

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66108; File No. SR-NYSE-2011-71]

### Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending its Price List to (1) Adopting a Trading License Fee for Calendar Year 2012 and (2) Eliminating the NYSE E-Broker® Hand Held Device Fee and the NYSE E-Broker® Hand Held Device—Opening and Closing Order Imbalances Only (Together the “Hand Held Device Fees”), the Fee for Approval of a Pre-Qualified Substitute, and the Badge Maintenance Fee

January 5, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on December 30, 2011, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (“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 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 its Price List to (1) adopt a trading license fee for calendar year 2012 and (2) eliminate the NYSE e-Broker® Hand Held Device fee and the NYSE e-Broker® Hand Held Device—Opening and Closing Order Imbalances Only (together the “Hand Held Device fees”), the fee for approval of a pre-qualified substitute, and the badge maintenance fee. The text of the proposed rule change is available at the Exchange’s principal office, at [www.nyse.com](http://www.nyse.com), at the Commission’s Public Reference Room, and at the Commission’s Web site at [www.sec.gov](http://www.sec.gov).

#### 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 its Price List to (1) adopt a trading license fee for calendar year 2012 and (2) eliminate the Hand Held Device fees, the fee for approval of a pre-qualified substitute, and the badge maintenance fee.

NYSE Rule 300(b) provides that, in each annual offering, up to 1366 trading licenses for the following calendar year will be sold annually at a price per trading license to be established each year by the Exchange pursuant to a rule filing submitted to the Commission and that the price per trading license will be published each year in the Exchange’s price list. The Exchange proposes to leave the current trading license fees in place for 2012: \$40,000 for the first two licenses held by a member organization, and \$25,000 for each additional license. Fees will continue to be prorated for any portion of the year that a license may be outstanding.

The Exchange proposes to eliminate the \$5,000 per year fee for NYSE e-Broker® Hand Held Devices, the \$250 per month fee for NYSE e-Broker® Hand Held Device—Opening and Closing Order Imbalances Only, the \$1,000 per year fee for approval of a pre-qualified substitute, and the \$250 per year badge maintenance fee because it believes the transaction fees and the annual fee adequately cover any costs related to such approval and maintenance.

The Exchange proposes to make the rule change operative on January 1, 2012.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”),<sup>3</sup> in general, and Section 6(b)(4) of the Act,<sup>4</sup> in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Exchange believes that the proposal constitutes an equitable allocation of fees, as all similarly

situated member organizations will be subject to the same fee structure and access to the Exchange’s market is offered on fair and non-discriminatory terms. The Exchange also believes that the trading license is reasonable because it is the same as it was for last year.<sup>5</sup> The elimination of the Hand Held Device fees, the fee for approval of a pre-qualified substitute, and the badge maintenance fee is reasonable because the fees are not currently a significant source of revenue and the Exchange can instead cover any related costs via transaction fees and the annual trading license fee.

##### 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.

##### 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>6</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>7</sup> thereunder, because it establishes a due, fee, or other charge imposed by the NYSE.

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.

#### 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:

<sup>5</sup> See Securities Exchange Act Release No. 64582 (June 2, 2011), 76 FR 33390 (June 8, 2011) (SR-NYSE-2011-23).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

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

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

<sup>3</sup> 15 U.S.C. 78f(b).

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

*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-2011-71 on the subject line.

*Paper Comments*

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2011-71. 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 a.m. and 3 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-2011-71 and should be submitted on or before February 1, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

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

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-66106; File No. SR-NYSE-2011-73]

**Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change by New York Stock Exchange LLC To Amend the Schedule of Rebates Paid to Supplemental Liquidity Providers for Providing Liquidity**

January 5, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that, on December 30, 2011, New York Stock Exchange LLC ("NYSE" or the "Exchange") filed with the Securities and Exchange Commission ("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 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 its Price List to revise its schedule of rebates paid to Supplemental Liquidity Providers ("SLPs") for providing liquidity on the Exchange. The text of the proposed rule change is available at the Exchange's principal office, at [www.nyse.com](http://www.nyse.com), at the Commission's Public Reference Room, and at the Commission's Web site at [www.sec.gov](http://www.sec.gov).

**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 its Price List to revise its schedule of rebates paid to SLPs for providing liquidity on the Exchange.

Currently, under a tiered structure of credits, a SLP that meets the 10% average or more quoting requirement pursuant to NYSE Rule 107B in an assigned security with a per share stock price of \$1.00 or more receives a credit per share per transaction for adding liquidity in the applicable month as follows:<sup>3</sup>

- \$0.0020 credit per share per transaction if the SLP adds liquidity of an average daily volume of more than 10 million shares but not more than the greater of 15 million shares or 0.50% of consolidated average daily volume ("ADV")<sup>4</sup> in NYSE listed securities for all assigned SLP securities; and

- \$0.0021 credit per share per transaction if the SLP adds liquidity of the greater of (a) an ADV of more than 15 million shares but not more than 35 million shares or (b) more than 0.50% but not more than 1.25% of consolidated ADV in NYSE listed securities for all assigned SLP securities; and

- \$0.0022 credit per share per transaction if the SLP adds liquidity of the greater of (a) an ADV of more than 35 million shares or (b) more than 1.25% of consolidated ADV in NYSE listed securities for all assigned SLP securities.

For example, under current procedures, if a SLP is assigned three securities and meets the 10% quoting requirement pursuant to NYSE Rule 107B for each assigned security, the SLP must add liquidity of at least 10 million shares ADV for all three assigned securities in the aggregate to receive a rebate per share of \$0.0020. To receive a rebate of \$0.0021 per share, the SLP must add liquidity of at least 15 million shares ADV for all three assigned securities in the aggregate, or the ADV for added liquidity of the three assigned securities must be at least 0.50% of the consolidated Tape A ADV, whichever is greater. Thus, if consolidated Tape A ADV is 4 billion shares, then the SLP's added liquidity for the three assigned

<sup>3</sup> See Securities Exchange Act Release No. 65062 (August 9, 2011), 76 FR 50529 (August 15, 2011) (SR-NYSE-2011-39).

<sup>4</sup> Consolidated ADV is equal to the volume reported by all exchanges and trade reporting facilities to the Consolidated Tape Association ("CTA") Plan for Tape A (i.e., NYSE listed) securities.

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

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

<sup>8</sup> 17 CFR 200.30-3(a)(12).