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 to determine whether the proposed rule 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.* Please include File Number SR–NASDAQ–2022–078 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–NASDAQ–2022–078. 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 website (*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 website 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. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly.

All submissions should refer to File Number SR–NASDAQ–2022–078 and should be submitted on or before January 19, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[19]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–28297 Filed 12–28–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96571; File No. SR–NSCC–2022–016]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Fees

December 22, 2022.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on December 20, 2022, National Securities Clearing Corporation (''NSCC'') 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 clearing agency. NSCC filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act[3] and Rule 19b–4(f)(2) thereunder.[4] 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 modifies Addendum A (Fee Structure) (''Addendum A'') of NSCC's Rules & Procedures (''Rules'') to reduce certain trade clearance fees, as described below.[5]

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

In its filing with the Commission, the clearing agency 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. The clearing agency 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

The purpose of this proposed rule change is to amend Addendum A (Fee Structure) of the Rules to modify the ''value into the net'' and ''value out of the net'' components of NSCC's Clearance Activity Fees effective January 1, 2023. The proposed fee change is discussed in detail below.

Background

NSCC provides clearance and settlement services for trades executed by its Members in the U.S. equity, corporate and municipal bond, and unit investment trust markets and for equities securities financing transactions (''SFTs'') entered into by Members, certain firms that are sponsored into NSCC membership by a Sponsoring Member, and Agent Clearing Members on behalf of their customers, as provided in the Rules. Members are charged fees in accordance with Addendum A based upon Members' activities and the NSCC services utilized.

As part of the annual budgeting process, NSCC reviews price levels against its cost of operations and evaluates potential expense reductions and/or fee changes to correct any misalignment of costs and fees. NSCC's fees are cost-based plus a markup as approved by the Board of Directors or management (pursuant to authority delegated by the Board), as applicable. This markup is applied to recover development costs and operating expenses and to accumulate capital sufficient to meet regulatory and economic requirements.[6]

During the 2023 budgeting process, management identified opportunities to better align fees and costs for NSCC, which were approved by the Businesses, Technology and Operations Committee of the Board of Directors. As a result of this review, NSCC is proposing to

[19] 17 CFR 200.30–3(a)(12), (59).

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

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A).

[4] 17 CFR 240.19b–4(f)(2).

[5] Capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in the Rules, *available at http://dtcc.com/~/media/Files/Downloads/legal/rules/nscc_rules.pdf.*

[6] NSCC maintains procedures to control costs and regularly review pricing levels against costs of operation. *See* NSCC Disclosure Framework for Covered Clearing Agencies and Financial Market Infrastructures, *available at https://www.dtcc.com/-/media/Files/Downloads/legal/policy-and-compliance/NSCC_Disclosure_Framework.pdf,* at 120.

reduce the ''value into the net'' and ''value out of the net'' components of its Clearance Activity Fees.

Proposed Fee Changes

Pursuant to Section II.A. of Addendum A, NSCC charges Clearance Activity Fees for SFT and non-SFT transactions. For transactions excluding SFTs, NSCC charges a (i) ''value into the net'' fee of $0.47 per million of processed value (*i.e.,* for CNS and Balance Order netting, the sum of the contract amount and any CNS fail value) and (ii) a ''value out of the net'' fee of $2.56 per million of settling value (*i.e.,* the absolute value of the CNS Long and Short Positions). The ''value into the net'' fee is the value of transactions for which a broker is buyer or seller (excluding non-DTCC settling trades, non-CNS municipal bond transactions, flip trades, and foreign security trades) and is calculated as the gross cleared value prior to netting. The ''value into the net'' fee also includes any fails re-entered into CNS. The into the net value reflects the aggregate of each opening CNS security position multiplied by the current market price for each security. The ''value out of the net'' fee is based on the daily aggregate market value of all settling CNS positions after netting.[7]

