ Approval Order, 71 FR at 3555 (citing NASDAQ Bylaws, Article IV, Section 7).

²⁴ Release No. 34–48946, 68 FR at 74687.

²⁵ See Securities Exchange Act Release No. 55216 (January 31, 2007), 72 FR 5779 (February 7, 2007) (NYSE–2006–109) (approving internal procedures to assure proper exercise of power to fine Exchange member organizations and proper use of fine income). In particular, the Exchange reiterates

- The Exchange proposes to amend Rule 0 (Definitions of Terms), which describes the regulatory services agreement between the NYSE and FINRA, to remove references to “NYSE Regulation, Inc., NYSE Regulation staff or departments”, retaining the existing reference in Rule 0 to Exchange staff, which reference would encompass the Exchange’s regulatory staff;

- The Exchange proposes to amend Rule 1, which defines the term the “Exchange”, to replace references to “officer of NYSE” and “employee of NYSE” with “Exchange officer” and “Exchange employee”, respectively;

- The Exchange proposes to amend Rule 22 (Disqualification Because of Personal Interest), which disqualifies member [sic] of certain Exchange boards and committees from considering a matter if there are certain types of indebtedness between the board or committee member and a member organization’s affiliate or other related parties, to remove references to “NYSE Market” and “NYSE Regulation” board of directors;

- The Exchange proposes to amend Supplementary Material .30 of Rule 36 (Communications Between Exchange and Members’ Offices), which governs communications between the Exchange and member offices and requires records to “be maintained in a format prescribed NYSE Regulation” (sic) to remove the reference to “NYSE Regulation” and replace it with “the Exchange”. The Exchange also proposes to correct the typographical error and add the word “by” before “the Exchange”.

- The Exchange proposes to amend Rule 37 (Visitors), governing admittance of visitors to the Exchange trading Floor, to remove the reference to “an Officer of NYSE Market or NYSE Regulation”;²⁶

- The Exchange proposes to amend Rule 46 (Floor Officials—Appointment) to replace the reference to “employees of NYSE Regulation, Inc.” with a reference to the “Exchange’s regulatory employees”;

- The Exchange proposes to amend Rule 48 (Exemptive Relief—Extreme Market Volatility Condition), which sets forth the procedures for invoking an extreme market volatility condition, to

replace the reference to “officers of NYSE Market and NYSE Regulation” with “Exchange regulatory and market operational employees that are officers of the Exchange”;

- The Exchange proposes to amend Rule 49 (Emergency Powers), which addresses the Exchange’s emergency powers, to replace “NYSE Regulation, Inc.” with “the Exchange” in the definition of “qualified Exchange officer”.

- The Exchange proposes to amend subpart (b) of Rule 54 (Dealings on Floor—Persons) to replace “NYSE Regulation, Inc. (“NYSER”)” with “the Exchange’s regulatory staff”. Rule 54(b) permits approval of appropriately registered and supervised booth staff of member organizations who are not “members” to process orders sent to the booth in the same manner that a sales trader in an “upstairs office” is allowed to process orders.

- The Exchange proposes to amend subparts (1) & (7) of Supplementary Material .40 of Rule 70 (Execution of Floor Broker Interest), which provides that a member organization will be permitted to operate a booth premise similar to the member organization’s “upstairs” office, to replace “the Exchange’s regulatory staff” for “NYSE Regulation, Inc. (“NYSER”)”;

- The Exchange proposes to amend Rule 103 (Registration and Capital Requirements of Designated Market Makers (“DMM”) and DMM Units), which governs registration and capital requirements for DMMs, to replace “the Exchange” for NYSE Regulation”;

- The Exchange proposes to amend 103A (Member Education), which governs the continuing education requirement for members active on the Exchange trading Floor, to replace “NYSE Regulation, Inc. (“NYSER”)” and “NYSE Regulation, Inc.” with “the Exchange”;

- The Exchange proposes to amend 103B (Security Allocation and Reallocation), which governs the security allocation and reallocation process, to replace “staff of NYSE Regulation” with “Exchange regulatory staff in Policy Note (G);

- The Exchange proposes to amend 104 (Dealings and Responsibilities of DMMs), which describes DMM functions and responsibilities, to replace “NYSE Regulation’s Division of Market Surveillance” with “Exchange regulatory staff” in subdivision (k);

