

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-83350; File No. SR-NYSENAT-2018-09)

May 31, 2018

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish the NYSE National BBO, NYSE National Trades and NYSE National Integrated Feed Market Data Feeds

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on May 18, 2018, NYSE National, Inc. (the “Exchange” or “NYSE National”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I and II 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 establish the NYSE National BBO (“NYSE National BBO”), NYSE National Trades (“NYSE National Trades”) and NYSE National Integrated Feed (“NYSE National Integrated Feed”) market data feeds. 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

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

<sup>2</sup> 17 CFR 240.19b-4.

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 establish NYSE National BBO, NYSE National Trades and NYSE National Integrated Feed (“NYSE National Market Data Feeds”).

NYSE National BBO

NYSE National BBO is a NYSE National-only market data feed that provides vendors and subscribers on a real-time basis with the same best-bid-and-offer information that NYSE National reports under the Consolidated Quotation Plan (“CQ Plan”) and the Plan Governing the Collection, Consolidation, and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privilege Basis (“OTC UTP Plan”). NYSE National BBO would include the best bids and offers (“NYSE National BBO Information”) for all securities that are traded on the Exchange. NYSE National will make the NYSE National BBO available over a single data feed, regardless of the markets on which the securities are listed.

NYSE National BBO would allow vendors, broker-dealers, and others (“NYSE National Vendors”) to consume and make available NYSE National BBO Information on a real-time basis. NYSE National Vendors may distribute the NYSE National BBO to both professional and non-professional subscribers. The Exchange would make NYSE

National BBO Information available through the NYSE National BBO data feed no earlier than it makes that information available to the processor under the CQ Plan or the OTC UTP Plan, as applicable.

#### NYSE National Trades

NYSE National Trades is a NYSE National-only market data feed that provides vendors and subscribers on a real-time basis with the same last sale information that NYSE National reports under the Consolidated Tape Association Plan (“CTA Plan”) and the OTC UTP Plan for inclusion in the consolidated feeds. NYSE National Trades would include the real-time last sale price, time and size information (“NYSE National Last Sale Information”) for all securities that are traded on the Exchange. NYSE National will make the NYSE National Trades available over a single data feed, regardless of the markets on which the securities are listed.

NYSE National Trades would allow NYSE National Vendors to consume and make available NYSE National Last Sale Information on a real-time basis. NYSE National Vendors may distribute the NYSE National Trades to both professional and non-professional subscribers. The Exchange would make NYSE National Last Sale Information available through the NYSE National Trades data feed no earlier than it makes that information available to the processor under the CTA Plan or the OTC UTP Plan, as applicable. In addition to the information that the Exchange provides to the processor, NYSE National Last Sale Information will also include a unique sequence number that the Exchange assigns to each trade and that allows an investor to track the context of a trade through other Exchange market data products.

#### NYSE National Integrated Feed

NYSE National Integrated Feed is a NYSE National-only market data feed that would provide vendors and subscribers on a real-time basis with a unified view of events, in sequence, as they appear on the NYSE National matching engines. The NYSE National Integrated Feed would include depth of book order data, last sale data, and security status updates (e.g., trade corrections and trading halts) and stock summary messages. The stock summary message would update every minute and would include NYSE National's opening price, high price, low price, closing price, and cumulative volume for a security. The NYSE National Integrated Feed would include information available to vendors and subscribers of NYSE National Trades, a service that would make available NYSE National last sale information on a real-time basis.

Offering an integrated product addresses requests received from vendors and subscribers that would like to receive the data described above in an integrated fashion. An integrated data feed would provide greater efficiencies and reduce errors for vendors and subscribers that currently choose to integrate the data after receiving it from the Exchange. The Exchange believes that providing vendors and subscribers with the option of a market data product that both integrates existing products and includes additional market data would allow vendors and subscribers to choose the best solution for their specific businesses.