Based on its annal budgeting review, NSCC proposes to (i) decrease its ''value into the net'' fee from $0.47 to $0.46 per million of processed value and (ii) decrease its ''value out of the net'' fee from $2.56 to $2.16 per million of settling value in order to achieve a targeted annual fee revenue reduction of approximately $30 million. The ''value into the net'' and ''value out of the net'' fees affect all participants using NSCC's trade capture and CNS Accounting Operation services. The ''value into the net'' fee, specifically, is the largest fee type for NSCC. As a result, the proposed reduction in this fee from $0.47 to $0.46 is expected to result in the largest portion of the aggregate fee reduction. However, NSCC would be unable to completely align its targeted projected revenue reduction based on a decrease in the ''value into the net'' fee alone. NSCC therefore proposes to also reduce its ''value out of the net'' fee from $2.56 to $2.16 to achieve its targeted cost-revenue alignment. To effectuate the proposed fee change, NSCC would amend Section II.A. of Addendum A concerning Clearance Activity Fees for transactions other than SFTs to reflect the new ''value into the net'' fee of $0.46 per million of processed value and ''value out of the net'' fee of $2.16 per million of settling value.

Expected Member Impact

The proposed rule change would result in reduced ''value into the net'' and ''value out of the net'' fees for NSCC Members, the impact of which would vary based on their usage of the underlying NSCC services. The proposed fee change is expected to decrease NSCC's overall annual fee revenue by approximately $30 million. Individual Member impacts are estimated to range from an approximately 0–13% reduction in fees depending on their ''value into the net'' and ''value out of the net'' activity.

Member Outreach

NSCC has conducted ongoing outreach to Members in order to provide them with notice of the proposed changes and the anticipated impact for the Member. As of the date of this filing, no written comments relating to the proposed changes have been received in response to this outreach. The Commission will be notified of any written comments received.

Implementation Timeframe

NSCC would implement this proposal on January 1, 2023. As proposed, a legend would be added to Addendum A stating there are changes that became effective upon filing with the Commission but have not yet been implemented. The proposed legend also would include the date on which such changes would be implemented and the file number of this proposal, and state that, once this proposal is implemented, the legend would automatically be removed.

2. Statutory Basis

NSCC believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a registered clearing agency. Specifically, NSCC believes the proposed rule change is consistent with Section 17A(b)(3)(D) of the Act[8] and Rule 17Ad–22(e)(23)(ii)[9] thereunder for the reasons set forth below.

Section 17A(b)(3)(D) of the Act[10] requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. NSCC believes the proposed fees would be allocated equitably among its full-service Members. The proposed rule change would result in reduced ''value into the net'' and ''value out of the net'' fees for NSCC Members. The proposed ''value into the net'' and ''value out of the net'' fee changes would be fairly applied to all Members using NSCC's trade capture and CNS Accounting Operation services. While the impact of the proposed fees would vary based on Members' usage of the underlying NSCC services, the proposed rule change would not alter how the Clearance Activity Fees are calculated or how such fees are allocated to Members. As mentioned above, the ''value into the net'' component of the Clearance Activity Fee is based on the Member's gross cleared value prior to netting. As such, and as is currently the case, Members that make greater use of NSCC's guaranteed services would generally be subject to larger ''value into the net'' fees, and therefore would see a greater reduction in fees as a result of the proposed fee change, because such Members would typically have a higher value of gross positions prior to netting. And conversely, Members that use NSCC's guaranteed services less would generally be subject to smaller ''value into the net'' fees, and therefore would see smaller fee reductions, because such Members would typically have a lower value of gross positions. Similarly, the ''value out of the net'' component of the Clearance Activity Fee is based on a Member's daily aggregate market value of all settling CNS positions after netting. Members that make greater use of NSCC's guaranteed services are generally subject to larger ''value out of the net'' fees, and therefore would see greater fee reductions as a result of the proposed fee change, because such Members typically have higher value out of the net positions after netting. Conversely, Members that use NSCC's guaranteed services less would generally be subject to a smaller ''value out of the net'' fees, and therefore would see smaller fee reductions, because such Members would typically have lower value of net positions after netting. The proposed changes to the ''value into the net'' and ''value out of the net'' components of the Clearance Activity Fee would not adjust these allocations or the manner in which the fees are applied. As a result, NSCC believes the proposed fees would continue to be allocated equitably among its Members.

NSCC also believes that the proposed fee changes are reasonable. The proposed fees were selected based on an analysis of projected market volumes and revenues for NSCC during its

[7] Additional details regarding NSCC's equity trade capture fees, including the ''value into the net'' and ''value out of the net'' fees, can be found on the DTCC Learning Center website, *available at https://dtcclearning.com/products-and-services/equities-clearing/utc/utc-users.html.*

[8] 15 U.S.C. 78q–1(b)(3)(D).

