

changes will enhance the competitiveness of the Exchange relative to other exchanges. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>10</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEMKT-2014-50 on the subject line.

*Paper Comments*

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

All submissions should refer to File Number SR-NYSEMKT-2014-50. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-NYSEMKT-2014-50, and should be submitted on or before July 3, 2014.

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

**Kevin M. O'Neill,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-72342; File No. SR-NYSEArca-2014-61]

**Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Options Fee Schedule Relating to Floor Booth Fees**

June 6, 2014.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the "Act")<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on June 2, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

**I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change**

The Exchange proposes to amend the NYSE Arca Options Fee Schedule ("Fee Schedule") relating to Floor Booth Fees. The Exchange proposes to implement the fee change effective June 2, 2014. The text of the proposed rule change is available on the Exchange's Web site at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

**II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change**

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

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

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

<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

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

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

*A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

1. Purpose

The purpose of this filing is to modify the Exchange's fees so as to temporarily reduce the cap on Floor Booth Fees to encourage larger Floor Broker operations on the Trading Floor.

Currently, Floor Booths are assessed \$350 per month per booth, capped at \$3,500 per month per OTP Firm.<sup>4</sup> The Exchange is proposing to reduce the cap to \$2,450 per month, from June 1, 2014 to December 31, 2014, to encourage OTP Firms to expand their operations. Going forward, OTP Firms will pay a maximum monthly booth fee of \$2,450 regardless of how many booths they are authorized to use.

NYSE Arca is not proposing any additional changes to Floor and Equipment Fees at this time.

2. Statutory Basis

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

The Exchange believes that the proposed cap on Floor Booth Fees is reasonable and will equally benefit Floor Brokers as it will reduce the overhead costs of Floor Broker Firms.

The Exchange also believes it is not unfairly discriminatory to reduce the cap on Floor Booth Fees because any type of OTP Firm that uses Floor Booths may take advantage of the cap to expand their operations supporting business on the Floor.

Finally, the Exchange believes that the fee change is reasonable in light of the significant competitive forces facing the Exchange, as described below in the Exchange's statement regarding the burden on competition.

For these reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>7</sup> 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 Exchange believes that the proposed fee change reduces the burden on competition because it takes into account the value that business generated from Floor Booths add to the marketplace, as discussed above.

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues, and providing a cap on Floor Booth fees allows OTP firms to both expand operations supporting customers and to reduce overhead, which in turn encourages Floor OTP firms to compete for business. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change reflects this competitive environment.

*C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)<sup>10</sup> of the Act to determine whether the proposed rule

change should be approved or disapproved.

**IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

*Electronic Comments*

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEArca-2014-61 on the subject line.

*Paper Comments*

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

All submissions should refer to File Number SR-NYSEArca-2014-61. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-NYSEArca-2014-61, and should be submitted on or before July 3, 2014.

<sup>4</sup> See Securities and Exchange Act Release No. 55906 (June 13, 2007), 72 FR 35290 (June 27, 2007) (NYSEArca-2007-46).

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

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>7</sup> 15 U.S.C. 78f(b)(8).

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

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

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

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

Kevin M. O'Neill,  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72344; File No. SR-NSCC-2014-07]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of Proposed Rule Change To Implement a New Scorecard Feature to the Mutual Fund Profile Service

June 6, 2014.

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 May 30, 2014, National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the clearing agency. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Clearing Agency’s Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change consists of amendments to the Rules & Procedures (“Rules”) of NSCC to implement a new scorecard feature to its Mutual Fund Profile Service, as more fully described below.

#### II. Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

#### (A) Clearing Agency’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

In 1996, NSCC launched its Mutual Fund Profile Service (“MFPS”),<sup>3</sup> providing participating members with an automated method of transmitting and receiving information pertaining to funds and other pooled investment vehicles through a centralized and standard facility. Such funds and other pooled investment vehicles are collectively referred to herein as “Funds”.

In 1998, NSCC implemented three new databases as part of MFPS, (i) the participant profile database, (ii) the security issue profile database and (iii) the distribution declaration information profile database.<sup>4</sup> Through these three databases, MFPS offers the Funds industry a centralized repository for prospectus and operational information relating to Fund securities, Fund distributions and Fund processing capabilities.

The “security issue profile database” contains Fund information, including, but not limited to, security ID number, security name, fee structure, investment objectives, breakpoint schedule data and blue sky eligibility (collectively, “Security Issue Data”).<sup>5</sup> Participating members using the security issue profile database are either data providers or data receivers. Data providers populate the security issue profile database with their applicable Security Issue Data and are generally the Funds themselves, their principal underwriters or, otherwise, entities authorized to process transactions on behalf of the Funds (collectively, “Data Providers”). Data receivers retrieve such populated Security Issue Data for use and are generally the distribution partners to the Funds (collectively, “Data Receivers”).

Over the last several months, some Data Receivers have noted that Security Issue Data, on occasion, does not match the associated information set forth in the applicable Data Provider’s public filings. Such variances and other noted potential discrepancies (collectively, “Discrepancies”) have caused certain Data Receivers to express concerns about Security Issue Data reliability. As a result, Data Receivers have requested NSCC’s assistance in creating a

mechanism for encouraging more reliable Security Issue Data within the security issue profile database.

To address these concerns, NSCC proposes to amend Rule 52.D of its Rules & Procedures to implement a new feature in the security issue profile database—a scorecard—that would be distributed to MFPS members on a regularly scheduled basis, as determined by the Corporation. The scorecards will set forth (i) the numerical score issued to each applicable Data Provider and (ii) the combined average numerical score of all Data Providers. The various types of Discrepancy categories and number of identified Discrepancies within each category will form the basis from which the individual Data Provider’s score and the combined average scores of all Data Providers will be calculated.

Each Data Provider’s scorecard will contain (i) the individual, numerical score issued to it, (ii) the number of identified Discrepancies within each category attributable to such Data Provider and (iii) the combined average numerical score of all Data Providers. Data Providers will not see the individual, numerical scores issued to other Data Providers nor the identified Discrepancies of other Data Providers. A Data Provider that has no identified Discrepancies with respect to its Security Issue Data, or that otherwise addresses all of its identified Discrepancies, will be issued a perfect score as reflected on its scorecard, while a Data Provider that fails to take action with respect to its identified Discrepancies will have its individual score reduced. As new Discrepancies are identified to the Data Provider or the Data Provider reviews and addresses identified Discrepancies, its individual score will be recalculated on a regularly scheduled basis. The industry average score will recalculate according to the same schedule as well.

Scorecards distributed to Data Receivers will contain (i) the individual, numerical score issued to each Data Provider participant, (ii) the number of identified Discrepancies within each category attributable to each such Data Provider and (iii) the combined average numerical score of all Data Providers. The Data Receivers’ scorecards will recalculate according to the same schedule as the Data Providers’ scorecards.

Because the scores are based solely on action or inaction of Data Providers, the rule, as amended, will provide that the Corporation makes no representation or warranty with respect to the value or usefulness of any score or scorecard, nor will the Corporation be subject to any

<sup>3</sup> See, Release No. 34-37171 (May 8, 1996), 61 FR 24343 (May 14, 1996) (SR-NSCC-1996-04).

<sup>4</sup> See, Release No. 34-40614 (October 28, 1998), 63 FR 59615 (November 4, 1998) (SR-NSCC-1998-09).

<sup>5</sup> See, Release No. 34-59321 (January 30, 2009), 74 FR 6933 (February 11, 2009) (SR-NSCC-2008-08).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

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