- The Exchange proposes to amend 422 (Loans of and to Directors, etc.), which prohibits unsecured loans between members of the board of directors or any committee of ICE, ICE Holdings, NYSE Holdings, the

Exchange, NYSE Market (DE), and NYSE Regulation or an officer or employee the foregoing without the prior consent of the NYSE Board, to remove references to “NYSE Market” and “NYSE Regulation”;²⁷

- The Exchange proposes to amend 476A (Imposition of Fines for Minor Violation(s) of Rules), which sets forth the Exchange’s Minor Rule Violation Plan, to replace the reference to “NYSE Regulation” with “Exchange regulatory staff” in subpart (d) identifying the parties that can contest a fine imposed under the Rule;²⁸ and

- The Exchange proposes to amend 497 (Additional Requirements for Listed Securities Issued by Intercontinental Exchange, Inc. or its Affiliates), which imposes certain pre-listing approvals and post-listing monitoring requirements on Affiliated Securities (as defined therein) listed on the Exchange, to remove the definition of NYSE Market in Rule 497(a)(4) and the definition of NYSE Regulation in Rule 497(a)(5) and replace references to each with “the Exchange’s regulatory staff” or “regulatory staff”.

Deletion of NYSE Regulation and NYSE Market (DE) Constituent Documents

With the termination of the Delegation Agreement, NYSE Regulation and NYSE Market (DE) would no longer be performing the Exchange’s regulatory and market functions, respectively. The Exchange believes that the previously filed constituent documents of NYSE Regulation and NYSE Market (DE) would therefore no longer constitute “rules of the exchange” under Section 3(a)(27) of the Exchange Act.²⁹ Accordingly, along with the Delegation Agreement itself, the Exchange proposes to remove the following NYSE Regulation and NYSE Market (DE) constituent documents as rules of the Exchange upon termination of the Delegation Agreement:

- Restated Certificate of Incorporation of NYSE Regulation, Inc. See Exhibit 5D.³⁰

²⁷ In addition, in order to conform references to the Exchange in Rule 422 to other references, “Exchange LLC” would be replaced with “the Exchange”.

²⁸ Rule 476A is a legacy rule that only applies to proceedings for which a written notice was issued under the Rule prior to July 1, 2013. In 2013, the NYSE adopted aspects of FINRA’s process and fine levels for minor rule violations but retained the specific list of rules set forth in Rule 476A and now found in Rule 9217. See Securities Exchange Act Release Nos. 68678 (Jan. 16, 2013), 78 FR 5213 (Jan. 24, 2013) and 69045 (Mar. 5, 2013), 78 FR 15394 (Mar. 11, 2013) (SR–NYSE–2013–02).

²⁹ 15 U.S.C. 78c(a)(27).

³⁰ The Commission notes that Exhibit 5D is attached to the filing, not to this Notice.

previous commitments that fines would play no role in the annual regulatory operating budget process and that the use of fine income by Exchange regulatory staff would be subject to review and approval by the proposed ROC. See Securities Exchange Act Release No. 55003 (December 22, 2006), 71 FR 78497, 78498 (December 29, 2006) (NYSE–2006–109).

²⁶ NYSE Market (DE) was formerly known as “NYSE Market, Inc.” Accordingly, references to “NYSE Market” in the Exchange Rules and Operating Agreement are references to NYSE Market (DE).

- Seventh Amended and Restated Bylaws of NYSE Regulation, Inc. *See* Exhibit 5E.³¹

- Third Amended and Restated Certificate of Incorporation of NYSE Market (DE), Inc. *See* Exhibit 5F.³²

- Fourth Amended and Restated Bylaws of NYSE Market (DE), Inc. *See* Exhibit 5G.³³

- Independence Policy of NYSE Market (DE), Inc. *See* Exhibit 5H.³⁴

- Independence Policy of NYSE Regulation, Inc. *See* Exhibit 5I.³⁵

Amendment of Operating Agreement To Create DCRC and Change Process for Naming Non-Affiliated Director Candidates

Currently, Section 2.03(a)(iii) of the Operating Agreement provides that Non-Affiliated Director Candidates (also known as Fair Representation directors) are nominated by the nominating and governance committee of the ICE board of directors, which must designate as Non-Affiliated Director Candidates the candidates recommended jointly by the NYSE Market (DE) DCRC and NYSE Regulation DCRC. Section 2.03(a)(iv) describes the process whereby member organizations can nominate alternate candidates to those selected by the NYSE Market (DE) and NYSE Regulation DCRCs.

