listed companies. By offering products and services on a complimentary basis and ensuring that it is offering the services most valued by its listed issuers, the Exchange will improve the quality of the services that listed companies receive. Because Tier B Companies are typically smaller organizations that pay lower listing fees to the Exchange than other categories of listed companies, the Exchange believes it is reasonable to keep the suite of complimentary products and services offered to Tier B Companies unchanged.

With respect to the addition of the two corporate governance packages, the Exchange believes that it is reasonable, equitable and not unfairly discriminatory to allow companies to choose whether they receive corporate governance products or one of the other complimentary products offered by the Exchange. With respect to the addition of the data room services and virtual investor relation tools, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to offer an additional product to all listed companies. The Exchange further notes that the proposed rule change is equitable and not unfairly discriminatory because the criteria for satisfying the tiers are the same for all similarly situated companies. Companies are not forced or required to utilize the complimentary products and services as a condition of listing. All companies will continue to receive some level of free services.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed change simply expands the universe of products and services offered to certain listed companies. While the value of complimentary products and services offered by the Exchange will increase marginally, such increased value will be offered to all listed companies without regard to size or status. Accordingly, the Exchange does not believe that the proposed change will impose any 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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date 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–2013–68 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–2013–68. 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–2013–68 and should be submitted on or before November 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[9]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–24637 Filed 10–21–13; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70654; File No. SR–Phlx–2013–76]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Order Granting Approval to Proposed Rule Change Relating to the Discontinuation of the Differentiation of Price Improvement XL Orders of Less Than 50 Contracts

October 10, 2013.

I. Introduction

On August 16, 2013, NASDAQ OMX PHLX LLC (the ''Exchange'' or ''Phlx'') filed with the Securities and Exchange Commission (''Commission'') pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to end the different treatment of orders of less than 50 contracts entered into Phlx's Price Improvement XL auction (''PIXL,'' ''PIXL Auction,'' or ''Auction''). The proposed rule change was published for comment in the **Federal Register** on August 27, 2013.[3] The Commission received no comments on the proposal. This order approves the proposed rule change.

II. Description of the Proposal

Phlx Rule 1080(n) provides a price improvement mechanism in which a member (an ''Initiating Member'') may electronically submit for execution an order it represents as agent on behalf of

9 17 CFR 200.30–3(a)(12).

1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b–4.

3 *See* Securities Exchange Act Release No. 70242 (August 21, 2013), 78 FR 52991 (August 27, 2013) (''Notice'').

a public customer, broker-dealer, or any other entity (the ''PIXL Order'') against principal interest or against any other order it represents as agent, provided that such Initiating Member submits the PIXL Order for electronic execution into the one-second long PIXL Auction. Phlx rules currently provide that if a PIXL Order [4] is a *public customer* order and is for *50 contracts or more,* the Initiating Member must stop the entire PIXL Order at a price that is equal to or better than the National Best Bid or Offer (''NBBO'') on the opposite side of the market from the PIXL Order, provided that such price must be at least one minimum price improvement increment (as determined by the Exchange but not smaller than one cent) better than any limit order on the limit order book on the same side of the market as the PIXL Order.[5] Phlx rules also provide that if the PIXL Order is for a *non-public customer* and is for *50 contracts or more,* the Initiating Member must stop the entire PIXL Order at a price that is the better of: (i) the PBBO price improved by at least one minimum price improvement increment on the same side of the market as the PIXL Order; or (ii) the PIXL Order's limit price (if the order is a limit order), provided in either case that such price is at or better than the NBBO.[6]

However, Phlx rules currently provide different treatment if the PIXL Order is for fewer than 50 contracts. Specifically, if the PIXL Order is a *public customer* order and is *less than 50 contracts,* the Initiating Member must stop the entire PIXL Order at a price that is the better of: (i) the PBBO price on the opposite side of the market from the PIXL Order, improved by at least one minimum price improvement increment; or (ii) the PIXL Order's limit price (if the order is a limit order), provided in either case that such price is at or better than the NBBO, and at least one price improvement increment better than any limit order on the book on the same side of the market as the PIXL Order.[7]