[9] 17 CFR 240.17Ad–22(e)(23)(ii).

[10] 15 U.S.C. 78q–1(b)(3)(D).

annual budgeting process. The proposed fee changes are intended to better align to the projected operating costs and expenses of NSCC and would result in an overall reduction of fees imposed on NSCC's Members. As discussed above, the ''value into the net'' fee is the largest fee type for NSCC. As a result, the proposed reduction in this fee is expected to result in the largest portion of the projected aggregate fee reduction. However, NSCC also proposes to reduce its ''value out of the net'' fee to achieve its targeted cost-revenue alignment. Together, the proposed fee changes are designed to achieve a targeted annual fee revenue reduction of approximately $30 million, which would better align to the projected operating costs and expenses of NSCC. Moreover, as noted above, the proposed rule change would not alter how these Clearance Activity Fees are calculated or how such fees are allocated to Members. For these reasons, NSCC believes the proposed fees would continue to be reasonable.

Rule 17Ad–22(e)(23)(ii) under the Act [11] requires NSCC to establish, implement, maintain and enforce written policies and procedures reasonably designed to provide sufficient information to enable participants to identify and evaluate the risks, fees, and other material costs they incur by participating in the covered clearing agency. The proposed fees would be clearly and transparently published in Addendum A of the Rules, which are available on a public website,[12] thereby enabling Members to identify the fees and costs associated with participating in NSCC. As such, NSCC believes the proposed rule change is consistent with Rule 17Ad–22(e)(23)(ii) under the Act.[13]

(B) Clearing Agency's Statement on Burden on Competition

NSCC does not believe the proposed reduction in Clearance Activity Fees would have any impact or burden on competition. As discussed above, NSCC believes the proposed fees would be allocated equitably among its full-service Members. The proposed fee change would result in reduced ''value into the net'' and ''value out of the net'' fees for NSCC Members, the impact of which would vary based on their usage of the underlying NSCC services. The proposed ''value into the net'' and ''value out of the net'' fee changes would apply to all Members using NSCC's trade capture and CNS Accounting Operation services and would not alter how the Clearance Activity Fees are calculated or allocated to Members. In the aggregate, NSCC expects the proposed fee change would result in a reduction of NSCC's annual fee revenue by approximately $30 million. Individual Member impacts are estimated to range from an approximately 0–13% reduction in fees depending on their ''value into the net'' and ''value out of the net'' activity. NSCC believes the proposed fee reduction would not unfairly inhibit access to NSCC's services by any Member. NSCC therefore believes the proposed rule changed would not have any impact or burden on competition.

(C) Clearing Agency's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC has conducted outreach to Members to provide them with notice of the proposed fees.

NSCC has not received or solicited any written comments relating to this proposal. If any written comments are received by NSCC, they will be publicly filed as an Exhibit 2 to this filing, as required by Form 19b–4 and the General Instructions thereto.

Persons submitting comments are cautioned that, according to Section IV (Solicitation of Comments) of the Exhibit 1A in the General Instructions to Form 19b–4, the Commission does not edit personal identifying information from comment submissions. Commenters should submit only information that they wish to make available publicly, including their name, email address, and any other identifying information.

All prospective commenters should follow the Commission's instructions on how to submit comments, available at *https://www.sec.gov/regulatory-actions/how-to-submit-comments.* General questions regarding the rule filing process or logistical questions regarding this filing should be directed to the Main Office of the Commission's Division of Trading and Markets at *tradingandmarkets@sec.gov* or 202–551–5777.

NSCC reserves the right not to respond to any comments received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) [14] of the Act and paragraph (f) [15] of Rule 19b–4 thereunder. At any time within 60 days of the filing of the 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.* Please include File Number SR–NSCC–2022–016 on the subject line.

Paper Comments

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

All submissions should refer to File Number SR–NSCC–2022–016. 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 website (*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 website 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 NSCC and on DTCC's website (*http://dtcc.com/legal/sec-rule-filings.aspx*). All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment

[11] 17 CFR 240.17Ad–22(e)(23)(ii).

[12] *See supra* note 5.

[13] 17 CFR 240.17Ad–22(e)(23)(ii).

[14] 15 U.S.C 78s(b)(3)(A).