The Exchange proposes to establish a DCRC as a committee of the Board by adding a new section (h)(i) to Section 2.03 of the Operating Agreement and making conforming changes to Section 2.03(a)(iii) and Section 2.03(a)(iv) to substitute the new proposed DCRC for the NYSE Market (DE) DCRC and NYSE Regulation DCRC in the process for nominating Non-Affiliated Director Candidates. The Exchange believes that once the Delegation Agreement is terminated neither the NYSE Market (DE) DCRC nor the NYSE Regulation DCRC should have a role in process for nominating Non-Affiliated Director Candidates, as they will no longer be delegated regulatory and market responsibilities.

Proposed Section 2.03(h)(i) of the Operating Agreement would provide that the Board would appoint the NYSE DCRC on an annual basis and that the NYSE DCRC would be responsible for recommending Non-Affiliated Director

Candidates to the ICE NGC.³⁶ Proposed Section 2.03(h)(i) would also set out the requirements for the composition of the NYSE DCRC.³⁷ Specifically, as proposed the DCRC would include individuals that are associated with a member organization and:

- Engage in a business involving substantial direct contact with securities customers;
- are registered as a DMM and spend a substantial part of their time on the trading floor; and
- spend a majority of their time on the trading floor of the Exchange and have as a substantial part of their business the execution of transactions on the trading floor of the Exchange for other than their own account or the account of his or her Member Organization, but are not registered as a DMM.

The proposed DCRC would include at least one individual from each of these categories.

Proposed Section 2.03(h)(i) would also provide that the Board would appoint such individuals after appropriate consultation with representatives of member organizations.

Finally, references to the “NYSE Market DCRC” and “NYSE Regulation DCRC” in Section 2.03(a)(iii) and Section 2.03(a)(iv) would be replaced by “NYSE DCRC.”

The Exchange believes that the proposed rule change is consistent with the approach approved for its affiliate NYSE MKT, whose Operating Agreement providing for a DCRC was the model for the NYSE proposal.³⁸ The

³⁶ The Commission notes that “ICE NGC” is defined as “the nominating and governance committee of the board of directors of ICE” in Section 2.03(a)(iii) of the Exchange’s Operating Agreement.

³⁷ The proposed requirements are substantially similar to those of the NYSE MKT, NYSE Regulation and NYSE Market (DE) DCRCs. *See* Seventh Amended and Restated Bylaws of NYSE Regulation, Inc., Article III, Section 5; Fourth Amended and Restated Bylaws of NYSE Market (DE), Inc., Article III, Section 5, and Sixth Amended and Restated Operating Agreement of NYSE MKT LLC, Section 2.03(h). However, NYSE MKT has a fourth category of requirements: Individuals that are associated with a member organization and spend a majority of their time on the trading floor of the Exchange and have as a substantial part of their business the execution of transactions on the trading floor of the Exchange for their own account or the account of his or her Member Organization, but are not registered as specialists. Because neither the NYSE Market (DE) DCRC nor the NYSE Regulation DCRC, which the NYSE DCRC is replacing, has this fourth category, the Exchange does not propose to include it in the revised Operating Agreement.

³⁸ *See* Securities Exchange Act Release No. 58673, 73 FR 57707, 57713 (September 29, 2008) (SR-Amex-2008-62) (“Release No. 34-58673”). In addition, neither NYSE Regulation nor NYSE Market (DE) participates in the NYSE Arca process

proposed rule change would also have the benefit of harmonizing the Exchange’s process for selecting Non-Affiliated Director Candidates with its NYSE MKT affiliate. Finally, the proposed rule change would allow the SRO board to have a more direct role in the appointments of Non-Affiliated Director Candidates while respecting the fair representation requirement of Section 6(b)(3) of the Exchange Act,³⁹ which is intended to give members a voice in the selection of an exchange’s directors and the administration of its affairs. In particular, as is the case with the NYSE Regulation DCRC and NYSE Market (DE) DCRC, the proposed DCRC would be composed of persons associated with Exchange member organizations and selected after appropriate consultation with those member organizations. As is the case now, the proposed Operating Agreement would include a process by which members can directly petition and vote for representation on the Exchange Board. The proposal would therefore continue to allow members to have a voice in the Exchange’s “use of its self-regulatory authority” consistent with Section 6(b)(3) of the Exchange Act.⁴⁰