Phlx rules also provide that if the PIXL Order is for a *non-public customer* and is for *less than 50 contracts,* the Initiating Member must stop the entire PIXL Order at a price that is the better of: (i) the PBBO price improved by at least one minimum price improvement increment on the same side of the market as the PIXL Order; or (ii) the PIXL Order's limit price (if the order is a limit order), provided in either case that such price is at or better than the NBBO and at least one price improvement increment better than the PBBO on the opposite side of the market from the PIXL Order.[8]

The Exchange is proposing to discontinue the differentiation between PIXL Orders for less than 50 contracts and PIXL Orders for 50 contracts or greater.[9] As a result, all PIXL Orders, regardless of their size, will be treated the same as PIXL Orders that are 50 contracts or greater.[10] To initiate an Auction for public customer orders, the Initiating Member will be required to stop the entire PIXL Order at a price that is equal to or better than the NBBO on the opposite side of the market from the PIXL Order, provided that such price was at least one price improvement increment (no smaller than one cent) better than any limit order on the limit order book on the same side of the market as the PIXL Order. To initiate an Auction for non-public customer orders where the order is for the account of a broker-dealer or any other person or entity that is not a public customer, the Initiating Member will be required to stop the entire PIXL Order at a price that is the better of: (i) the PBBO price improved by at least one minimum price improvement increment on the same side of the market as the PIXL Order; or (ii) the PIXL Order's limit price (if the order is a limit order), provided that in either case that such price is at or better than the NBBO.

All public customers will continue to have priority at each price level in accordance with Phlx Rule 1080(n)(ii)(E).[11] Consistent with the current treatment of PIXL Orders of 50 contracts or greater in size, Phlx will consider resting quotes and orders for allocation at the end of the Auction with all prices that improve the stop price being considered first. At each given price point, Phlx will execute public customer interest in a price/time fashion such that all public customer interest that was resting on the order book is satisfied before any other interest that arrived after the Auction was initiated. After public customer interest at a given price point has been satisfied, remaining contracts will be allocated among all Exchange quotes, orders and Auction responses in accordance with the rules set forth in 1080(n)(ii)(E)(2) based on the manner in which the PIXL Order was submitted.

III. Discussion and Commission Findings

After carefully considering the proposal, 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 [12] and, in particular, the requirements of Section 6 of the Act.[13] Specifically, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act,[14] which requires, among other things, that the rules of a national securities exchange be designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

Under this proposal, a PIXL Order submitted to the PIXL Auction, regardless of its size, will be guaranteed an execution price of at least the NBBO and, moreover, will be given an opportunity to receive an execution at a price better than the NBBO. Public customer orders of fewer than 50 contracts will not, however, be guaranteed price improvement over the NBBO.

In the Notice, the Exchange explained that, when it first implemented PIXL, the differentiation provision ''was a means to ensure some level of price improvement for smaller orders.'' [15] Phlx now believes the differentiation provision ''is unnecessary and indeed is counterproductive to the [Exchange's] goal of treating all PIXL Orders equally regardless of PIXL Order size.'' [16] Phlx argued that, while the proposal removes the guarantee of price improvement for smaller initiating orders, it should benefit customers ''because it will encourage the entry of more orders into PIXL, thus it is more likely that such orders may receive price improvement.'' [17] Phlx asserted that its proposal is consistent with the

[4] Phlx Rule 1080(n)(1)(A)–(B) does not apply to Complex Orders. For Complex Orders, *see* Phlx Rule 1080(n)(i)(C).

[5] Phlx Rule 1080(n)(i)(A)(1).

[6] Phlx Rule 1080(n)(i)(B)(1)

[7] Phlx Rule 1080(n)(i)(A)(2)

[8] Phlx Rule 1080(n)(i)(B)(2).

