

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-79458; File No. SR-NYSE-2016-69)

December 2, 2016

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Chapter Nine of the NYSE Listed Company Manual

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (“Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on November 23, 2016, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (“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 Chapter Nine of the NYSE Listed Company Manual (the “Manual”) to amend certain of its listing fee provisions. The proposed rule change is available on the Exchange’s website at [www.nyse.com](http://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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

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 Chapter Nine of the Manual to amend certain of its listing fee provisions. The amended fees will take effect in the 2017 calendar year. The following are the proposed fee increases:

- The fee per share charged in connection with the initial listing of a new class of equity securities will be increased from \$0.0032 per share to \$0.004 per share.
- The minimum initial listing fee in connection with a new class of equity securities will be increased from \$125,000 to \$150,000 and the maximum fee will be increased from \$250,000 to \$295,000.
- A number of categories of securities are currently billed an annual fee of \$0.001025 per share. This rate will be increased to \$0.00105 per share.<sup>4</sup>
- The minimum annual fee applicable to the primary class of common shares (including Equity Investment Tracking Stock) or the primary class of preferred stock (if no class of common shares is listed) will be increased from \$52,500 to \$59,500.

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<sup>4</sup> The affected securities are as follows: primary class of common shares (including Equity Investment Tracking Stock); each additional class of common shares (including tracking stock); primary class of preferred stock (if no class of common shares is listed); each additional class of preferred stock (whether primary class is common stock or preferred stock); each class of warrants; structured products listed under Section 902.05; and short-term securities.

- The minimum annual fee applicable to structured products listed under Section 902.05 and short-term securities listed under Section 902.06 (except for warrants to purchase equity securities) will be increased from \$15,000 to \$20,000.
- The initial and annual listing fees for debt listed under Section 102.03 and 103.05 of NYSE equity issuers and affiliated companies will each be increased from \$15,000 to \$20,000.
- The initial and annual listing fees for debt listed under Section 102.03 and 103.05 of companies other than NYSE equity issuers and affiliated companies will each be increased from \$15,000 to \$40,000.<sup>5</sup>
- The initial and annual listing fees for securities (including short-term securities) that list under the debt standard in Section 703.19 and trade on NYSE Bonds will each be increased from \$15,000 to \$20,000.

As described below, the Exchange proposes to make the aforementioned fee increases to better reflect the Exchange's costs related to listing equity securities and the corresponding value of such listing to issuers.

The Exchange also proposes to remove a number of references throughout Chapter Nine to fees that are no longer applicable as they were superseded by new few [sic] rates specified in the rule text and to delete other obsolete rule text

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of

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<sup>5</sup> Domestic debt of issuers not subject to registration under the Act is exempt from all listing fees.

the Act,<sup>6</sup> in general, and furthers the objectives of Sections 6(b)(4)<sup>7</sup> of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges and is not designed to permit unfair discrimination among its members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act, in particular in that it is designed 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 it is reasonable to amend Chapter Nine of the Manual to increase the various listing fees as set forth above because the resulting fees would better reflect the Exchange's costs related to such listing and the resulting value that that such listings provide to the issuers. In that regard, the Exchange notes that it has incurred increased expenses as it continues to improve and increase the services it provides to listed companies. These improvements include the development and roll-out of a new interactive web-based platform designed to improve communication between the Exchange and listed companies and significant capital improvements to the Exchange's facility at 11 Wall Street to create state-of-the-art conference facilities to be used by listed companies. The Exchange believes that the proposed fee increases are equitably allocated because the per share fee increase will be the same for all issuers on the Exchange. Therefore, the proposed fee increases will not be unfairly discriminatory towards any individual issuer. The Exchange believes it is consistent with Section 6(b)(5) of the Act to apply different fees to bonds of companies that do not have their

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<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

equity securities listed on the NYSE than to companies with NYSE-listed equity securities and their affiliates, as there is a greater regulatory and administrative burden associated with listing bonds of companies with which the Exchange does not otherwise have a regulatory or listing relationship.

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 designed to ensure that the fees charged by the Exchange accurately reflect the services provided and benefits realized by listed companies. The market for listing services is extremely competitive. Each listing exchange has a different fee schedule that applies to issuers seeking to list securities on its exchange. Issuers have the option to list their securities on these alternative venues based on the fees charged and the value provided by each listing. Because issuers have a choice to list their securities on a different national securities exchange, the Exchange does not believe that the proposed fee changes impose a burden on competition.

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)<sup>8</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>9</sup> 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

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(2).

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)<sup>10</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-NYSE-2016-69 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-2016-69. 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

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<sup>10</sup> 15 U.S.C. 78s(b)(2)(B).

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 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-NYSE-2016-69, 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.<sup>11</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).