

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74264; File No. SR-CTA-2014-04)

February 12, 2015

Consolidated Tape Association; Order Approving the Nineteenth Substantive Amendment to the Second Restatement of the Consolidated Tape Association Plan

I. Introduction

On December 24, 2014, the Consolidated Tape Association (“CTA”) Plan participants (collectively the “Participants”)¹ filed with the Securities and Exchange Commission (“SEC” or “Commission”) pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),² and Rule 608 thereunder,³ a proposal to amend the Second Restatement of the CTA Plan (“CTA Plan”).⁴ The proposal represents the nineteenth substantive amendment to the CTA Plan (“Nineteenth Amendment to the CTA Plan”), and reflects changes unanimously adopted by the Participants. The Nineteenth Amendment to the CTA Plan (“Amendment”) would reduce 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

¹ Each participant executed the proposed amendment. The Participants are: BATS Exchange, Inc., BATS-Y Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc. (“EDGA”), EDGX Exchange, Inc. (“EDGX”), Financial Industry Regulatory Authority, Inc. (“FINRA”), International Securities Exchange, LLC, NASDAQ OMX BX, Inc. (“Nasdaq BX”), NASDAQ OMX PHLX, Inc. (“Nasdaq PSX”), Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC (“NYSE”), NYSE Arca, Inc. and NYSE MKT LLC (formerly NYSE Amex, Inc.).

² 15 U.S.C. 78k-1.

³ 17 CFR 242.608.

⁴ See Securities Exchange Act Release No. 10787 (May 10, 1974), 39 FR 17799 (declaring the CTA Plan effective). The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 242.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608.

comment in the Federal Register on January 7, 2015.⁵ No comment letters were received in response to the Notice. This order approves the proposed Amendment to the Plan.

II. Description of the Proposal

Currently, Section VIII(a) (Responsibility of Exchange Participants) of the CTA Plan provides that each Participant will “(i) report all last sale prices relating to transactions in Eligible Securities as promptly as possible, (ii) establish and maintain collection and reporting procedures and facilities such as to assure that under normal conditions not less than 90% of such last sale prices will be reported within that period of time (not in excess of one and one-half minutes) after the time of execution as may be determined by CTA from time to time in light of experience, and (iii) designate as “late” any last sale price not collected and reported in accordance with the above-referenced procedures.”

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 also proposes to remove the qualifier that called for trade reports to meet the time requirement not less than 90 percent of the time under normal conditions.

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,⁶ and, in

⁵ See Securities Exchange Act Release No. 73971 (December 31, 2014), 80 FR 908 (“Notice”).

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

particular, Section 11A(a)(1) of the Act⁷ and Rule 608 thereunder⁸ in that it is necessary or appropriate in the public interest, for the protection of investors 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,⁹ 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 changes 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 securities¹⁰ and FINRA.¹¹

⁷ 15 U.S.C. 78k-1(a)(1).

⁸ 17 CFR 240.608.

⁹ 15 U.S.C. 78k-1(a)(1)(C)(iii).

¹⁰ The participants 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") also proposed to amend the trade reporting requirement under the Nasdaq/UTP 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. 73970 (December 31, 2014), 80 FR 910 (January 7, 2015) (File No. S7-24-89) (Notice of Filing of Amendment No. 34 to the Nasdaq/UTP Plan).

¹¹ 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

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,¹² and the rules thereunder, that the proposed Amendment to the CTA Plan (File No. SR-CTA-2014-04) is approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹³

Brent J. Fields
Secretary

¹² as practicable, but no later than 10 seconds following execution).

¹² 15 U.S.C. 78k-1.

¹³ 17 CFR 200.30-3(a)(27).