

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-83440; File No. SR-NYSENAT-2018-13)

June 14, 2018

Self-Regulatory Organizations; NYSE National, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its Schedule of Fees and Rebates to Extend the Current Waiver of Certain Adding and Taking Tier Volume Requirements to July 1, 2018, and Make Non-Substantive Changes to Eliminate Obsolete Text

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on June 6, 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, 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 its Schedule of Fees and Rebates to (1) extend the current waiver of certain adding and taking tier volume requirements to July 1, 2018, and (2) make non-substantive changes to eliminate obsolete text. The Exchange proposes to implement the rule change on June 6, 2018.<sup>4</sup> The proposed rule change is available on

---

<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.

<sup>4</sup> The Exchange originally filed to amend the Fee Schedule on May 31, 2018 (SR-NYSENAT-2018-11) and withdrew such filing on June 6, 2018. This filing replaces SR-NYSENAT-2018-11 in its entirety.

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 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 its Schedule of Fees and Rebates to (1) extend the current waiver of certain adding and taking tier volume requirements to July 1, 2018, and (2) make non-substantive changes to eliminate obsolete text.

The Exchange proposes to implement the rule change on June 6, 2018.

Extend Waiver of Adding and Taking Tier Volume Requirements

Currently, under the Adding Tier, the Exchange charges fees of \$0.0020 per share for displayed orders, \$0.0022 per share for non-displayed orders, \$0.0018 per share for orders that set a new Exchange BBO,<sup>5</sup> and \$0.0005 per share for Mid-Point Liquidity ("MPL") orders for transactions in stocks with a per share price of \$1.00 or more when

---

<sup>5</sup> The term "BBO" is defined in Rule 1.1 to mean the best bid or offer that is a Protected Quotation on the Exchange. The term "BB" means the best bid that is a Protected Quotation on the Exchange and the term "BO" means the best offer that is a Protected Quotation on the Exchange.

adding liquidity to the Exchange if the ETP Holder has at least 0.015% of Adding ADV as a percent of US CADV. Under the Taking Tier, the Exchange offers credits of (\$0.0020) per share for orders and (\$0.0002) per share for MPL orders for transactions in stocks with a per share price of \$1.00 or more when removing liquidity from the Exchange if the ETP Holder has at least 50,000 shares of Adding ADV. As reflected in footnote \* of the Schedule of Fees and Rebates, the Exchange currently waives the volume requirements for both of these tiers until June 1, 2018.

The Exchange proposes to extend the waiver of the volume requirements for the Adding Tier and Taking Tier until July 1, 2018, which would be reflected in footnote \* of the Schedule of Fees and Rebates.

#### Deletion of Obsolete Text

Currently, the Exchange does not [sic] to charge for order/quote entry ports and for drop copy ports until June 1, 2018.<sup>6</sup> Thereafter, as the Exchange noted in its filing adopting the port fees, the Exchange would charge \$250 per port per month for both order/quote entry ports and drop copy ports, and the fees would apply to all market participants.<sup>7</sup> Because the fee waivers expire on June 1, 2018, and the Exchange does not propose to extend the waivers, the Exchange accordingly proposes to eliminate the

---

<sup>6</sup> Order/quote entry ports provide connectivity to the Exchange's trading systems (i.e., ports for entry of orders and/or quotes). Drop copy ports allow for the receipt of "drop copies" of order or transaction information. Firms receive confirmations of their orders and receive execution reports via the order/quote entry port that is used to enter the order or quote. A "drop copy" contains redundant information that a firm chooses to have "dropped" to another destination (e.g., to allow the firm's back office and/or compliance department, or another firm – typically the firm's clearing broker – to have immediate access to the information). Drop copies can only be sent via a drop copy port. Drop copy ports cannot be used to enter orders and/or quotes.

<sup>7</sup> See SR-NYSENAT-2018-12.

waiver language in the Section III (Port Fees) of the Schedule of Fees and Rebates as obsolete.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ETP Holders would have in complying with the proposed change.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Sections 6(b)(4) and 6(b)(5) of the Act,<sup>9</sup> 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.

### Extend Waiver of Adding and Taking Tier Volume Requirements

The Exchange believes it is reasonable to extend the waiver of the Adding Tier and Taking Tier volume requirements until July 1, 2018, because the continued waiver for a limited period of time will provide incentives for ETP Holders to submit increased volumes and enable the Exchange to improve its overall competitiveness and strengthen its market quality to the benefit of all market participants. The proposed extension of the volume requirements waiver is not unfairly discriminatory because it will apply equally to all similarly situated ETP Holders.

### Non-Substantive Changes

The Exchange believes that the proposed deletion of waiver language expiring

---

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

<sup>9</sup> 15 U.S.C. 78f(b)(4) & (5).

June 1, 2018, relating to port fees removes impediments to, and perfects the mechanism of, a free and open market by adding clarity as to whether waivers are operative and when, thereby reducing potential confusion that may result from having obsolete material in the Exchange's rulebook, and making the Exchange's rules easier to navigate. The Exchange believes that eliminating such obsolete material 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, thereby reducing potential confusion.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition.

For the foregoing reasons, the Exchange believes that the proposal is consistent with the Act.

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

In accordance with Section 6(b)(8) of the Act,<sup>10</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Instead, the Exchange believes that the proposed rule change would encourage the submission of additional liquidity to a public exchange, thereby promoting price discovery and transparency and enhancing order execution opportunities for ETP Holders. The Exchange believes that this could promote competition between the Exchange and other execution venues, including those that currently offer similar order types and comparable transaction pricing, by encouraging additional orders to be sent to the Exchange for execution. The Exchange

---

<sup>10</sup> 15 U.S.C. 78f(b)(8).

also believes that the proposed rule is designed to provide the public and investors with a Schedule of Fees and Rebates that is clear and consistent, thereby reducing burdens on the marketplace and facilitating investor protection.

Finally, the Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive or rebate opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its fees and rebates to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. As a result of all of these considerations, the Exchange does not believe that the proposed changes will impair the ability of ETP Holders or competing order execution venues to maintain their competitive standing in the financial markets.

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>11</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>12</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 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>13</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

---

<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 15 U.S.C. 78s(b)(2)(B).

#### 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-NYSENAT-2018-13 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-2018-13. 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; the Commission does not edit personal identifying information from submissions. 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-2018-13 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>14</sup>

Eduardo A. Aleman  
Assistant Secretary

---

<sup>14</sup> 17 CFR 200.30-3(a)(12).