

proposed rule change would eliminate the requirement for dealers to include yield on customer trade reports. The Commission believes that this would remove one aspect of a dealer's burden in reporting customer transactions to the MSRB in compliance with MSRB Rule G-14. Furthermore, the MSRB has revised its implementation schedule in response to comments from BDA and SIFMA, which would likely provide dealers and subscribers with nearly nine months to make necessary system changes after publication by the MSRB of the technical specifications. This accommodation would likely provide dealers and subscribers with sufficient time to make any required changes in due course without causing adverse disruptions. The Commission does not believe that the proposed rule change would impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act because the requirements of the proposed rule change would apply equally to all dealers who report trade information to RTRS.

As noted above, the Commission received three comment letters on the filing. The Commission believes that the MSRB considered carefully and responded adequately to comments and concerns regarding the proposed rule change. Although one commenter suggested changes and opposed certain aspects of the proposed rule change, the Commission notes that no commenters argued that the proposed rule change was inconsistent with the applicable provisions of the Act.

For the reasons noted above, including those discussed in the MSRB Response Letter, the Commission believes that the proposed rule change is consistent with the Act.

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>70</sup> that the proposed rule change (SR-MSRB-2015-02) be, and hereby is, approved.

For the Commission, pursuant to delegated authority.<sup>71</sup>

**Robert W. Errett,**

*Deputy Secretary.*

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**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75041; File No. SR-Phlx-2015-45]

### Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Exchange's Pricing Schedule Under Section VIII With Respect to Execution and Routing of Orders in Securities Priced at \$1 or More Per Share

May 26, 2015.

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, 2015, NASDAQ OMX PHLX LLC ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 the Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule under Section VIII, entitled "NASDAQ OMX PSX FEES," with respect to execution and routing of orders in securities priced at \$1 or more per share.

The text of the proposed rule change is available on the Exchange's Web site at <http://nasdaqomxphlx.cchwallstreet.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 Exchange 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 these 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 aspects of such statements.

#### A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

##### 1. Purpose

The purpose of the proposed rule change is to amend certain charges and fees for order execution and routing applicable to the use of the order execution and routing services of the NASDAQ OMX PSX System ("PSX") by member organizations for all securities traded at \$1 or more per share.

Specifically, the charge to a member organization that executes in PSX will increase to \$0.0029 per share executed regardless of where the shares are listed. This means an increase from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in The NASDAQ Stock Market LLC ("Nasdaq")-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in New York Stock Exchange ("NYSE")-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these increases enable it to balance the need to fund credits and operational costs.

The Exchange will also increase certain credits to member organizations that provide liquidity through PSX. Specifically, the credit to a member organization that executes in PSX for a displayed quote/order will increase from \$0.0025 to \$0.0028 per share executed for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month—previously this rate required adding 0.12% of Consolidated Volume. The term "accesses" is another way of saying taking liquidity. This change also eliminates the requirements that (i) the quote/order is entered through a PSX Market Participant ID ("MPID") through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes that eliminating these requirements will encourage firms to participate in PSX by allowing their participation in the market to define the credit rate they receive.

The Exchange will also increase the credit to a member organization that

<sup>70</sup> 15 U.S.C. 78s(b)(2).

<sup>71</sup> 17 CFR 200.30-3(a)(12).

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

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

executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month—previously this rate required adding 0.04% of Consolidated Volume.

The Exchange will similarly increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month—previously this required that the member organization provide an average daily volume of 100,000 or more.

The Exchange is also adding a new tier for displayed quotes/orders of \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month.

The Exchange will also increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed.

The Exchange is also adding another new tier for displayed quotes/orders with an order size of 2,000 or more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares.

The Exchange is also adding a new credit tier for non-displayed orders of a \$0.0015 per share executed credit for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month.

Finally, the Exchange is clarifying that the credit tier for non-displayed orders of \$0.0010 per share executed will continue to apply to all other orders with midpoint pegging that provide liquidity.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>3</sup> in general, and with Section 6(b)(4) and 6(b)(5) of the Act,<sup>4</sup> in particular, in that it provides for the equitable allocation

of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The proposed increases to the credits and charges in the fee schedule under the Exchange's Pricing Schedule under Section VIII are reflective of the Exchange's ongoing efforts to use pricing incentive programs to attract order flow to the Exchange and improve market quality. The goal of these pricing incentives is to provide meaningful incentives for members to increase their participation on the Exchange.