Amend Operating Agreement To Establish Committee for Review as a Sub-Committee of the ROC

The Exchange proposes to establish a Committee for Review (“CFR”) as a sub-committee of the ROC by adding a new section (h)(iii) to Section 2.03 of the Operating Agreement and making conforming changes to Rules 308, 475, 476, 476A, and 9310. The proposed CFR would be the successor to current CFR, which is a committee of the NYSE Regulation board of directors. Proposed Section 2.03(h)(iii) of the Operating Agreement would accordingly incorporate the salient requirements of the current CFR as set forth in Article III, Section 5 of the NYSE Regulation Bylaws.⁴¹

Section 2.03(h)(iii) of the Operating Agreement would provide that the Board shall annually appoint a CFR as a sub-committee of the ROC. As is currently the case, proposed Section 2.03(h)(iii) would provide that the CFR would be comprised of both Exchange directors that satisfy the independence requirements⁴² as well as persons who

whereby permit holders nominate directors of NYSE Arca. *See* NYSE Arca Rule 3.2(b)(2).

³⁹ *See* 15 U.S.C. 78f(b)(3).

⁴⁰ *See* Release No. 34-58673, 73 FR at 57713.

⁴¹ *See* Arca Merger Approval Order, 71 FR at 11259 & 11266.

⁴² *See* note 9 *supra*. Because the majority of the Exchange Board must be independent and any Non-Affiliated Director must be independent, as a

³¹ The Commission notes that Exhibit 5E is attached to the filing, not to this Notice.

³² The Commission notes that Exhibit 5F is attached to the filing, not to this Notice.

³³ The Commission notes that Exhibit 5G is attached to the filing, not to this Notice.

³⁴ The Commission notes that Exhibit 5H is attached to the filing, not to this Notice.

³⁵ The Commission notes that Exhibit 5I is attached to the filing, not to this Notice.

are not directors. Like the current CFR, the Exchange also proposes that a majority of the members of the CFR voting on a matter subject to a vote of the CFR must be directors of the Exchange.

Further, proposed Section 2.03(h)(iii) would provide that among the persons on the CFR who are not directors would be included representatives of member organizations that engage in a business involving substantial direct contact with securities customers (upstairs firms), DMMS, and floor brokers. Once again, this is the way the current CFR is structured.⁴³

Like the current CFR, proposed Section 2.03(h)(iii) would provide that the CFR would be responsible for reviewing the disciplinary decisions on behalf of the Board and reviewing determinations to limit or prohibit the continued listing of an issuer's securities on the Exchange.⁴⁴

As noted above, the Exchange does not propose to retain a Market Performance Committee or a Regulatory Advisory Committee to act in an advisory capacity regarding trading rules and disciplinary matters and regulatory rules other than trading rules, respectively. Historically, these advisory committees have been composed of persons associated with member organizations and representatives of both those member organizations doing business on the Exchange's trading floor and those who do not do business on the Floor.

The Exchange notes that the same categories of members would be represented on the proposed CFR, whose mandate as set forth in proposed Section 2.03(h)(iii) would include acting in an advisory capacity to the Board with respect to disciplinary matters, the listing and delisting of securities,

regulatory programs, rulemaking and regulatory rules, including trading rules. The proposed CFR would therefore serve in the same advisory capacity as the Market Performance and Regulatory Advisory Committees. The Exchange accordingly believes that retaining the Market Performance Committee or Regulatory Advisory Committee would be redundant and unnecessary.

Moreover, the Exchange believes that member participation on the proposed CFR would be sufficient to provide for the fair representation of members in the administration of the affairs of the Exchange, including rulemaking and the disciplinary process, consistent with Section 6(b)(3) of the Exchange Act.⁴⁵

Finally, the Exchange proposes to make conforming amendments to Rules 308, 475, 476, 476A and 9310 to replace references to the current NYSE Regulation CFR with references to the "Committee for Review".

