SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73288; File No. SR-NYSEArca-2014-109)

October 2, 2014

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services to Modify the Fees that It Charges for Routing Orders to 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 September 19, 2014, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services ("Fee Schedule") to modify the fees that it charges for routing orders to the New York Stock Exchange LLC ("NYSE"). The Exchange proposes to implement the changes on October 1, 2014. 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.

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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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend the Fee Schedule to modify the fees that it charges for routing orders to the NYSE. The Exchange proposes to implement the changes on October 1, 2014.

The NYSE introduced modifications to its transaction fee structures, including changes to the rates for taking liquidity, which became effective on September 1, 2014.[4] The Exchange's current fees for routing orders in securities with a per share price of $1.00 or more to the NYSE are closely related to the NYSE's fees for taking liquidity in such securities, and the Exchange is proposing an adjustment to its routing fees to maintain the existing relationship to the new fees in place at the NYSE.

Currently, the NYSE charges a transaction fee for certain transactions in securities with a per share price of $1.00 or more based on the characteristics of the transaction. Among other changes, the NYSE Fee Filing proposed to increase the charge for transactions that do not have a specified per share charge based on their characteristics ("all other" transactions). The NYSE

4 See Securities Exchange Act Release No. 72960 (September 3, 2014), 79 FR 53475 (September 9, 2014) (SR-NYSE-2014-46) (the "NYSE Fee Filing").

Fee Filing increased the per share charge for all other non-floor broker transactions (i.e., when taking liquidity from the Exchange) from $0.0026 to $0.0027 per transaction.

Currently, for the Exchange's Tier 1, Tier 2, Tier 3, Step Up Tier 1, and Step Up Tier 2 customers, the fee for routing orders in Tape A securities to the NYSE outside the book is equal to the previous NYSE fee of $0.0026 per share for all other non-floor broker transactions in securities with a per share price of $1.00 or more, and the fee for routing such orders to the NYSE for non-tier (i.e., Basic Rate) customers is $0.0028 per share.[5] Consequently, the Exchange is proposing to increase each of those fees by $0.0001 to $0.0027 per share and $0.0029 per share, respectively, consistent with the $0.0001 increase in the NYSE fee for all other non-floor broker transactions.

In addition, the Exchange currently charges $0.0024 per share for Primary Sweep Orders[6] in Tape A securities that are routed outside the book to the NYSE that remove liquidity from the NYSE.[7] In order to maintain the existing relationship to the other Exchange routing fees that are

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5 The other tiers in the Fee Schedule do not specify a fee for routing orders in Tape A securities to the NYSE outside the book. However, such tiers provide that if a fee (or credit) is not included in the tier, the relevant tiered or Basic Rate applies based on a firm's qualifying levels. Accordingly, for orders in Tape A securities routed to the NYSE outside the book, ETP Holders and Market Makers that qualify for another tier would default to the Tier 1, Tier 2, Tier 3, Step Up Tier 1, Step Up Tier 2 or Basic Rate that applied to them based on their qualifying levels.

6 A Primary Sweep Order is a Primary Only ("PO") Order (i.e., a market or limit order that is to be routed to the primary market) that first sweeps the NYSE Arca book. See NYSE Arca Equities Rules 7.31(x) and (kk).

7 This charge is included in the provisions for Tier 1, Tier 2, and the Basic Rate. The other tiers in the Fee Schedule do not specify a fee for Primary Sweep Orders in Tape A securities that are routed outside the book to the NYSE that remove liquidity from the NYSE. Accordingly, for such orders ETP Holders and Market Makers that qualify for another tier would default to the Tier 1, Tier 2 or Basic Rate that applied to them based on their qualifying levels. See supra note 5.

being adjusted upward, the Exchange is also proposing to increase this fee by $0.0001, to $0.0025 per share.

For Primary Only Plus ("PO+") orders,[8] the current Exchange fee for orders routed to the NYSE that remove liquidity from the NYSE is $0.0026 per share, which is equal to the current NYSE fee for all other non-floor broker transactions in securities with a per share price of $1.00 or more.[9] Consequently, the Exchange is proposing to increase its fees for routing PO+ orders to the NYSE that remove liquidity by the same amount ($0.0001) as the increase in the corresponding NYSE fees. The proposed new fee for PO+ orders routed to the NYSE that remove liquidity is $0.0027 per share. This change would maintain the current relationship with the NYSE rates.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ETP Holders would have in complying with the proposed changes.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[10] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[11] in particular, because it provides for the equitable allocation of reasonable dues, fees, and other

8 A PO+ Order is a PO Order that is entered for participation in the primary market, other than for participation in the primary market opening or primary market re-opening. See NYSE Arca Equities Rule 7.31(x)(3).

9 This charge is included in the provisions for Tier 1, Tier 2, and the Basic Rate. The other tiers in the Fee Schedule do not specify a fee for PO+ orders routed outside the book to the NYSE that remove liquidity. Accordingly, for such orders ETP Holders and Market Makers that qualify for another tier would default to the Tier 1, Tier 2 or Basic Rate that applied to them based on their qualifying levels. See supra note 4 [sic].

10 15 U.S.C. 78f(b).

11 15 U.S.C. 78f(b)(4) and (5).

charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed changes to routing fees are reasonable because the Exchange's fees for routing orders to the NYSE are closely related to the NYSE's fees for its members for taking liquidity, and the fee increases are consistent with the NYSE's recent increase for its fees for taking liquidity. The proposed changes will result in maintaining the existing relationship between the two sets of fees. In addition, the Exchange believes that the proposed rule change is reasonable, equitable, and not unfairly discriminatory because it would result in an increase in the per share fee for orders, Primary Sweep Orders, and PO+ Orders routed to the NYSE, thereby aligning the rate that the Exchange charges to ETP Holders with the rate that the Exchange is charged by the NYSE. Accordingly, the Exchange is proposing this increase so that the rate it charges to ETP Holders reflects the rate that the Exchange is charged by the NYSE. In addition, the proposed changes are equitable and not unfairly discriminatory because the fee increases apply uniformly across pricing tiers and all similarly situated ETP Holders would be subject to the same fee structure.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition. For these reasons, the Exchange believes that the proposal is consistent with the Act.

B. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

In accordance with Section 6(b)(8) of the Act,[12] 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. In particular, the proposed routing fee changes would

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[12] 15 U.S.C. 78f(b)(8).

not place a burden on competition because the Exchange is seeking to align its fees with the fees charged by the NYSE.[13]

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that the proposed rule change promotes a competitive environment.

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 foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)[14] of the Act and subparagraph (f)(2) of Rule 19b-4[15] thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such 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. If the Commission takes such action, the Commission shall institute proceedings under Section 19(b)(2)(B)[16] of the Act to determine whether the proposed rule change should be approved or disapproved.

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[13] See supra note 5 [sic].

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

[15] 17 CFR 240.19b-4(f)(2).

[16] 15 U.S.C. 78s(b)(2)(B).

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-2014-109 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-2014-109. 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 20549-1090, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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 available publicly. All submissions should refer to File Number SR-NYSEArca-2014-109, 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.[17]

Kevin M. O'Neill
Deputy Secretary

[17] 17 CFR 200.30-3(a)(12).