[9] The Exchange is making conforming changes throughout subsection (n) of Rule 1080 to delete any rule text that differentiates PIXL procedures based on size.

[10] This proposal does not affect the pilot program established in Phlx Rule 1080(n)(vii) regarding no required minimum size for orders to be eligible for PIXL Auctions. The Exchange notes that it will continue periodically providing the pilot reports to the Commission through July 18, 2014, or as required pursuant to the subsection (n)(vii) pilot. *See* Notice, *supra* note 3, at 78 FR 52992, fn. 5.

[11] *See* Notice, *supra* note 3, at 78 FR 52992.

[12] In approving this proposed rule change the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[13] 15 U.S.C. 78f.

[14] 15 U.S.C. 78f(b)(5).

[15] Notice, *supra* note 3, at 78 FR 52992.

[16] *Id.*

[17] *Id.* at 52993.

Exchange Act because, among other things, Phlx "believes strongly that it should encourage such price discovery, and the removal of the [d]ifferentiation [p]rovision would help to achieve this and more generally, benefit investors by offering more opportunities for customers and non-customers to receive price improvement." [18] Thus, Phlx believes that removing the differentiation provision "will attract new order flow that might not currently be afforded any price improvement opportunity into PIXL." [19]

In further support of its proposal, Phlx noted that other exchanges, including the International Securities Exchange and the BOX Options Exchange, do not guarantee price improvement over the NBBO today, and that Phlx is at a competitive disadvantage in continuing the differentiation provision.[20] Phlx also cited to the BOX Options Exchange as having rules that do not differentiate price improvement opportunities based on the order size.[21]

While Phlx's proposal will eliminate the current guarantee of price improvement it provides to public customer orders of fewer than 50 contracts, the Commission notes that some other exchanges do not provide such benefit in their price improvement mechanisms.[22] Phlx asserts that removal of the differentiation provision may remove this competitive disadvantage and may increase the likelihood of members entering orders into PIXL, which can benefit such orders by exposing them for price improvement. For example, a member may only be willing to trade with a PIXL Order at the NBBO but not better than the NBBO. In that scenario, Phlx's proposal could remove the disincentive for such member to submit the order to a PIXL Auction, which ultimately could result in price improvement for the PIXL Order if a competitive responder to the Auction offers to trade with the PIXL Order at an improved price. The Commission therefore believes that, to the extent it may encourage greater submission of customer orders to the PIXL price improvement auction, Phlx's proposal is designed to promote just and equitable principles of trade and protect investors and the public interest.

The Commission notes that Phlx is not proposing to change any other provision of PIXL in this proposal. For example, orders entered into PIXL will continue to be exposed to all Phlx members before the initiating member can execute against the PIXL order. Further, Phlx is not proposing any changes to the fact that public customer orders are afforded priority at each price point in a PIXL Auction. Further, once an order is entered into PIXL, it may not be cancelled by the initiating member and thus is exposed for possible price improvement. In addition, the PIXL Order will still be guaranteed an execution price of at least the NBBO.

The Commission also notes that the proposal does not have any impact on the pilot program established in Phlx Rule 1080(n)(vii) regarding no required minimum size for orders to be eligible for the PIXL. Thus, the Commission and the Exchange will continue to have access to data that will help assess competition within the PIXL.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[23] that the proposed rule change (SR–Phlx–2013–76) be, and hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[24]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–24649 Filed 10–21–13; 8:45 am]

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[18] *Id.*

[19] *Id.* at 52992.

[20] *See id.* at 52993.

[21] *See id.* at 52992.

[22] *See, e.g.,* BOX Rule 7150 and ISE Rule 723.

[23] 15 U.S.C. 78s(b)(2).

[24] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70689; File No. SR–NSCC–2013–802]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing Amendment No. 3 to Advance Notice, as Previously Modified by Amendment Nos. 1 and 2, To Institute Supplemental Liquidity Deposits to Its Clearing Fund Designed To Increase Liquidity Resources To Meet Its Liquidity Needs

October 15, 2013.