The Exchange believes that the proposed rule change is consistent with the approach approved for the current CFR which, as noted, was the model for the current proposal.⁴⁶ The proposed rule change is also consistent with the fair representation requirement of Section 6(b)(3) of the Exchange Act,⁴⁷ which is intended to give members a voice in the selection of an exchange's directors and the administration of its affairs. In particular, as is the case with the current CFR, the proposed CFR would be composed of persons associated with Exchange members and selected after appropriate consultation with those members. The proposal would therefore continue to provide for the fair representation of members in the "administration of the affairs of the exchange", including the disciplinary process, consistent with Section 6(b)(3) of the Exchange Act.⁴⁸

Amendments to Rules 48, 49, 86 and 9310

The Exchange also proposes to amend Rule 48 (Exemptive Relief—Extreme Market Volatility Condition), Rule 49 (Emergency Powers) and Rule 86 (NYSE BondsSM) to replace references to the Chief Executive Officer of NYSE Regulation with references to the CRO of the Exchange.

Rule 48 currently provides that, for purposes of the rule,⁴⁹ a "qualified

Exchange officer" means the Chief Executive Officer of ICE, or his or her designee, or the Chief Executive Officer of NYSE Regulation, Inc., or his or her designee. Rule 86 currently provides that Clearly Erroneous Execution panels in connection with trades on NYSE MKT Bonds⁵⁰ be comprised of the Chief Executive Officer of NYSE Regulation or a designee and representatives from two members or member organizations that are users of NYSE Bonds. Finally, Rule 49 addresses the Exchange's emergency powers and defines the term "qualified Exchange officer" as, *inter alia*, the "NYSE Regulation, Inc. Chief Executive Officer" or his or her designee.

"Chief Executive Officer" of NYSE Regulation is used in these four rules but CRO is used throughout the Exchange's rules to designate the same person.⁵¹ In particular, CRO is used in Rule 128 (Clearly Erroneous Executions for NYSE Equities) to designate the individual who can participate or designate participants on a CEE panel. CRO is also used to identify the participant in various panels adjudicating Exchange decisions affecting member organizations, including panels convoked under Rule 13 (Orders and Modifiers) for member organizations to dispute an Exchange decision to disqualify it from submitting "retail" orders; Rule 88 (Bonds Liquidity Providers) for member organizations to dispute an Exchange decision to disapprove or disqualify it as a Bonds Liquidity Provider; Rule 107B (Supplemental Liquidity Providers) for member organizations to dispute a determination by the Supplemental Liquidity Provider Liaison Committee to impose a non-regulatory penalty under the Rule; and Rule 107C (Retail Liquidity Program) for member organizations to dispute an Exchange decision to disapprove or disqualify it from the participating in the Retail Liquidity Program.

Accordingly, the Exchange proposes to replace references to "Chief Executive Officer" of NYSE Regulation in Rules 48, 49 and 86 with either the term

of securities) during which time the Exchange can suspend NYSE Rules 15, 79A.30, and 123D(1) regarding obtaining certain prior Floor Official approvals and requirements for mandatory indications.

⁵⁰ NYSE Bonds is the Exchange's electronic bond trading platform. Rule 86 prescribes what bonds are eligible to trade on the NYSE Bonds platform and how bonds are traded on the platform, including the receipt, execution and reporting of bond transactions.

⁵¹ See, e.g., Rules 1, 13, 88, 107B, 107C, 128, 9120, 9216, 9270, 9522, 9523, 9610, 9810, 9524, 9556, 9557, 9558, 9559, and 9860.

functional matter if the Exchange has a five person Board, four of the five directors would qualify for CFR membership. See Operating Agreement Article II, Section 2.03(a).

⁴³ See *id.*

⁴⁴ See Arca Merger Approval Order, 71 FR at 11259 & 11266. Currently, these powers are set forth in the charter of the NYSE Regulation CFR, which also states that the CFR can provide general advice to the NYSE Regulation board of directors of in connection with disciplinary, listing and other regulatory matters. The Exchange proposes to delineate the appellate and advisory powers of the proposed CFR in Section 2.03(h)(iii) of the Operating Agreement. Further, as discussed below, the Exchange proposes to conform Rules 308, 475, 476, 476A and 9310 governing review of disciplinary appeals to the proposal. Appeals of delisting determinations are governed by Rule 8.04 of the NYSE Listed Company Manual, which provides that delisting determinations are to be reviewed by a "Committee of the Board of Directors of the Exchange". The Exchange does not propose to amend Rule 8.04 because the proposed CFR would be the referenced committee of the Board.

⁴⁵ See 15 U.S.C. 78f(b)(3).

