

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71960; File No. SR-NYSEArca-2014-38)

April 17, 2014

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Revising the Schedule for Implementing the Exchange's Recently Approved Retail Liquidity Program Pursuant to NYSE Arca Equities Rule 7.44

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 4, 2014, NYSE Arca, Inc. ("NYSE Arca" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 revise the schedule for implementing the Exchange's recently approved Retail Liquidity Program ("Program") pursuant to NYSE Arca Equities Rule 7.44. 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.

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

¹ 15 U.S.C.78s(b)(1).

² 17 CFR 240.19b-4.

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 is proposing to revise the schedule for implementing the Exchange’s recently approved Retail Liquidity Program (“Program”) pursuant to NYSE Arca Equities Rule 7.44.

When the Exchange filed to adopt the Program, it stated that it would announce via Trader Update the implementation date of the Program.³ The Exchange anticipates that it will be announcing via Trader Update that the implementation date for the Program will be in April 2014.

NYSE Arca Equities Rule 7.44(j) currently provides, that “[a]n identifier shall be disseminated through the Consolidated Quotation System, the UTP Quote Data Feed, and the Exchange’s proprietary data feed when RPI interest priced at least \$0.001 better than the PBB or PBO for a particular security is available in Exchange systems (‘Retail Liquidity Identifier’).” In connection with the planned implementation of the Program, the Exchange will be disseminating the Retail Liquidity Identifier through the Consolidated Quotation System and the UTP Quote Data Feed (the “public data feeds”). However, because of the differing technology associating [sic] with disseminating data via the Exchange’s proprietary data feed, the Exchange will not be able to disseminate the Retail Liquidity Identifier via the Exchange’s proprietary data feed on the

³ See Securities Exchange Act Release No. 70824 (Nov. 6, 2013), 78 FR 68116 at 68120 (Nov. 13, 2013) (SR-NYSEArca-2013-107); see also Securities Exchange Act Release No. 71176 (Dec. 23, 2013), 78 FR 79524 (Dec. 30, 2014) (SR-NYSEArca-2013-107) (Approval Order).

proposed initial implementation date of the Program. Accordingly, the Exchange proposes a separate implementation date for disseminating the Retail Liquidity Identifier via the Exchange's proprietary data feed and will announce that date via Trader Update.

The Exchange is proposing this rule change simply to be clear that the implementation schedule regarding the dissemination of the Retail Liquidity Identifier pursuant to Rule 7.44(j) will be staggered. The Exchange proposes that the implementation date for disseminating the Retail Liquidity Indicator via the Exchange's proprietary data feed will be within 120 days of the initial implementation date of the Program.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act,⁴ in general, and furthers the objectives of Section 6(b)(5),⁵ in particular, in that it is designed to promote just and equitable principles of trade, 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 announcing the implementation date of new trading systems such as the Program via Trader Update removes impediments to and perfects the mechanism of a free and open market because it provides notice of when a new program is being implemented. The Exchange further believes that providing for a later implementation date for disseminating the Retail Liquidity Identifier via the Exchange's proprietary data feeds is consistent with the Act because the Retail Liquidity Identifier will be disseminated via the public data feeds on the initial implementation date of the Program. Accordingly, the proposed staggered implementation date

⁴ 15 U.S.C. § 78f(b).

⁵ 15 U.S.C. § 78f(b)(5).

for Rule 7.44(j) would protect investors and the public interest because information about Retail Liquidity Identifiers will be available on the initial date of Program implementation via the public data feeds.

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. The Exchange believes that the Program is designed to increase competition among execution venues, encourage additional liquidity, and offer the potential for price improvement to retail investors. The Exchange notes that notwithstanding the proposed staggered implementation schedule for how the Retail Liquidity Identifier will be disseminated, such information will be available via the public data feeds from the initial date of Program implementation and therefore market participants will have access to information regarding the Retail Liquidity Identifiers.

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

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act⁶ and Rule 19b-4(f)(6) thereunder.⁷ Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was

⁶ 15 U.S.C. 78s(b)(3)(A)(iii).

⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Commission has waived that requirement for this proposed rule change.

filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)⁸ normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b-4(f)(6)(iii),⁹ the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because, under the proposal, the Exchange would not delay dissemination of the Retail Liquidity Identifier over the public data feeds, and this waiver would allow the Exchange to implement the Program, which has already been subject to notice and comment, without further delay. Accordingly, the Commission hereby grants the Exchange's request and designates the proposal operative upon filing.¹⁰

At any time within 60 days of the filing of this proposed rule change, the Commission summarily may temporarily suspend this 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.

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 17 CFR 240.19b-4(f)(6)(iii).

¹⁰ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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-NYSEArca-2014-38 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-NYSEArca-2014-38. 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 this 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 publicly available. All submissions should refer to File Number SR-NYSEArca-2014-38 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.¹¹

Kevin M. O'Neill
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).