First, the Exchange is proposing modest increases to the charges that a member organization entering an order that executes in PSX from: (i) \$0.0026 to \$0.0029 per share executed for shares executed in Nasdaq-listed securities; (ii) \$0.0025 to \$0.0029 per share executed for shares executed in NYSE-listed securities; and (iii) \$0.0026 to \$0.0029 per share executed for shares in securities listed on exchanges other than Nasdaq or NYSE. The Exchange believes that these modest increases are reasonable because they reflect the Exchange's need to adjust its credits and fees in response to the costs and benefits provided by the Exchange. Additionally, these modest increases are reasonable because the Exchange is able to balance the need to fund credits and operational costs.

The Exchange also believes that the proposed changes are consistent with an equitable allocation of fees and are not unfairly discriminatory because they apply to all member organizations that enter orders that execute in PSX and affects all members equally in the same way.

Next, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0025 to \$0.0028 per share executed for quotes/orders entered by a member organization that provides and accesses 0.35% or more of Consolidated Volume during the month (previously this rate required adding 0.12% of Consolidated Volume) and eliminate the requirements that (i) the quote/order is entered through a PSX MPID through which the member organization displays, on average over the course of the month, 100 shares or more at the national best bid and/or national best offer at least 25% of the time during regular market hours in the security that is the subject of the quote/order, or (ii) the member organization displays, on average over the course of the month, 100 shares or

more at the national best bid and/or national best offer at least 25% of the time during regular market hours in 500 or more securities. The Exchange believes these changes are reasonable because increasing the credit and replacing the qualifying requirements with a single increased "provides and accesses Consolidated Volume" requirement provides member organizations with a simpler, less confusing process for determining eligibility for the credit. Additionally, the Exchange believes increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including "accesses" as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.35% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0024 to \$0.0027 per share executed for quotes/orders entered by a member organization that provides and accesses 0.25% or more of Consolidated Volume during the month—previously this rate required adding 0.04% of Consolidated Volume. The Exchange believes the proposed change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including "accesses" as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.25% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

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

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

Additionally, the Exchange proposes to increase the credit to a member organization that executes in PSX for a displayed quote/order from \$0.0021 to \$0.0025 per share executed for quotes/orders entered by a member organization that provides and accesses 0.05% or more of Consolidated Volume during the month—previously this required that the member organization provide an average daily volume of 100,000 or more. The Exchange believes the proposed rule change is reasonable because increasing this pricing incentive will provide meaningful incentives for members to increase their participation on the Exchange. The Exchange believes including “accesses” as part of the criteria will increase the quality of the market by allowing firms to decide how to participate most meaningfully on PSX. The requirement to provide and access 0.05% is reasonable because by achieving this activity level firms will be improving the market quality on PSX and thus receive a correspondingly higher credit than those firms that do not participate as actively on PSX. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange also proposes to add a new tier for displayed quotes/orders. The new credit tier is \$0.0023 per share executed for quotes/orders entered by a member organization that provides and accesses daily volume of 100,000 or more shares during the month. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange believes that the proposed rule change to increase the credit to a member organization that executes in PSX for all other displayed quotes/orders from \$0.0015 to \$0.0020 per share executed is reasonable because increasing this pricing incentive will provide a meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

The Exchange proposes to add another new tier for displayed quotes/orders size of 2,000 or more shares that will receive a \$0.0001 credit in addition to the credits discussed above. Orders modified by the PSX participant entering the order or by the PSX System processes so that after such modification the unexecuted order size is below 2,000 shares will no longer qualify as an order of 2,000 or more shares. The Exchange believes the proposed rule change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way by allowing members to receive an additional \$0.0001 credit per share executed in addition to the credits previously discussed by using relatively large orders of 2,000 or more shares.

The Exchange believes that the proposed rule change to add a new credit tier for non-displayed orders of \$0.0015 per share executed for orders with midpoint pegging that provide liquidity entered by a member organization that provides 1,000,000 shares or more average daily volume of non-displayed liquidity during the month change is reasonable because this new credit tier will provide an additional meaningful incentive for members to increase their participation on the Exchange. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because the new credit tier is uniformly available to all members and affects all members equally and in the same way.

The Exchange also believes that the proposed rule change clarify that the credit tier for non-displayed orders of \$0.0010 per share executed will continue to apply to all other orders with midpoint pegging that provide liquidity is reasonable because it clarifies the treatment of all other orders with midpoint pegging that provide liquidity with the addition of the new credit tier discussed in the paragraph immediately above. The Exchange also believes that the proposed rule change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it affects all members equally and in the same way.

