

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70713; SR-NYSE-2013-21; SR-NYSEMKT-2013-25)

October 18, 2013

Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE MKT LLC; Notice of Designation of Longer Period for Commission Action on Proceedings to Determine Whether to Disapprove Proposed Rule Changes, as Modified by Amendment Nos. 1, Amending NYSE Rule 104 and NYSE MKT Rule 104 – Equities to Codify Certain Traditional Trading Floor Functions that May Be Performed by Designated Market Makers, to make Exchange Systems Available to DMMs That Would Provide DMMs with Certain Market Information, to Amend the Exchanges' Rules Governing the Ability of DMMs to Provide Market Information to Floor Brokers, and to Make Conforming Amendments to Other Rules

On April 9, 2013, the New York Stock Exchange LLC (“NYSE”) and NYSE MKT LLC (“NYSE MKT”) (collectively, the “Exchanges”) each filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposed rule changes (“Proposals”) to amend certain of their respective rules relating to Designated Market Makers (“DMMs”)³ and floor brokers. The SRO Proposals were published for comment in the Federal Register on April 29, 2013.⁴ The

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See NYSE Rule 98(b)(2). “DMM unit” means any member organization, or division or department within an integrated proprietary aggregation unit of a member organization that (i) has been approved by NYSE Regulation pursuant to section (c) of NYSE Rule 98, (ii) is eligible for allocations under NYSE Rule 103B as a DMM unit in a security listed on NYSE, and (iii) has met all registration and qualification requirements for DMM units assigned to such unit. The term “DMM” means any individual qualified to act as a DMM on the Floor of the Exchange under NYSE Rule 103. See also NYSE MKT Equities Rule 2(i). NYSE MKT Rule 2(i) defines the term “DMM” to mean an individual member, officer, partner, employee or associated person of a DMM unit who is approved by the Exchange to act in the capacity of a DMM. NYSE MKT Equities Rule 2(j) defines the term “DMM unit” as a member organization or unit within a member organization that has been approved to act as a DMM unit under NYSE MKT Equities Rule 98.

⁴ See Securities Exchange Act Release Nos. 69427 (April 23, 2013), 78 FR 25118 (SR-NYSE-2013-21) (“NYSE Notice”); 69428 (April 23, 2013), 78 FR 25102 (SR-NYSEMKT-2013-25). On April 18, 2013, the Exchanges each filed Partial Amendment

Commission received two comment letters on the NYSE proposal.⁵ On June 11, 2013, the Commission extended to July 26, 2013 the period in which to approve, disapprove, or institute proceedings to determine whether to disapprove the Proposals.⁶

On July 26, 2013, the Commission instituted proceedings to determine whether to approve or disapprove the Proposals.⁷ The Commission thereafter received one comment letter on the NYSE proposal.⁸ NYSE Euronext, on behalf of the Exchanges, submitted a response letter on September 5, 2013.⁹

Section 19(b)(2) of the Act¹⁰ provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the Federal Register publishes notice of the proposed rule change, unless the

No. 1 to the Proposals. The purpose of the amendment was to file the Exhibit 3, which was not included in the April 9, 2013 filings.

⁵ See Letter to Elizabeth M. Murphy, Secretary, Commission, from Daniel Buenza, Lecturer in Management, London School of Economics and Yuval Millo, Professor of Social Studies of Finance, University of Leicester, dated May 20, 2013 (“LSE Letter I”); Letter to Commission, from James J. Angel, Ph.D., CFA, Associate Professor of Finance, Georgetown University, McDonough School of Business, dated May 14, 2013 (“Angel Letter”). Although the comment letters addressed only the NYSE proposal, the NYSE and NYSE MKT proposals are essentially identical for relevant purposes.

⁶ See Securities Exchange Act Release No. 69736, 78 FR 36284 (June 17, 2013) (SR-NYSE-2013-21); Release No. 69733, 78 FR 36284 (SR-NYSEMKT-2012-25) (June 17, 2013).

⁷ See Securities Exchange Act Release No. 70047, 78 FR 46661 (August 1, 2013) (“Order Instituting Proceedings”).

⁸ See Letter to Elizabeth M. Murphy, Secretary, Commission, from Daniel Buenza, Lecturer in Management, London School of Economics and Yuval Millo, Professor of Social Studies of Finance, University of Leicester, dated August 22, 2013 (“LSE Letter II”).

⁹ See Letter to Elizabeth M. Murphy, Secretary, Commission, from Janet McGinness, Executive Vice President and Corporate Secretary, NYSE Euronext, dated September 5, 2013.

¹⁰ 15 U.S.C. 78s(b)(2).

Commission determines that a longer period is appropriate and publishes the reasons for this determination, in which case the Commission may extend the period for issuing an order approving or disapproving the proposed rule change by not more than 60 days. The proposed rule changes were published for notice and comment in the Federal Register on April 29, 2013. October 26, 2013 is 180 days from that date, and December 25, 2013 (which is a Federal holiday) is an additional 60 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the Proposals so that the Commission has sufficient time to consider the Proposals, the issues raised in the comment letters that have been submitted in connection with the Proposals, and the response to these issues in the NYSE Euronext response letter. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,¹¹ designates December 24, 2013, as the date by which the Commission must either approve or disapprove the proposed rule changes SR-NYSE-2013-21 and SR-NYSEMKT-2013-25.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹²

Kevin M. O'Neill
Deputy Secretary

¹¹ 15 U.S.C. 78s(b)(2).

¹² 17 CFR 200.30-3(a)(57).