

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74265; File No. S7-24-89]

### Joint Industry Plan; Order Approving Amendment No. 34 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis Submitted by the BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, Inc., Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE MKT, LLC, and NYSE Arca, Inc.

February 12, 2015.

#### I. Introduction

On December 24, 2014, the operating committee (“Operating Committee” or “Committee”)<sup>1</sup> of the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis (“Nasdaq/UTP Plan” or “Plan”) filed with the Securities and Exchange Commission (“Commission”) pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>2</sup> and Rule 608<sup>3</sup> thereunder, a proposal to amend the Nasdaq/UTP Plan<sup>4</sup> to

<sup>1</sup> The Plan Participants (collectively, “Participants”) are the: BATS Exchange, Inc. (“BATS”); BATS Y-Exchange, Inc. (“BATS Y”); Chicago Board Options Exchange, Incorporated (“CBOE”); Chicago Stock Exchange, Inc. (“CHX”); EDGA Exchange, Inc. (“EDGA”); EDGX Exchange, Inc. (“EDGX”); Financial Industry Regulatory Authority, Inc. (“FINRA”); International Securities Exchange LLC (“ISE”); NASDAQ OMX BX, Inc. (“BX”); NASDAQ OMX PHLX, Inc. (“PHLX”); Nasdaq Stock Market LLC (“Nasdaq”); National Stock Exchange, Inc. (“NSX”); New York Stock Exchange LLC (“NYSE”); NYSE MKT, LLC; and NYSE Arca, Inc. (“NYSE Arca”).

<sup>2</sup> 15 U.S.C. 78k-1.

<sup>3</sup> 17 CFR 240.608.

<sup>4</sup> The Plan governs the collection, processing, and dissemination on a consolidated basis of quotation information and transaction reports in Eligible Securities for each of its Participants. This consolidated information informs investors of the current quotation and recent trade prices of Nasdaq securities. It enables investors to ascertain from one data source the current prices in all the markets trading Nasdaq securities. The Plan serves as the required transaction reporting plan for its

shorten the maximum time within which Participants must report trades from 90 seconds to 10 seconds, subject to the Participants’ obligation to report trades as soon as practicable.

The proposed amendment was published for comment in the **Federal Register** on January 7, 2015.<sup>5</sup> No comment letters were received in response to the Notice. This order approves the proposal.

#### II. Description of the Proposal

Currently, Section VIII(B) (Transaction Reports) of the Nasdaq/UTP Plan provides that “Each Participant shall, during the time it is open for trading, be responsible promptly to collect and transmit to the Processor Transaction Reports in Eligible Securities executed in its Market by means prescribed herein. . . . All such Transaction Reports shall be transmitted to the Processor within 90 seconds after the time of execution of the transaction. Transaction Reports transmitted beyond the 90-second period shall be designated as “late” by the appropriate code or message.”

The amendment proposes to shorten the maximum time within which Participants must report trades from 90 seconds to 10 seconds, subject to the Participants’ obligation to report trades as soon as practicable. It would now require the Participants to “transmit all Transaction Reports as soon as practicable, but not later than 10 seconds, after the time of execution.” The amendment would also require each Participant to establish and maintain collection and reporting procedures and facilities reasonably designed to comply with the reporting requirement. This would harmonize the UTP Plan with the amended transaction reporting requirement under the CTA Plan.

#### III. Discussion

After careful review, the Commission finds that the proposed amendment to the Plan is consistent with the requirements of the Act and the rules and regulations thereunder,<sup>6</sup> and, in particular, Section 11A(a)(1) of the Act<sup>7</sup> and Rule 608 thereunder<sup>8</sup> in that it is necessary or appropriate in the public interest, for the protection of investors

Participants, which is a prerequisite for their trading Eligible Securities. See Securities Exchange Act Release No. 55647 (April 19, 2007) 72 FR 20891 (April 26, 2007).

<sup>5</sup> See Securities Exchange Act Release No. 73970 (December 31, 2014), 80 FR 910 (“Notice”).

<sup>6</sup> The Commission has considered the proposed amendment’s impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78k-1(a)(1).

<sup>8</sup> 17 CFR 240.608.

and the maintenance of fair and orderly markets, to remove impediments to, and perfect the mechanisms of, a national market system.

The proposal is consistent with Section 11A(a)(1)(C)(iii) of the Act,<sup>9</sup> which sets forth Congress’ finding that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations and transactions in securities. These goals are furthered by the proposed amendment requiring that Participants report trades as soon as practicable, but no later than 10 seconds, following execution (or cancellation, as applicable) as they bring the trade reporting requirement more in line with current industry practice, as the markets have become more automated and more efficient. In addition, the change will make the trade reporting requirement consistent across the two transaction reporting plans for equity securities<sup>10</sup> and FINRA.<sup>11</sup>

#### IV. Conclusion

*It Is Therefore Ordered*, pursuant to Section 11A of the Act,<sup>12</sup> and Rule 608 thereunder,<sup>13</sup> that the proposed amendment to Nasdaq/UTP Plan (File No. S7-24-89) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

**Brent J. Fields,**  
Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74277; File No. 4-681]

### Proxy Voting Roundtable

**AGENCY:** Securities and Exchange Commission.

<sup>9</sup> 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>10</sup> The participants of the Consolidated Tape Association (“CTA”) Plan also proposed to amend the trade reporting requirement under the CTA Plan to require that transactions be reported as soon as practicable, but no later than 10 seconds following execution. See Securities Exchange Act Release No. 73971 (December 31, 2014), 80 FR 908 (January 7, 2015) (Notice of Filing of SR-CTA-2014-04).

<sup>11</sup> See Securities Exchange Act Release No. 69561 (May 13, 2013), 78 FR 29190 (May 17, 2013) (File No. SR-FINRA-2013-013) (order approving FINRA rule to require FINRA members to report over-the-counter transactions in Eligible Securities to FINRA as soon as practicable, but no later than 10 seconds following execution).

<sup>12</sup> 15 U.S.C. 78k-1.

<sup>13</sup> 17 CFR 240.608.

<sup>14</sup> 17 CFR 200.30-3(a)(27).