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

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 June 29, 2012, 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 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”). The Exchange proposes to implement the fee changes on July 1, 2012. 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

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\(^3\) 17 CFR 240.19b-4.
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 the Fee Schedule, as described below, and implement the fee changes on July 1, 2012.

ETP Holders, including Market Makers, are currently eligible to qualify for the Cross-Asset Tier and the corresponding credit of $0.0030 per share for orders that provide liquidity on the Exchange. To qualify, an ETP Holder must (1) provide liquidity of 0.50% or more of the U.S. Consolidated Average Daily Volume (“CADV”)4 per month, and (2) be affiliated with an NYSE Arca Options OTP Holder or OTP Firm that provides an average daily volume (“ADV”) of electronic posted Customer executions in Penny Pilot issues on NYSE Arca Options of at least 110,000 contracts.5

The Exchange proposes to decrease the CADV percentage threshold from 0.50% to 0.45% and to decrease the options ADV threshold from 110,000 contracts to 90,000 contracts. The Exchange has determined to make these changes in light of current and anticipated market conditions.

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4 U.S. CADV means United States Consolidated Average Daily Volume for transactions reported to the Consolidated Tape and excludes volume on days when the market closes early.

5 An affiliate of an ETP Holder would be a person or firm that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the ETP Holder. See NYSE Arca Equities Rule 1.1(b). As provided under NYSE Arca Options Rule 6.72, options on certain issues have been approved to trade with a minimum price variation of $0.01 as part of a pilot program that is currently scheduled to expire on December 31, 2012. See SR-NYSEArca-2012-65.
conditions and believes that these changes will provide a greater incentive to attract additional equities and options liquidity.

2. **Statutory Basis**

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the “Act”), in general, and furthers the objectives of Section 6(b)(4) of the Act, in particular, because it provides for the equitable allocation of reasonable dues, fees, and other 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 rule change is reasonable, equitable and not unfairly discriminatory because the proposed changes to the Cross-Asset Tier would directly relate to the activity of an ETP Holder and the activity of an affiliated OTP Holder or OTP Firm on the Exchange, thereby encouraging increased trading activity on both the NYSE Arca equity and option markets. The Exchange has determined to adjust the CADV and contract thresholds in light of current and anticipated market conditions and believes that these changes will provide a greater incentive to attract additional equities and options liquidity.

Finally, 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 reflects this competitive environment.

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.
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)\(^6\) of the Act and subparagraph (f)(2) of Rule 19b-4\(^7\) thereunder, because it establishes [sic] a due, fee, or other charge imposed by NYSE Arca.

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.

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-2012-70 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

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All submissions should refer to File Number SR-NYSEArca-2012-70. 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 Section, 100 F Street, NE, Washington, DC 20549-1090. Copies of the filing will also be available for inspection and copying at the NYSEArca’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-
NYSEArca-2012-70 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.\textsuperscript{8}

Kevin M. O’Neill
Deputy Secretary

\textsuperscript{8} 17 CFR 200.30-3(a)(12).