

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-76540; File No. SR-NYSEMKT-2015-97)

December 2, 2015

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Rule 132 – Equities to Delete Supplementary Material .40 Requiring Members Effecting Transactions on the Equities Trading Floor to Submit Certain Data Elements and Badge Information and to Make a Conforming Change

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 November 20, 2015, NYSE MKT LLC (the “Exchange” or “NYSE MKT”) 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 amend Rule 132 – Equities to delete Supplementary Material .40 requiring members effecting transactions on the equities trading Floor (the “Trading Floor”) to submit certain data elements and badge information and to make a conforming change. 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 Rule 132 – Equities (“Rule 132”) to delete Supplementary Material .40, which requires members to submit certain data elements and badge information for transactions effected on the Trading Floor and to make a conforming change.

Rule 132 requires clearing member organizations submitting a transaction to comparison to include the audit trail data elements set forth in Supplementary Material .30, including a specification of the account type for which the transaction was effected according to defined account categories. Consistent with this requirement, Supplementary Material .40 requires members⁴ effecting transactions on the Trading Floor as agent or otherwise to supply these audit trail data elements to their clearing member organization and to promptly provide the reporter in the Crowd (or other designated Exchange representative) with the member’s broker badge number or alpha

⁴ Under Rule 2(a), a member is a natural person associated with a member organization and in the context of Rule 132.40, refers to Floor brokers only.

symbol.

The Exchange proposes to delete Rule 132.40 as obsolete. Rule 132.40 was adopted at a time when manual transactions on the Trading Floor were recorded on paper order tickets. The rule was designed to improve trade documentation and ensure that broker badge information was captured correctly for Crowd trades (i.e., verbal executions between two Floor brokers or between a Floor broker and a specialist). Currently, however, all information regarding transactions at the Exchange, including the audit trail data elements of Rule 132.30 and badge information for manual transactions, is captured and transmitted electronically by Exchange systems. Because these data elements no longer need to be separately submitted by members, Rule 132.40 is obsolete and therefore can be deleted.

The Exchange also proposes to amend Rule 476A, which sets forth the list of rules under which a member organization or covered person may be subject to a fine in lieu of the Exchange commencing a disciplinary proceeding under Rule 476. Rule 476A permits a summary fine for failures to collect and/or submit all audit trail data specified in Rule 132. The Exchange proposes to delete the clause “and/or submit” to reflect elimination of the submission requirement set forth in Supplementary Material .40 of Rule 132. The Exchange believes this proposed change will add transparency and clarity to the Exchange’s rules.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁵ in general, and furthers the objectives of Section 6(b)(5) of the Act,⁶ in

⁵ 15 U.S.C. 78f(b).

particular, because it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest. In particular, the Exchange believes that deleting rule text relating to a requirement that is obsolete, i.e., to manually submit and transmit information that Exchange systems now capture and transmit electronically, removes impediments to and perfects the mechanism of a free and open market by simplifying its rulebook and removing confusion that may result from having obsolete rules in the Exchange's rulebook. The Exchange further believes that the proposal removes impediments to and perfects the mechanism of a free and open market by ensuring that persons subject to the Exchange's jurisdiction, regulators, and the investing public can more easily navigate and understand the Exchange's rulebook. The Exchange also believes that eliminating obsolete rules would not be inconsistent with the public interest and the protection of investors because investors will not be harmed and in fact would benefit from increased transparency as to which rules are operable, thereby reducing potential confusion. Similarly, the Exchange believes that removing a cross-reference to obsolete requirements would remove impediments to and perfect the mechanism of a free and open market because it would reduce potential confusion that may result from having such cross references in the Exchange's rulebook. Removing such obsolete cross references will also further the goal of transparency and add clarity to the Exchange's rules.

⁶ 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 Act. The proposed rule change is not intended to address competitive issues but rather to eliminate obsolete data submission requirements for trades on its Trading Floor.

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

Because the foregoing proposed rule does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that the self-regulatory organization has given the Commission written notice of its intent to file 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,⁷ the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act⁸ and Rule 19b-4(f)(6) thereunder.⁹

At any time within 60 days of the filing of such proposed rule change, the

⁷ The Exchange has fulfilled this requirement.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

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)¹⁰ of the Act to determine whether the proposed rule change should be approved or 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-NYSEMKT-2015-97 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-NYSEMKT-2015-97. 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

¹⁰ 15 U.S.C. 78s(b)(2)(B).

(<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-NYSEMKT-2015-97 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

Robert W. Errett
Deputy Secretary

¹¹ 17 CFR 200.30-3(a)(12).