The Exchange proposes to offer the NYSE National Market Data Feeds through the Exchange's Liquidity Center Network ("LCN"), a local area network in the Exchange's Mahwah, New Jersey data center that is available to users of the Exchange's co-location services. The Exchange would also offer the NYSE National Market Data Feeds through the Exchange's Secure Financial Transaction Infrastructure ("SFTI")

network, through which all other users and members access the Exchange's trading and execution systems and other proprietary market data products.

At this time, the Exchange does not intend to charge any fees associated with the receipt of NYSE National BBO, NYSE National Trades or NYSE National Integrated Feed. The Exchange will submit a proposed rule change to the Commission should it determine to charge fees associated with the receipt of NYSE National BBO, NYSE National Trades or NYSE National Integrated Feed. The Exchange will announce the date that the NYSE National Market Data Feeds would be available through a NYSE National Market Data Notice.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act ("Act"),<sup>3</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>4</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in 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, and it is not designed to permit unfair discrimination among customers, brokers, or dealers. This proposal is in keeping with those principles in that it promotes increased transparency through the dissemination of the NYSE National Market Data Feeds to those interested in receiving it.

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<sup>3</sup> 15 U.S.C. 78f(b).

<sup>4</sup> 15 U.S.C. 78f(b)(5).

The Exchange also believes this proposal is consistent with Section 6(b)(5) of the Act because it protects investors and the public interest and promotes just and equitable principles of trade by providing investors with new options for receiving market data as requested by market data vendors and purchasers. The proposed rule change would benefit investors by facilitating their prompt access to the real-time information contained in the NYSE National Market Data Feeds.

In adopting Regulation NMS, the Commission granted self-regulatory organizations (“SROs”) and broker dealers increased authority and flexibility to offer new and unique market data to consumers of such data. It was believed that this authority would expand the amount of data available to users and consumers of such data and also spur innovation and competition for the provision of market data. The Exchange believes that the NYSE National Market Data Feeds are precisely the sort of market data products that the Commission envisioned when it adopted Regulation NMS. The Commission concluded that Regulation NMS would itself further the Act’s goals of facilitating efficiency and competition:

Efficiency is promoted when broker-dealers who do not need the data beyond the prices, sizes, market center identifications of the NBBO and consolidated last sale information are not required to receive (and pay for) such data. The Commission also believes that efficiency is promoted when broker-dealers may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data.<sup>5</sup>

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<sup>5</sup> See Securities Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496 (June 29, 2005) (Regulation NMS Adopting Release).

The Exchange further notes that the existence of alternatives to the Exchange's product, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources, as well as the continued availability of the Exchange's separate data feeds, ensures that the Exchange is not unreasonably discriminatory because vendors and subscribers can elect these alternatives as their individual business cases warrant.

The NYSE National Market Data Feeds will help to protect a free and open market by providing additional data to the marketplace and by giving investors greater choices. In addition, the proposal would not permit unfair discrimination because the products will be available to all of the Exchange's customers and broker-dealers through both the LCN and SFTI.

**B. Self-Regulatory Organization's Statement on Burden on Competition**

In accordance with Section 6(b)(8) of the Act,<sup>6</sup> 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. Because other exchanges already offer similar products, the Exchange's proposed NYSE National Market Data Feeds will enhance competition. For example, NYSE National BBO would provide an alternative to NYSE Arca BBO,<sup>7</sup> offered by the Exchange's affiliate, NYSE Arca, Inc. ("NYSE Arca"), Nasdaq Basic,<sup>8</sup> offered by The Nasdaq Stock Market, Inc. ("Nasdaq"), and Cboe

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<sup>6</sup> 15 U.S.C. 78f(b)(8).

<sup>7</sup> See NYSE Arca BBO, <https://www.nyse.com/market-data/real-time/bbo> (provides best bid/ask quotations for all traded securities).

