

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-81547; File No. SR-NYSEAMER-2017-11)

September 7, 2017

Self-Regulatory Organizations; NYSE American LLC; Notice of Filing and Immediate Effectiveness of Proposed Change to Amend its Price List

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 August 29, 2017, NYSE American LLC (the “Exchange” or “NYSE American”) 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 Price List to (1) delete fees and credits that are not applicable to trading on the Pillar trading platform, and (2) prorate Port Fees to the number of trading days in a billing month that a port is utilized. The Exchange proposes to implement the rule change on September 1, 2017. The proposed 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

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 Price List to (1) delete fees and credits that are not applicable to trading on the Pillar trading platform, and (2) prorate Port Fees to the number of trading days in a billing month that a port is utilized.

The Exchange proposes to implement the rule change on September 1, 2017.

Deletion of Non-Pillar Fees and Credits

To effect its transition of cash equities trading to Pillar, the Exchange amended its Price List to adopt a new pricing model for trading on the Pillar platform.⁴ Because specified transaction fees and credits applicable to trading cash equities on a Floor-based trading platform are not applicable to trading on Pillar, the Exchange designated certain fees and credits with the following preamble: "The following Fees and Credits are not Applicable to Trading on the Pillar Trading Platform."⁵

On July 24, 2017, the Exchange transitioned all cash equities trading to the Pillar platform. Because transaction fees and credits that are not applicable to trading on the

⁴ See Securities Exchange Act Release Nos. [sic] 81228 (July 27, 2017), 82 FR 36012 (August 2, 2017) (SR-NYSEMKT-2017-43).

⁵ See *id.*, 82 FR at 36012-13.

Pillar trading platform are now obsolete, the Exchange proposes to delete the following fees and credits in their entirety:⁶

- Equity Transaction Fees and Credits for Listed Securities and the following subheadings:
 - Transactions in Securities with a Per Share Price of \$1.00 or More;
 - Transactions in Securities with a Per Share Price Below \$1.00
 - Fees and Credits Applicable to Designated Market Makers on Transactions in Securities with a Per Share Price of \$1.00 or more;
 - Fees and Credits Applicable to Designated Market Makers on Transactions in Securities with a Per Share Price below \$1.00;
 - Credits Applicable to Supplemental Liquidity Providers; and
 - Fees and Credits Applicable to Executions in the Retail Liquidity Program.

- Transaction Fees and Credits For Non-ETP Securities Traded Pursuant to Unlisted Trading Privileges and the following subheadings:
 - Fees and Credits applicable to Market Participants;
 - Fees and Credits applicable to Designated Market Makers (DMMs);
 - Fees and Credits applicable to Supplemental Liquidity Providers (SLPs);
and
 - Fees and Credits Applicable to Executions in the Retail Liquidity Program.

⁶ The Exchange proposes to delete these fees and credits in their entirety, including (1) the section headings of all of credits and fees being deleted, (2) all associated footnotes, and (3) the recently added preamble.

- Transaction Fees and Credits For ETPs Traded Pursuant to Unlisted Trading Privileges and the following subheadings:
 - Fees and Credits applicable to Market Participants;
 - Fees and Credits applicable to DMMs;
 - Fees and Credits applicable to SLPs;
 - Fees and Credits Applicable to Executions in the Retail Liquidity Program; and
 - Crossing Sessions
- Port Fees.

The Exchange proposes to delete the following additional fees as being inapplicable to trading on Pillar:

- Risk Management Gateway (“RMG”);
- Equipment fees;
- Radio Paging Service;
- Financial Vendor Services;
- Cellular Phones;
- Booth Telephone System;
- Service Charges; and
- System Processing Fees, comprising fees for the Online Comparison System (OCS) and Merged Order Report.

The RMG is no longer supported in Pillar and the various equipment fees relate to trading cash equities on a Floor-based trading platform, and are thus obsolete. Similarly,

the Exchange no longer utilizes OCS or makes Merged Order Reports available.

The Exchange also proposes to delete footnotes 17-19 designated as “Reserved” in the “CRD Fees for Member Organizations that are not FINRA Members” section of the Price List. The Exchange believes it would reduce confusion and promote transparency to delete footnotes that do not have any substantive content.

The Exchange also proposes a technical, non-substantive amendment to replace the heading “Pillar Trading Platform” with “NYSE American Trading Fees and Credits.”

Proration of Port Fees

Until October 1, 2017, the Exchange is not charging market participants for the use of order/quote entry ports or for the use of drop copy ports.⁷ Thereafter, a \$250 per port per month fee will apply for order/quote entry and drop copy ports.

The Exchange proposes to amend the Price List to add a footnote to the heading of Section V (Port Fees) providing that port fees for order/quote entry and drop copies will be prorated to the number of trading days in a billing month.

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

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Securities

⁷ Order/quote entry ports provide connectivity to the Exchange’s trading systems for entry of orders and/or quotes. Drop copy ports allow for the receipt of “drop copies” of order or transaction information.

Exchange Act of 1934 (the “Act”),⁸ in general, and furthers the objectives of Section 6(b)(4)⁹ 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 also believes that the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ in particular in that it is designed 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.

The Exchange believes that its proposed rule change to eliminate fees and credits that are not applicable to trading on Pillar would remove impediments to and perfect the mechanism of a free and open market and a national market system because it would eliminate fees and credits that are now obsolete. Eliminating obsolete fees and credits would reduce potential confusion and add transparency and clarity to the Exchange’s rules, thereby ensuring that members, regulators, and the public can more easily navigate and understand the Exchange’s rulebook.

The Exchange also believes that prorating the fees for order/quote entry and drop copy ports is reasonable because it would provide a nexus between the Exchange’s charge for use of its ports and the number of trading days in a billing month that the

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(4).

¹⁰ 15 U.S.C. 78f(b)(5).

market participant utilizes the applicable port. The Exchange believes that the proposed prorating of monthly port fees rebate is equitable and not unfairly discriminatory because it directly ties the monthly port fees to the number of trading days in that billing month. The Exchange also believes that the proposed prorating is equitable and not unfairly discriminatory because all market participants utilizing ports to connect to the Exchange would be treated the same.

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

In accordance with Section 6(b)(8) of the Act,¹¹ 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. The proposed rule change is not intended to address any competitive issues, but rather it is designed to eliminate obsolete fees and credits.

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

¹¹ 15 U.S.C. 78f(b)(8).

considerations, the Exchange does not believe that the proposed changes will impair the ability of member organizations 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)¹² of the Act and subparagraph (f)(2) of Rule 19b-4¹³ 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)¹⁴ 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

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(2).

¹⁴ 15 U.S.C. 78s(b)(2)(B).

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-NYSEAMER-2017-11 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-NYSEAMER-2017-11. 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. You

should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEAMER-2017-11 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.¹⁵

Eduardo A. Aleman
Assistant Secretary

¹⁵ 17 CFR 200.30-3(a)(12).