

applicable fund, and those documents and the Form N-CSR and Form N-SAR may be viewed on-screen or downloaded from the Commission's Web site. In addition, a large amount of information is publicly available regarding the Funds and the Shares, thereby promoting market transparency. Moreover, the IIV will be disseminated by one or more major market data vendors at least every 15 seconds during Regular Trading Hours. Pricing information will be available on the Fund's Web site including: (1) The prior business day's reported NAV, the Bid/Ask Price, daily trading volume, and a calculation of the premium and discount of the Bid/Ask Price against the NAV; and (2) data in chart format displaying the frequency distribution of discounts and premiums of the daily Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. Additionally, information regarding market price and trading of the Shares will be continually available on a real-time basis throughout the day on brokers' computer screens and other electronic services, and quotation and last sale information for the Shares will be available on the facilities of the CTA. The Web site for the Funds will include a form of the prospectus for the Funds and additional data relating to NAV and other applicable quantitative information. Trading in Shares of the Funds will be halted under the conditions specified in BATS Rule 11.18. Trading may also be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in the Shares inadvisable. Finally, trading in the Shares will be subject to BATS Rule 14.11(k)(4)(B)(iii), which sets forth circumstances under which Shares of the Funds may be halted.

The proposed rule change is designed to perfect the mechanism of a free and open market and, in general, to protect investors and the public interest in that it will facilitate the listing and trading of an additional type of actively-managed exchange-traded product that will enhance competition among market participants, to the benefit of investors and the marketplace. As noted above, the Exchange has in place surveillance procedures relating to trading in the Shares and may obtain information via ISG, from other exchanges that are members of ISG, or with which the Exchange has entered into a comprehensive surveillance sharing agreement. In addition, as noted above, investors will have ready access to

information regarding IIV and quotation and last sale information for the Shares.

For the above reasons, the Exchange believes that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act.

#### *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 purpose of the Act. The Exchange believes the proposed rule change would permit listing and trading of another type of actively managed ETF that has characteristics different from existing actively-managed and index ETFs, and would introduce additional competition among various ETF products to the benefit of investors.

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

The Exchange has neither solicited nor received written comments on 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 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 Exchange consents, the Commission will: (a) By order approve or disapprove such 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 proposal 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 No. SR-BATS-2014-018 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 No. SR-BATS-2014-018. 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 changes 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 will also 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 No. SR-BATS-2014-018 and should be submitted on or before September 3, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>47</sup>

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

[FR Doc. 2014-19096 Filed 8-12-14; 8:45 am]

**BILLING CODE 8011-01-P**

## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-72791; File No. SR-NYSEArca-2014-63]**

### **Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Withdrawal of Proposed Rule Change Amending the NYSE Arca Options Fee Schedule Relating to Lead Market Maker Rights Fees**

August 7, 2014.

On May 23, 2014, NYSE Arca, Inc. ("NYSE Arca") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the

<sup>47</sup> 17 CFR 200.30-3(a)(12).

Securities Exchange Act of 1934<sup>1</sup> and Rule 19b-4 thereunder<sup>2</sup> to amend the NYSE Arca Options Fee Schedule relating to lead market maker rights fees. The proposed rule change was published for comment in the **Federal Register** on June 10, 2014.<sup>3</sup> On July 18, 2014, the Commission suspended and instituted proceedings to determine whether to approve or disapprove the proposed rule change.<sup>4</sup> The Commission received no comment letters regarding the proposal. On August 5, 2014, NYSE Arca withdrew the proposed rule change (SR-NYSEArca-2014-63).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2014-19099 Filed 8-12-14; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-72789; File No. SR-NYSEArca-2014-84]

### 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 Lead Market Maker Rights Fees

August 7, 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 August 1, 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 Lead Market

Maker ("LMM") Rights Fees. The Exchange proposes to implement the fee change effective August 1, 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.

##### 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 reduce the Lead Market Maker Rights Fees for all Lead Market Makers ("LMMs") that transact a significant daily volume.

Currently, LMMs pay a Lead Market Maker Rights Fee ("LMM Rights Fee") on each issue in their allocation, ranging from \$45 per month to \$1,500 per month, depending on the activity level in the issue. The monthly LMM Rights Fee is based on the Average National Daily Customer Contracts. The applicable LMM Rights Fee is directly related to the number of allocations in an LMM's appointment; the more allocations in an appointment, the higher the LMM Rights Fee. This is particularly the case for issues that have higher Average National Daily Customer Contracts, which have higher LMM Rights Fees associated with them. Because of the LMM Rights Fees, LMMs that transact a significant amount of business on the Exchange have been reluctant to take on additional allocations. At the present time, there are approximately 2,600 different underlying issues listed on NYSE Arca Options. The Exchange regularly receives five to 10 requests to list new issues each week. The Exchange then surveys the LMM community to invite applications for allocation. At present, most surveys only receive one or two responses per issue, and a key factor in applying for allocation is the

profitability of trading in an issue given the anticipated Rights Fee.

In order to generate more LMM interest in applying for new issue allocations, the Exchange is implementing a volume-based metric that will apply to all LMMs on the Exchange. Any LMM that meets certain volume criteria will be eligible for a reduced LMM Rights Fee.

Specifically, the Exchange is proposing that LMMs with daily contract volume traded electronically of at least 50,000 contracts, of which 10,000 such contracts are in its LMM appointment, will qualify for a reduced LMM Rights Fee. LMMs that qualify will be charged a 50% reduction in total LMM Rights Fees. As proposed, whether an LMM will be charged 50% of the LMM Rights Fee will be determined based on an average of the daily contract volume traded electronically each trading day by that LMM in a calendar month.

The Exchange believes that providing a means for LMMs that achieve certain volume levels to be eligible for a reduced monthly LMM Rights Fees will encourage LMMs that already transact a significant amount of business on the Exchange, but may be reluctant to apply for additional allocations, to apply for additional allocations. NYSE Arca proposes that the volume be in overall electronic Market Maker volume with a static, specified subset of that contract volume (*i.e.*, 10,000 contracts) from names in the LMM appointment, which the Exchange believes will enable LMMs that have a smaller number of issues in their appointment or have a preponderance of low volume issues to achieve this rate modification along with their larger LMM counterparts.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>4</sup> in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,<sup>5</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 modification to LMM Rights Fees is reasonable, equitable and not unfairly discriminatory because by reducing the overhead costs of LMMs that transact a significant amount of business on the Exchange, the Exchange

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

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

<sup>3</sup> See Securities Exchange Act Release No. 72312 (June 4, 2014), 79 FR 33247 (June 10, 2014).

<sup>4</sup> See Securities Exchange Act Release No. 72642 (July 18, 2014), 79 FR 43106 (July 24, 2014).

<sup>5</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.

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

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