[15] 17 CFR 240.19b–4(f).

submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–NSCC–2022–016 and should be submitted on or before January 19, 2023.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Sherry R. Haywood,

Assistant Secretary.

[FR Doc. 2022–28298 Filed 12–28–22; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–96583; File No. SR–NYSE–2022–56]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Price List

December 23, 2022.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (the ''Act''),[2] and Rule 19b–4 thereunder,[3] notice is hereby given that on December 12, 2022, New York Stock Exchange LLC (''NYSE'' or the ''Exchange'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II 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 Substance of the Proposed Rule Change

The Exchange proposes to amend its Price List to (1) eliminate the underutilized alternative Tier 2 Adding Credit qualification requirements and the underutilized alternative Step Up Adding Tier 3 credits and requirements, and (2) revise and streamline the Supplemental Liquidity Provider (''SLP'') Adding Tiers by eliminating and combining the SLP step up tier and incremental tiers and replacing the discount for SLPs that are also Designated Market Makers (''DMMs'') with fixed levels. The proposed rule change is available on the Exchange's website at *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 Exchange proposes to amend it Price List to (1) eliminate the underutilized alternative Tier 2 Adding Credit qualification requirements and the underutilized alternative Step Up Adding Tier 3 credits and requirements, and (2) revise and streamline the SLP Adding Tiers by eliminating and combining the SLP step up tier and incremental tiers and replacing the discount for SLPs that are also DMMs with fixed levels.

The proposed changes respond to the current competitive environment where order flow providers have a choice of where to direct liquidity-providing orders by offering further incentives for member organizations to send additional displayed liquidity to the Exchange.

The Exchange proposes to implement the fee changes effective December 12, 2022.[4]

Competitive Environment

The Exchange operates in a highly competitive market. The Commission has repeatedly expressed its preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, the Commission highlighted the importance of market forces in determining prices and SRO revenues and, also, recognized that current regulation of the market system ''has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies.''[5]

While Regulation NMS has enhanced competition, it has also fostered a ''fragmented'' market structure where trading in a single stock can occur across multiple trading centers. When multiple trading centers compete for order flow in the same stock, the Commission has recognized that ''such competition can lead to the fragmentation of order flow in that stock.''[6] Indeed, cash equity trading is currently dispersed across 16 exchanges,[7] numerous alternative trading systems,[8] and broker-dealer internalizers and wholesalers, all competing for order flow. Based on publicly-available information, no single exchange currently has more than 20% market share.[9] Therefore, no exchange possesses significant pricing power in the execution of cash equity order flow. More specifically, the Exchange's share of executed volume of equity trades in Tapes A, B and C securities is less than 12%.[10]

The Exchange believes that the ever-shifting market share among the exchanges from month to month demonstrates that market participants can move order flow, or discontinue or reduce use of certain categories of products. With respect to non-marketable order flow that would provide displayed liquidity on an Exchange, member organizations can choose from any one of the 16 currently operating registered exchanges to route such order flow. Accordingly, competitive forces constrain exchange transaction fees that relate to orders that would provide liquidity on an exchange.

In response to the competitive environment described above, the Exchange has established incentives for its member organizations who submit orders that provide liquidity on the

[16] 17 CFR 200.30–3(a)(12).

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] The Exchange originally filed to amend the Price List on December 1, 2022 (SR–NYSE–2022–55). On December 12, 2022, SR–NYSE–2022–55 was withdrawn and replaced by this filing.

[5] *See* Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37499 (June 29, 2005) (File No. S7–10–04) (Final Rule) (''Regulation NMS'').

[6] *See* Securities Exchange Act Release No. 61358, 75 FR 3594, 3597 (January 21, 2010) (File No. S7–02–10) (Concept Release on Equity Market Structure).

[7] *See* Cboe U.S Equities Market Volume Summary, available at *https://markets.cboe.com/us/equities/market_share. See generally https://www.sec.gov/fast-answers/divisionsmarketregmrexchangesshtml.html.*

[8] *See* FINRA ATS Transparency Data, *available at https://otctransparency.finra.org/otctransparency/AtsIssueData.* A list of alternative trading systems registered with the Commission is *available at https://www.sec.gov/foia/docs/atslist.htm.*

[9] *See* Cboe Global Markets U.S. Equities Market Volume Summary, available at *http://markets.cboe.com/us/equities/market_share/.*

[10] *See id.*