

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74766; File No. SR-NYSE-2015-16)

April 20, 2015

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change to Amend the Seventh Amended and Restated Operating Agreement of the New York Stock Exchange LLC.

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 April 6, 2015, 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, II, and III 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 proposes [sic] to amend the Seventh Amended and Restated Operating Agreement (“Operating Agreement”) of the Exchange to remove the requirement that the independent directors that make up the majority of the board of directors of the Exchange (the “Board”) also be directors of Intercontinental Exchange, Inc., the Exchange’s parent company. The text of 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.

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Operating Agreement of the Exchange to remove the requirement that the independent directors making up the majority of the Board also be directors of Intercontinental Exchange, Inc. (“ICE”), the Exchange’s parent.

Section 2.03(a)(i) of the Operating Agreement, which governs board composition, provides that a majority of the Exchange’s directors shall be U.S. persons⁴ who are members of the board of directors of ICE that satisfy the Exchange’s independence requirements.⁵ Such directors are defined as “ICE Independent Directors” in the Operating Agreement. The Exchange proposes to amend Section 2.03(a)(i) of the Operating Agreement to remove the requirement that the independent directors making up the majority of the Board also be directors of ICE, to redefine “ICE Independent Directors” to remove the reference to ICE, and to make

⁴ Pursuant to Section 2.03(a)(1) of the Operating Agreement, a director is a “U.S. Person” if, as of the date of his or her most recent election or appointment to the Board, his or her domicile is, and for the immediately preceding 24 months has been, the United States. The Exchange does not propose to amend this requirement.

⁵ The Exchange’s independence requirements are set forth in the Independence Policy of the Board of Directors of the Exchange. See Securities Exchange Act Release No. 67564 (August 1, 2012), 77 FR 47161 (August 7, 2012) (SR-NYSE-2012-17; SR-NYSEArca-2012-59; SR-NYSEMKT-2012-07) (approving NYSE’s director independence policy).

conforming changes in both Section 2.03(a)(i) and Section 2.03(a)(ii). The majority of directors of the Exchange board would continue to satisfy the company independence policy [sic]

The Exchange believes that eliminating the requirement that the independent directors of the Exchange also be directors of ICE will allow the Exchange to broaden the pool of potential Board members, resulting in a more diversified Board membership while still ensuring the directors' independence. Eliminating the requirement that the independent directors of the Exchange also be directors of ICE will also make the Exchange's board requirements more consistent with those of its affiliate NYSE Arca, Inc. ("NYSE Arca") which does not require any of its directors to be directors of ICE.⁶

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Exchange Act⁷ in general, and with Section 6(b)(1)⁸ in particular, in that it enables the Exchange to be so organized as to have the capacity to be able to carry out the purposes of the Exchange Act and to comply, and to enforce compliance by its exchange members and persons associated with its exchange members, with the provisions of the Exchange Act, the rules and regulations thereunder, and the rules of the Exchange.

The proposed change would remove the requirement that the independent directors that make up the majority of the Exchange Board also be ICE directors and would redefine "ICE Independent Directors" to remove the reference to ICE. As noted above, the proposed change

⁶ See Amended and Restated NYSE Arca Bylaws, Article III, Section 3.02. The Exchange notes that its NYSE MKT affiliate has also submitted a proposal to amend its Operating Agreement to remove the requirement that the independent directors that make up the majority of the Exchange Board also be directors of ICE, and to redefine "ICE Independent Directors" to remove the reference to ICE. See SR-NYSEMKT-2015-27.

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(1).

would allow the Exchange to broaden the pool of potential Board members, resulting in a more diversified Board membership while still ensuring their independence, and would make the Exchange's board requirements more consistent with its affiliate NYSE Arca, which does not require its directors to be ICE directors. For these reasons, the Exchange believes that the proposed rule change would contribute to the orderly operation of the Exchange and would enable the Exchange to be so organized as to have the capacity to carry out the purposes of the Exchange Act and comply and enforce compliance with the provisions of the Exchange Act by its members and persons associated with its members. The Exchange therefore believes that approval of the proposed is consistent with Section 6(b)(1) of the Act.

The Exchange also believes that this filing furthers the objectives of Section 6(b)(5) of the Exchange Act⁹ because the proposed rule change would be consistent with and facilitate a governance and regulatory structure that is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to, and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The Exchange believes that eliminating the requirement that the independent directors of the Exchange also be directors of ICE will allow the Exchange to have a more diverse board of directors because not all of the independent directors will have to be directors of ICE, while still ensuring their independence. The Exchange believes that the proposed rule change is therefore consistent with and facilitates a governance and regulatory structure that furthers the objectives of Section 6(b)(5) of the Act.

⁹ 15 U.S.C. 78f(b)(5).

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 Exchange Act. The proposed rule change is not intended to address competitive issues but rather is concerned solely with the administration and functioning of the Exchange's board of directors.

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.

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

Within 45 days of the date of publication of this notice in the Federal Register or up to 90 days (i) as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the proposed rule change, or
- (B) institute proceedings to determine whether the proposed rule change should be 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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2015-16 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSE-2015-16. This file number should be included on the subject line if e-mail 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 will also be available for inspection and copying at the NYSE's principal office and on its Internet website at www.nyse.com. 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-2015-16 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Brent J. Fields
Secretary

¹⁰ 17 CFR 200.30-3(a)(12).