⁴⁶ See Arca Merger Approval Order, 71 FR at 11259 & note 41, *supra*.

⁴⁷ See 15 U.S.C. 78f(b)(3).

⁴⁸ See Arca Merger Approval Order, 71 FR at 11260.

⁴⁹ Rule 48 provides that the Exchange can invoke an extreme market volatility condition at the open (or reopen of trading following a market-wide halt

“Chief Regulatory Officer” or “CRO”, as appropriate.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act⁵² in general, and with Section 6(b)(1)⁵³ in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Exchange Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Exchange Act, the rules and regulations thereunder, and the rules of the Exchange.

The proposed change would create an independent board committee to oversee the adequacy and effectiveness of the performance of the Exchange’s self-regulatory responsibilities. The proposed ROC, similar in composition and functions to the approved ROCs of other SROs, would be designed to oversee the Exchange’s regulatory and self-regulatory organization responsibilities and evaluate the adequacy and effectiveness of the Exchange’s regulatory and self-regulatory organization responsibilities; assess the Exchange’s regulatory performance; and advise and make recommendations to the Board or other committees of the Board about the Exchange’s regulatory compliance effectiveness and plans. Accordingly, the Exchange believes that the proposed rule change would contribute to the orderly operation of the Exchange and would enable the Exchange to be so organized as to have the capacity to carry out the purposes of the Exchange Act and comply and enforce compliance by its members and persons associated with its members, with the provisions of the Exchange Act. The Exchange therefore believes that approval of the amendments to the Operating Agreement is consistent with Section 6(b)(1).

The proposal to terminate the Delegation Agreement would allow the Exchange to re-integrate its regulatory and market functions with an independent ROC to undertake the oversight of the Exchange’s regulatory responsibilities. The Exchange believes that this proposed structure would adequately ensure sufficient independence in the regulatory process and would have the additional benefit of aligning the Exchange’s corporate governance practices with its industry peers. The Exchange therefore believes

that termination of the Delegation Agreement and deletion of Rule 20, which sets forth the terms of the Exchange’s delegation to its subsidiaries, is consistent with Section 6(b)(1). For the same reasons, the proposal to remove from the Exchange rules certain organizational documents of NYSE Regulation and NYSE Market (DE) in connection with the proposed termination of the Delegation Agreement is also consistent with Section 6(b)(1).

Further, the proposal to create a DCRC that would also be similar in composition and functions to the DCRC of the Exchange’s affiliate NYSE MKT would bring the Exchange’s process for nominating Non-Affiliated Director Candidates into greater conformity with the process of its affiliate and give the Exchange a more direct role in the appointments of Non-Affiliated Director Candidates. Accordingly, the Exchange believes the proposed creation of a DCRC is consistent with the fair representation requirement of Section 6(b)(3) of the Exchange Act,⁵⁴ which is intended to give members a voice in the selection of an exchange’s directors and the administration of its affairs.

Similarly, the proposal to establish a CFR as a sub-committee of the ROC, which, among other things, is charged with hearing appeals of disciplinary determinations, complies with the Exchange Act’s requirement to provide for a fair procedure for the disciplining of member and persons associated with members. The proposed ROC [sic] would be composed of both Exchange directors that satisfy the independence requirements (*i.e.*, any Exchange director, other than the chief executive officer) as well as persons who are not directors; the Exchange proposes that a majority of the members of the CFR voting on a matter subject to a vote of the CFR, however, must be directors of the Exchange. Further, the proposed CFR would include among the members who are not directors representatives of member organizations that engage in a business involving substantial direct contact with securities customers (upstairs firms), DMMS, and floor brokers. Accordingly, the Exchange believes the proposed creation of a ROC [sic] is consistent with Section 6(b)(7) of the Exchange Act,⁵⁵ which, among other things, requires that the rules of a national securities exchange provide a fair procedure for the disciplining of members and persons associated with members.

The Exchange also believes that this filing furthers the objectives of Section 6(b)(5) of the Exchange Act⁵⁶ because the proposed rule change would be consistent with and facilitate a governance and regulatory structure that is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. As discussed above, the Exchange believes that the proposed creation of the ROC would align the Exchange’s corporate governance practices with other SROs that have adopted a ROC to monitor the adequacy and effectiveness of the regulatory program, assess regulatory performance, and assist the board of directors in reviewing the regulatory plan and the overall effectiveness of the regulatory function. The Exchange believes that an independent ROC would ensure the integrity and independence of the regulatory process and would protect investors and the public interest. For the same reasons, the proposed termination of the Delegation Agreement and deletion of Rule 20 following creation of the proposed ROC would be consistent with Section 6(b)(5) of the Exchange Act.

