

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73448; File No. S7-24-89)

October 28, 2014

Joint Industry Plan; Order Approving Amendment No. 32 to 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 Submitted by the BATS Exchange, Inc., BATS Y-Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, Inc., Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC, NYSE Arca, Inc., and NYSE MKT, LLC.

I. Introduction

On September 12, 2014, the Chicago Board Options Exchange, Incorporated, on behalf of the Participants¹ in 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” or “Plan”) filed with the Securities and Exchange Commission (“Commission”) pursuant to Rule 608² under the Securities Exchange Act of 1934 (“Act”)³ a proposal to amend the Plan⁴ to change certain

¹ The Plan Participants (collectively, “Participants”) are the: BATS Exchange, Inc. (“BATS”); BATS Y-Exchange, Inc. (“BATS Y”); Chicago Board Options Exchange, Incorporated (“CBOE”); Chicago Stock Exchange, Inc. (“CHX”); EDGA Exchange, Inc. (“EDGA”); EDGX Exchange, Inc. (“EDGX”); Financial Industry Regulatory Authority, Inc. (“FINRA”); International Securities Exchange LLC (“ISE”); NASDAQ OMX BX, Inc. (“BX”); NASDAQ OMX PHLX, Inc. (“PHLX”); Nasdaq Stock Market LLC (“Nasdaq”); National Stock Exchange, Inc. (“NSX”); New York Stock Exchange LLC (“NYSE”); NYSE Amex, Inc. (“NYSEAmex”); and NYSE Arca, Inc. (“NYSEArca”).

² 17 CFR 240.608.

³ 15 U.S.C. 78k-1.

⁴ The Plan governs the collection, processing, and dissemination on a consolidated basis of quotation information and transaction reports in Eligible Securities for each of its Participants. This consolidated information informs investors of the current quotation and recent trade prices of Nasdaq securities. It enables investors to ascertain from one data

of the voting requirements under the Plan. The proposed amendment was published for comment in the Federal Register on October 6, 2014.⁵ No comment letters were received in response to the Notice. This order approves the proposal.

II. Description of the Proposal

The amendment proposes to change certain of the voting requirements under the Plan to harmonize the voting requirements under the Plan with the voting requirements under the CTA Plan and the CQ Plan.⁶

This amendment revises the following voting requirements:⁷

- the voting requirement to eliminate an existing fee or to reduce an existing fee, from unanimity to the affirmative vote of two-thirds of all Participants entitled to vote;
- the voting requirement to request system changes other than those related to the processor function from a unanimous vote to the affirmative vote of a majority of all Participants entitled to vote;

source the current prices in all the markets trading Nasdaq securities. The Plan serves as the required transaction reporting plan for its Participants, which is a prerequisite for their trading Eligible Securities. See Securities Exchange Act Release No. 55647 (April 19, 2007) 72 FR 20891 (April 26, 2007).

⁵ See Securities Exchange Act Release No. 73239 (September 26, 2014), 79 FR 60203 (“Notice”).

⁶ See Securities Exchange Act Release No. 73285 (October 1, 2014), 79 FR 60555 (October 7, 2014), Notice of SR-CTA/CQ-2014-02, proposing to amend the voting requirements to: raise, lower, add and eliminate fees, and amend the capacity planning process.

⁷ The Notice stated that the amendment changed the vote requirement for establishing procedures to select a new processor from unanimity to a two-thirds majority vote. However, the Commission has been informed by the attorney for the UTP Plan that the Participants did not vote on this change, therefore, the change is not included in this order. Email from Steven J. Abrams to Katherine A. England, SEC, dated October 28, 2014.

- establishes as the voting requirement to select a new processor -- the affirmative vote of two-thirds of all Participants entitled to vote;
- the default voting requirement from unanimity to the affirmative vote of a majority of all Participants entitled to vote.

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,⁸ and, in particular, Section 11A(a)(1) of the Act⁹ and Rule 608 thereunder¹⁰ in that they are 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.

A. Fee Setting

Amending the voting requirements, as proposed by the Participants, should provide the Participants with greater flexibility to accomplish the goals of the Plan. The change with respect to eliminating a fee and reducing a fee would harmonize the voting requirement with the counterpart voting requirements under the CTA Plan and the CQ Plan. Changes with respect to reducing a fee would also harmonize the Plan with counterpart voting requirement under the OPRA Plan. These changes to the voting requirements should provide the Participants with greater flexibility when amending the Plan's fee schedule.

B. System Changes

⁸ The Commission has considered the proposed amendment's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78k-1(a)(1).

¹⁰ 17 CFR 240.608.

The change with respect to system changes subjects all system changes to the same voting requirement, thereby providing Participants greater flexibility and making it easier for the Participants to arrive at decisions regarding necessary system upgrades and changes. The Commission notes that the CTA Plan, the CQ Plan, and the OPRA Plan all require a majority vote for decisions relating to system changes.

C. Processor Selection

The Commission believes that a two-thirds majority vote, rather than unanimity, should facilitate decision-making regarding the selection of a processor.

D. Default Voting Requirement

Changing the default voting requirement to the affirmative vote of a majority of Participants, from a unanimous vote should provide greater flexibility and facilitate the Participants' ability to take action under the Plan. The Commission notes that the CTA Plan, the CQ Plan, and the OPRA Plan require majority votes to act on matters for which those plans do not specify a voting requirement. Thus, the change harmonizes requirements under the Plan with corresponding requirements under the CTA Plan, the CQ Plan, and the OPRA Plan.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 11A of the Act,¹¹ and Rule 608 thereunder,¹² that the proposed amendment to Nasdaq/UTP Plan (File No. S7-24-89) is approved.

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

Kevin M. O'Neil
Deputy Secretary

¹¹ 15 U.S.C. 78k-1.

¹² 17 CFR 240.608.

¹³ 17 CFR 200.30-3(a)(27).