

*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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**BILLING CODE 8011-01-P**

**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).

stocks in the aggregate must be at least 20 million shares (or 0.5% of 4 billion), since 0.5% of 4 billion is more than 15 million shares ADV for all three assigned securities.

The Exchange proposes to amend these credits as described below. A SLP that meets the 10% average or more quoting requirement in an assigned security pursuant to NYSE Rule 107B will receive a credit per share per transaction for adding liquidity as follows:

- \$0.0020 credit per share per transaction if the SLP adds liquidity of an ADV of more than 10 million shares for all assigned SLP securities in the aggregate and, for each assigned SLP security, adds liquidity of not more than 1.0% of the consolidated ADV for that assigned SLP security in the applicable month; and

- \$0.0021 credit per share per transaction if the SLP adds liquidity of an ADV of more than 10 million shares for all assigned SLP securities in the aggregate and, for each assigned SLP security, adds liquidity of more than 1.0% but not more than 2.5% of the consolidated ADV for that assigned SLP security in the applicable month; and

- \$0.0022 credit per share per transaction if the SLP adds liquidity of an ADV of more than 10 million shares for all assigned SLP securities in the aggregate and, for each assigned SLP security, adds liquidity of more than 2.5% of the consolidated ADV for that assigned SLP security in the applicable month.

For example, under the proposed procedures, if a SLP is assigned three securities, S1, S2, and S3, 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 (“Tier 3”). To receive a rebate of \$0.0021 per share for S1, the SLP must meet the Tier 3 requirements and must add liquidity of more than 1.0% but not more than 2.5% of the consolidated ADV for S1 (“Tier 2”). To receive a rebate of \$0.0022 per share for S1, the SLP must meet the Tier 3 requirements and must add liquidity of more than 2.5% of the consolidated ADV for S1 (“Tier 1”). Assuming the SLP meets the 10% quoting requirement pursuant to NYSE Rule 107B, the following chart illustrates the application of the proposed rebates when the SLP adds liquidity to the extent specified below:

Assigned security	SLP provide ADV per security	Consolidated ADV per security	Percentage of consolidated ADV provided by SLP (%)
S1 .....	6,000,000	100,000,000	6.0
S2 .....	4,000,000	220,000,000	1.8
S3 .....	2,000,000	250,000,000	0.8
Aggregate of all Assigned Securities .....	12,000,000		

The SLP would receive a Tier 3 rebate of \$0.0020 per share for S3, because it added liquidity of at least 10 million shares for all assigned securities (12 million shares ADV total), but did not exceed 1.0% of the consolidated ADV for S3. The SLP would receive a Tier 2 rebate of \$0.0021 per share for S2, because it added liquidity of at least 10 million shares for all assigned securities, exceeded 1.0% of the consolidated ADV for S2, but did not exceed 2.5% of consolidated ADV for S2. Lastly, the SLP would receive a Tier 1 rebate of \$0.0022 per share for S1, because it added liquidity of at least 10 million shares for all assigned securities and exceeded 2.5% of the consolidated ADV for S3.

The calculation of consolidated ADV and SLP adding liquidity for an assigned SLP security will include only those days and volumes when the SLP security was assigned to a SLP and will also not include those days and volumes where the SLP security was not listed on the Exchange for trading. For example, if a SLP security is added or deleted in the middle of the month, then the volume and quoting requirements will be based on the average of the days

when the SLP was acting as such during the calendar month.<sup>5</sup>

The proposed fee changes will be effective January 1, 2012.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act, in general, and Section 6(b)(4)<sup>6</sup> of the Act, 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 the proposed pricing tiers are equitable and non-discriminatory because they are open to all SLPs on an equal basis and provide incentives that are reasonably related to a SLP’s additional quoting and liquidity obligations in each security. The linking of the adding liquidity requirement to the percent of consolidated ADV for each individual security will reward SLPs for adding more liquidity and meeting the quoting requirement in an individual security, while also requiring the SLP to meet the total ADV of added liquidity requirement of 10 million shares. The Exchange notes that, while

the proposed change in requirements to receive the rebates of \$0.0021 and \$0.0022 are reduced in the aggregate, they are increased on an individual stock basis. Lastly, the Exchange believes the requirement to meet a percentage of consolidated ADV in an individual security should increase incentive to add liquidity across more securities, including less active securities where there may be fewer liquidity providers and thus make it more likely to reach the individual percentage of consolidated ADV requirement than in more active securities.

*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.

<sup>5</sup> In addition, ADV calculations also exclude early closing days. See note 4 of the Price List.

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

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>7</sup> and subparagraph (f)(2) of Rule 19b-4<sup>8</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.

### 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-NYSE-2011-73 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-2011-73. 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-2011-73 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>9</sup>

**Kevin M. O'Neill,**

*Deputy Secretary.*

[FR Doc. 2012-317 Filed 1-10-12; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-66104; File No. SR-NYSEAmex-2011-107]

### Self-Regulatory Organizations; NYSE Amex LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Price List Changing the Monthly Fees for the Use of Ports That Provide Connectivity to Its Equity Trading Systems

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, NYSE Amex LLC ("NYSE Amex" 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 change the monthly fees for the use of ports that provide connectivity to its equity trading systems. The text of the proposed rule change is available at the Exchange's principal office, at <http://www.nyse.com>,

at the Commission's Public Reference Room, and at the Commission's Web site at <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 change the monthly fees for the use of ports that provide connectivity to its equity trading systems.

Currently, the monthly fee for ports is \$100 per pair per month up to five pairs, then \$500 for each additional five pairs.<sup>3</sup> For example, the fee for seven pairs of ports is \$1,000 per month. Billing for ports is based on the number of ports on the third business day prior to the end of the month. The level of activity with respect to a particular port does not affect the assessment of monthly fees, so even if a particular port that is available to a participant is not used, the participant is still billed for that port.

The Exchanges proposes that the new fee would be \$300 per pair per month up to five pairs, then \$1,500 for each additional five pairs. For example, the fee for seven pairs of ports would be \$3,000 per month. The Exchange notes that billing for ports would continue to be based on the number of ports on the third business day prior to the end of the month. In addition, the level of activity with respect to a particular port would still not affect the assessment of monthly fees, so even if a participant does not use a particular port that is available to the participant, the participant would still be billed for that port.

<sup>3</sup> See Securities Exchange Act Release No. 63072 (October 7, 2010), 75 FR 64368 (October 19, 2010) (SR-NYSEAmex-2010-97) (the "Adopting Release").

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

<sup>9</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.