On March 21, 2013, National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") advance notice SR–NSCC–2013–802 ("Advance Notice") pursuant to Section 806(e)(1) of the Payment, Clearing, and Settlement Supervision Act of 2010 ("Clearing Supervision Act") [1] and Rule 19b–4(n)(1)(i) [2] thereunder.[3] On April 19, 2013, NSCC filed with the Commission Amendment No. 1 to the Advance Notice, which the Commission published for comment in the **Federal Register** on May 1, 2013.[4] On May 20, 2013, the Commission extended the period of review of the Advance Notice, as modified by Amendment No. 1.[5] On June 11, 2013, NSCC filed with the Commission Amendment No. 2 to the Advance Notice, as previously modified by Amendment No. 1, which the Commission published for comment in the **Federal Register** on July 15, 2013.[6] As of October 15, 2013, the Commission had received 22 comment letters on the proposal contained in the Advance Notice and its related Proposed Rule Change,[7] including NSCC's two responses to the comment letters received as of August 20, 2013.[8]

[1] 12 U.S.C. 5465(e)(1).

[2] 17 CFR 240.19b–4(n)(1)(i).

[3] NSCC also filed the proposal contained in the Advance Notice as proposed rule change SR–NSCC–2013–02 ("Proposed Rule Change") under Section 19(b)(1) of the Securities and Exchange Act of 1934 ("Exchange Act") and Rule 19b–4 thereunder. Release No. 34–69313 (Apr. 4, 2013), 78 FR 21487 (Apr. 10, 2013). On April 19, 2013, NSCC filed Amendment No. 1 to the Proposed Rule Change, which, on May 22, 2013, the Commission published notice of and designated a longer period of review for Commission action on the Proposed Rule Change, as modified by Amendment No. 1. Release No. 34–69620 (May 22, 2013), 78 FR 32292 (May 29, 2013). On June 11, 2013, NSCC filed Amendment No. 2 to the Proposed Rule Change, which the Commission published notice of with an order instituting proceedings to determine whether to approve or disapprove the Proposed Rule Change ("Order Instituting Proceedings"). Release No. 34–69951 (Jul. 9, 2013), 78 FR 42140 (Jul. 15, 2013). On September 25, 2013, the Commission designated a longer period of review for Commission action on the Order Instituting Proceedings. Release No. 34–70501 (Sep. 25, 2013), 78 FR 60347 (Oct. 1, 2013). On October 7, 2013, NSCC filed Amendment No. 3 to the Proposed Rule Change, of which the Commission published notice. Release No. 34–70688 (Oct. 15, 2013). The proposal in the Advance Notice, as amended, and the Proposed Rule Change, as amended, shall not take effect until all regulatory actions required with respect to the proposal are completed.

[4] Release No. 34–69451 (Apr. 25, 2013), 78 FR 25496 (May 1, 2013).

[5] Release No. 34–69605 (May 20, 2013), 78 FR 31616 (May 24, 2013).

[6] Release No. 34–69954 (Jul. 9, 2013), 78 FR 42127 (Jul. 15, 2013).

[7] *See* Comments Received on File Nos. SR–NSCC–2013–02 (*http://sec.gov/comments/sr-nscc-2013-02/nscc201302.shtml*) and SR–NSCC–2013–802 (*http://sec.gov/comments/sr-nscc-2013-802/nscc2013802.shtml*). Since the proposal contained in the Advance Notice was also filed as a Proposed Rule Change, *see* Release No. 34–69313, *supra* note 3, the Commission is considering all public comments received on the proposal regardless of whether the comments are submitted to the Advance Notice, as amended, or the Proposed Rule Change, as amended.

[8] NSCC also received a comment letter directly prior to filing the Advance Notice and related Proposed Rule Change with the Commission, which NSCC provided to the Commission in Amendment

Continued