



## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-73285; File No. SR-CTA/CQ-2014-02]

October 1, 2014

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Twentieth Substantive Amendment to the Second Restatement of the CTA Plan and Fourteenth Substantive Amendment to the Restated CQ Plan

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 608 thereunder,<sup>2</sup> notice is hereby given that on August 06, 2014, the Chicago Board Options Exchange, Incorporated, on behalf of Participants in the Second Restatement of the Consolidated Tape Association (“CTA”) Plan and the Restated Consolidated Quotation (“CQ”) Plan (collectively the “Participants”)<sup>3</sup> filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Second Restatement of the CTA Plan and Restated CQ Plan (collectively, the “Plans”).<sup>4</sup> These amendments represent Substantive Amendment No. 20

---

<sup>1</sup> 15 U.S.C. 78k-1.

<sup>2</sup> 17 CFR 242.608.

<sup>3</sup> Each participant executed the proposed amendment. The Participants are: BATS Exchange, Inc., BATS-Y Exchange, Inc., Chicago Board Options Exchange, Incorporated, Chicago Stock Exchange, Inc., EDGA Exchange, Inc. (“EDGA”), EDGX Exchange, Inc. (“EDGX”), Financial Industry Regulatory Authority, Inc. (“FINRA”), International Securities Exchange, LLC, NASDAQ OMX BX, Inc. (“Nasdaq BX”), NASDAQ OMX PHLX, Inc. (“Nasdaq PSX”), Nasdaq Stock Market LLC, National Stock Exchange, Inc., New York Stock Exchange LLC (“NYSE”), NYSE Arca, Inc. and NYSE MKT LLC (formerly NYSE Amex, Inc.).

<sup>4</sup> See Securities Exchange Act Release Nos. 10787 (May 10, 1974), 39 FR 17799 (May 20, 1974) (declaring the CTA Plan effective); 15009 (July 28, 1978), 43 FR 34851 (August 7, 1978) (temporarily authorizing the CQ Plan); and 16518 (January 22, 1980), 45 FR 6521 (January 28, 1980) (permanently authorizing the CQ Plan). The most recent restatement of both Plans was in 1995. The CTA Plan, pursuant to which markets collect and disseminate last sale price information for non-NASDAQ listed securities, is a “transaction reporting plan” under Rule 601 under the Act, 17 CFR 242.601, and a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608. The CQ Plan, pursuant to which markets collect and disseminate bid/ask quotation information for

to the CTA Plan and Substantive Amendment No. 14 to the CQ Plan (collectively “the Amendments”). The Amendments propose to change certain of the voting requirements under the CTA Plan and the CQ Plan.

The Commission is publishing this notice to solicit comments from interested persons on the proposed Amendments.

I. Rule 608(a)

A. Description and Purpose of the Amendments

The Amendments propose (a) to change the vote required under both the CTA Plan and the CQ Plan to amend the capacity planning process from a unanimous vote to the affirmative vote of a majority of all Participants entitled to vote, (b) to change the voting requirement needed to reduce a fee under both the CTA Plan and the CQ Plan from unanimity to the affirmative vote of two-thirds of all Participants entitled to vote, and (c) to change the voting requirement needed to establish a new fee or to delete an existing fee under the CQ Plan from unanimity to the affirmative vote of two-thirds of all Participants entitled to vote.

In the Participants' view, a majority vote, rather than unanimity is the appropriate requirement for changes to the capacity plan, as it provides greater flexibility to CTA and the CQ Plan's Operating Committee to revise the capacity plan when they find it beneficial to do so. The Participants note that the Nasdaq/UTP Plan subjects changes to capacity planning to a majority vote.

Similarly, the Participants view a two-thirds vote, rather than unanimity, as the appropriate requirement to reduce or eliminate an existing fee or to establish a new fee. Both plans subject raising an existing fee to a two-thirds vote and currently subject reducing an

---

listed securities, is a “national market system plan” under Rule 608 under the Act, 17 CFR 242.608.

existing fee to a unanimous vote. The CTA Plan currently subjects establishing a new fee or eliminating an existing fee to a two-thirds vote. The CQ Plan currently provides for a two-thirds vote to reduce the Network B interrogation device fee, but requires unanimity to reduce other CQ Plan fees or to eliminate a fee. The Amendments would harmonize the voting requirements under the two plans in respect of fee-setting. As a result of the proposed Amendments, a two-thirds vote would be required under both plans to establish or increase a fee or to eliminate or reduce a fee. These changes would provide the Participants with greater flexibility in respect of the plans' fee schedule.

The Participants understand that the Participants in the Nasdaq/UTP Plan expect to file changes to voting requirements that would subject votes on these same matters to the same requirements as the Participants in the CTA Plan and the CQ Plan are proposing in these Amendments. In addition, subjecting fee reductions to a two-thirds vote would harmonize the CTA Plan and the CQ Plan with the counterpart requirement under the OPRA Plan.

B. Governing or Constituent Documents

Not applicable.

C. Implementation of Amendment

All of the Participants have manifested their approval of the proposed Amendments by means of their execution of the Amendments. The Amendments would become operational upon approval by the Commission.

D. Development and Implementation Phases

Not applicable.

E. Analysis of Impact on Competition

The proposed Amendments do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. The Participants do not believe that the proposed plan Amendments introduce terms that are unreasonably discriminatory for the purposes of Section 11A(c)(1)(D) of the Exchange Act.

F. Written Understanding or Agreements relating to Interpretation of, or Participation in, Plan

Not applicable.

G. Approval by Sponsors in Accordance with Plan

See Item I.C above.

H. Description of Operation of Facility Contemplated by the Proposed Amendment

Not applicable.

I. Terms and Conditions of Access

See Item I.A above.

J. Method of Determination and Imposition, and Amount of, Fees and Charges

See Item I.A above.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

II. Rule 601(a) (solely in its application to the Amendments to the CTA Plan)

A. Reporting Requirements

Not applicable.

B. Manner of Collecting, Processing, Sequencing, Making Available and Disseminating Last Sale Information

Not applicable.

C. Manner of Consolidation

Not applicable.

D. Standards and Methods Ensuring Promptness, Accuracy and Completeness of Transaction Reports

Not applicable.

E. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

F. Terms of Access to Transaction Reports

Not applicable.

G. Identification of Marketplace of Execution

Not Applicable.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed amendments are 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-CTA/CQ-2014-02 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-CTA/CQ-2014-02. 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 Amendments that are filed with the Commission, and all written communications relating to the Amendments 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 am. and 3:00 pm. Copies of the Amendments also will be available for inspection and copying at the principal office of the CTA. 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-CTA/CQ-2014-02 and should be submitted on or before [INSERT DATE 21 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>5</sup>

Jill M. Peterson,  
Assistant Secretary.

8011-01p

[FR Doc. 2014-23849 Filed 10/06/2014 at 8:45 am; Publication Date: 10/07/2014]

---

<sup>5</sup> 17 CFR 200.30-3(a)(27).