Deletion of certain organizational documents of NYSE Regulation and NYSE Market (DE) from Exchange rules removes impediments to and perfects a national market system because it would reduce potential confusion that may result from having these documents remain Exchange rules following the proposed termination of the Delegation Agreement when NYSE Regulation and NYSE Market (DE) would no longer be performing the Exchange’s regulatory and market functions, respectively.

Similarly, the Exchange believes that the proposed creation of a DCRC would carry forward the Exchange’s current governance structure and continue to satisfy the fair representation requirements, thereby furthering the objectives of Section 6(b)(5) of the Exchange Act. The Exchange believes that the proposed rule change is therefore consistent with and facilitates a governance and regulatory structure that furthers the objectives of Section 6(b)(5) of the Exchange Act.

⁵² 15 U.S.C. 78f(b).

⁵³ 15 U.S.C. 78f(b)(1).

⁵⁴ See 15 U.S.C. 78f(b)(3).

⁵⁵ See 15 U.S.C. 78f(b)(7).

⁵⁶ 15 U.S.C. 78f(b)(5).

The Exchange also believes that having the CFR serve in the advisory capacity of the Market Performance Committee and Regulatory Advisory Committee is consistent with and facilitates a governance and regulatory structure that furthers the objectives of Section 6(b)(5) of the Exchange Act. The Exchange believes that member participation on the proposed CFR would be sufficient to provide for the fair representation of members in the administration of the affairs of the Exchange, including rulemaking and the disciplinary process, consistent with Section 6(b)(3) of the Exchange Act.

The Exchange believes that eliminating references to “Chief Executive Officer” of NYSE Regulation in Rules 48, 49 and 86 and replacing them with CRO, which is used throughout the Exchange’s rules, removes impediments to and perfects a national market system because it would reduce potential confusion that may result from retaining different designations for the same individual in the Exchange’s rulebook. Removing potentially confusing conflicting designations would also further the goal of transparency and add consistency to the Exchange’s rules.

Finally, making conforming amendments to Rules 0, 1, 22, 36, 37, 46, 46A, 48, 49, 54, 70, 103, 103A, 103B, 104, 308, 422, 475, 476, 476A, 497 and 9310 in connection with creation of the proposed ROC and the CFR subcommittee and termination of the Delegation Agreement removes impediments to and perfects the mechanism of a free and open market by removing confusion that may result from having obsolete references in the Exchange’s rulebook. The Exchange further believes that the proposal removes impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange’s jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange’s rulebook. The Exchange believes that eliminating obsolete references would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased transparency, thereby reducing potential confusion. Removing such obsolete references will also further the goal of transparency and add clarity to the Exchange’s rules.

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 Exchange Act. The proposed rule change is not intended to address competitive issues but rather is concerned solely with the administration and functioning of the Exchange’s board of directors.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or 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 the 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–NYSE–2015–27 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–NYSE–2015–27. 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 will also be available for inspection and copying at the NYSE’s principal office and on its Internet Web site at www.nyse.com. 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–2015–27 and should be submitted on or before June 21, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁵⁷

Robert W. Errett,
Deputy Secretary.

[FR Doc. 2015–15984 Filed 6–29–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75290; File No. SR–OCC–2014–810]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of No Objection to an Advance Notice Concerning Modifications To Backtesting Procedures in Order To Enhance Monitoring of Margin Coverage and Model Risk Exposure

June 24, 2015.

On November 13, 2014, The Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) advance notice SR–OCC–2014–810 (“Advance Notice”) pursuant to Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 (“Payment, Clearing and Settlement Supervision Act”) ¹ and Rule 19b–4(n)(1)(i) under

⁵⁷ 17 CFR 200.30–3(a)(12).

¹ 12 U.S.C. 5465(e)(1). The Financial Stability Oversight Council designated OCC a systemically important financial market utility on July 18, 2012. See Financial Stability Oversight Council 2012 Annual Report, Appendix A, <http://www.treasury.gov/initiatives/fsoc/Documents/2012%20Annual%20Report.pdf>. Therefore, OCC is