<sup>8</sup> See Nasdaq Basic, <http://www.nasdaqtrader.com/Trader.aspx?id=NASDAQBASIC> (provides Best Bid and Offer and Last Sale Information).

Top,<sup>9</sup> offered by Cboe Global Markets, Inc. (“Cboe”). Additionally, NYSE National Trades would provide an alternative to NYSE Arca Trades,<sup>10</sup> offered by NYSE Arca, Nasdaq Basic,<sup>11</sup> offered by Nasdaq, and Cboe Last Sale,<sup>12</sup> offered by Cboe. Finally, NYSE National Integrated Feed would provide an alternative to NYSE Arca Integrated Feed,<sup>13</sup> offered by NYSE Arca, Nasdaq TotalView-Itch,<sup>14</sup> offered by Nasdaq, and Cboe Depth,<sup>15</sup> offered by Cboe.

The NYSE National Market Data Feeds provide investors with new options for receiving market data, which was a primary goal of the market data amendments

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

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<sup>9</sup> See Cboe Top, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time top-of-book quotations, matched trade price, volume and execution time).

<sup>10</sup> See NYSE Arca Trades, <https://www.nyse.com/market-data/real-time/trades> (provides real-time Last Sale information for all traded securities).

<sup>11</sup> See Nasdaq Basic, <http://www.nasdaqtrader.com/Trader.aspx?id=nasdaqbasic> (provides Best Bid and Offer and Last Sale Information).

<sup>12</sup> See Cboe Last Sale, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time matched trade price, volume and execution time).

<sup>13</sup> See NYSE Arca Integrated Feed, <https://www.nyse.com/market-data/real-time/integrated-feed> (provides a comprehensive order-by-order view of events in the equities market, including depth of book, trades, order imbalance data, and security status messages).

<sup>14</sup> See Nasdaq TotalView-ITCH, <http://www.nasdaqtrader.com/Trader.aspx?id=Totalview2> (displays the full order book depth for Nasdaq market participants and also disseminates the Net Order Imbalance Indicator (NOII) for the Nasdaq Opening and Closing Crosses and Nasdaq IPO/Halt Cross).

<sup>15</sup> See Cboe Depth, [https://markets.cboe.com/us/equities/market\\_data\\_products/](https://markets.cboe.com/us/equities/market_data_products/) (provides real-time, depth-of-book quotations and execution information).

change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The Exchange has filed the proposed rule change pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>16</sup> and Rule 19b-4(f)(6) thereunder.<sup>17</sup> Because the proposed rule change does not: (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 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 SRO has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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 the designated by the Commission, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6)(iii) thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)<sup>18</sup> normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b4(f)(6)(iii),<sup>19</sup> the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive both the five day pre-filing requirement and the 30-day operative

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> 17 CFR 240.19b-4(f)(6).

<sup>19</sup> 17 CFR 240.19b-4(f)(6)(iii).

delay so that the proposal may become operative immediately upon filing. The Exchange stated its belief such waivers would be consistent with the protection of investors and the public interest because the waiver of the pre-filing requirement and the operative delay would allow the Exchange to provide the NYSE National Market Data Feeds immediately upon launch of NYSE National. The Commission grants the Exchange's request for waivers of the pre-filing requirement and the operative delay<sup>20</sup> because the waivers would permit the Exchange to begin offering its proprietary market data products, which would be comparable to those offered by other exchanges, to interested market participants concurrent with the re-launch of 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) of the Act<sup>21</sup> 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:

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<sup>20</sup> In considering the Exchange's request to waive the requirement of the 30-day operative delay, the Commission has considered, in addition to the protection of investors, the impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>21</sup> 15 U.S.C. 78s(b)(2)(B).

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-NYSENAT-2018-09 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-NYSENAT-2018-09. 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 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only

information that you wish to make available publicly. All submissions should refer to File Number SR-NYSE-NAT-2018-09 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>22</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>22</sup> 17 CFR 200.30-3(a)(12).