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

The Exchange does not believe that the proposed rule changes will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>5</sup> Phlx notes that it operates in a highly competitive market in which market participants can readily favor dozens of different competing exchanges and alternative trading systems if they deem charges at a particular venue to be excessive, or credit opportunities available at other venues to be more favorable. In such an environment, the Exchange must continually adjust its charges and credits to remain competitive with other exchanges. Because competitors are free to modify their own charges and credits in response, and because market participants may readily adjust their order routing practices, the Exchange believes that the degree to which changes to charges and credits in this market may impose any burden on competition is extremely limited.

In this instance, the changes to charges and credits do not impose a burden on competition because the Exchange membership is optional and is the subject of competition from other exchanges. The increased credits and charges are reflective of the intent to increase the order flow on the Exchange. For these reasons, the Exchange does not believe that any of the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets. Moreover, because there are numerous competitive alternatives to the use of the Exchange, it is likely that the Exchange will lose market share as a result of the changes if they are unattractive to market participants.

Accordingly, Phlx does not believe that the proposed rule changes will impair the ability of members 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 either solicited or received.

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

The foregoing rule change has become effective pursuant to Section

<sup>5</sup> 15 U.S.C. 78f(b)(8).

19(b)(3)(A)(ii) of the Act.<sup>6</sup> At any time within 60 days of the filing of the 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 to determine whether the proposed rule 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 email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2015-45 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-Phlx-2015-45. This file number should be included on the subject line if email 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 Web site (<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 Web site 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-Phlx-2015-45, and should be submitted on or before June 22, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>7</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75042; File No. SR-NYSEArca-2015-18]

### Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change Relating to Listing and Trading Under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02 of Shares of the Vanguard Tax-Exempt Bond Index Fund

May 26, 2015.

On April 6, 2015, NYSE Arca, Inc. filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to list and trade under NYSE Arca Equities Rule 5.2(j)(3), Commentary .02, the shares of the Vanguard Tax-Exempt Bond Index Fund. The proposed rule change was published for comment in the **Federal Register** on April 16, 2015.<sup>3</sup> The Commission has received no comment letters on the proposed rule change.

Section 19(b)(2) of the Act<sup>4</sup> provides that, within 45 days of the publication of notice of the filing of a proposed rule change, or within such longer period up to 90 days as the Commission may designate if it finds such longer period to be appropriate and publishes its reasons for so finding or as to which the self-regulatory organization consents, the Commission shall either approve the proposed rule change, disapprove the proposed rule change, or institute proceedings to determine whether the proposed rule change should be

disapproved. The Commission is extending this 45-day time period. The Commission finds that it is appropriate to designate a longer period within which to take action on the proposed rule change so that it has sufficient time to consider the proposed rule change.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> designates July 15, 2015, as the date by which the Commission shall either approve or disapprove or institute proceedings to determine whether to disapprove the proposed rule change (File Number SR-NYSEArca-2015-18).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>6</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

[FR Doc. 2015-13073 Filed 5-29-15; 8:45 am]

**BILLING CODE 8011-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Public Law 94-409, that the Securities and Exchange Commission Advisory Committee on Small and Emerging Companies will hold a public meeting on Wednesday, June 3, in Multi-Purpose Room LL-006 at the Commission's headquarters, 100 F Street NE., Washington, DC.

The meeting will begin at 9:30 a.m. (EDT) and will be open to the public. Seating will be on a first-come, first-served basis. Doors will open at 9:00 a.m. Visitors will be subject to security checks. The meeting will be webcast on the Commission's Web site at [www.sec.gov](http://www.sec.gov).

On May 18, 2015, the Commission published notice of the Committee meeting (Release No. 33-9774), indicating that the meeting is open to the public and inviting the public to submit written comments to the Committee. This Sunshine Act notice is being issued because a majority of the Commission may attend the meeting.

The agenda for the meeting includes matters relating to rules and regulations affecting small and emerging companies under the federal securities laws.

For further information, please contact the Office of the Secretary at (202) 551-5400.

<sup>5</sup> *Id.*

<sup>6</sup> 17 CFR 200.30-3(a)(31).

<sup>7</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 74701 (April 10, 2015), 80 FR 20529.

<sup>4</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).