SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; New York Stock Exchange LLC; NYSE Amex LLC; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Disapprove Proposed Rule Changes, as Modified by Amendments Nos. 1 and 2, Adopting NYSE Rule 107C To Establish a Retail Liquidity Program for NYSE-Listed Securities on a Pilot Basis Until 12 Months From Implementation Date, and Adopting NYSE Amex Rule 107C To Establish a Retail Liquidity Program for NYSE Amex Equities Traded Securities on a Pilot Basis Until 12 Months From Implementation Date

May 4, 2012.

On October 19, 2011, New York Stock Exchange LLC (“NYSE”) and NYSE Amex LLC (“NYSE Amex” and together with NYSE, the “Exchanges”) each filed with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and Rule 19b–4 thereunder, a proposed rule change to establish a Retail Liquidity Program (“Program”) on a pilot basis for a period of one year from the date of implementation, if approved. The proposed rule changes were published for comment in the Federal Register on November 9, 2011.3 The Commission received 28 comments on the NYSE proposal 4 and four comments on the NYSE Amex proposal.5 On December 19, 2011, the Commission extended the time for Commission action on the proposed rule changes until February 7, 2012.6 In connection with the proposals, the Exchanges requested exemptive relief from Rule 612(c) of Regulation NMS,7 which prohibits a national securities exchange from accepting or ranking certain orders based on an increment smaller than the minimum pricing increment.8 The Exchanges submitted a consolidated response letter on January 3, 2012.9 On January 17, 2012, the Exchanges each filed Partial Amendment No. 1 to their proposals.10

In consideration of the foregoing, the Commission is:11

1. Approving the proposed rule change to establish a Retail Liquidity Program of NYSE-Listed Securities on a Pilot Basis Until 12 Months From Implementation Date, as modified by Amendment Nos. 1 and 2, as proposed by NYSE;
2. Approving the proposed rule change to establish a Retail Liquidity Program of NYSE Amex Equities Traded Securities on a Pilot Basis Until 12 Months From Implementation Date, as proposed by NYSE Amex;
3. Amending the Pilot Period for the Program to extend it through December 31, 2012;
4. Granting the Exchanges exemptive relief from the minimum pricing requirements of Rule 612(c) of Regulation NMS, subject to certain conditions.

This approval was based on the following considerations:

The Commission determines that the proposed rule changes would be consistent with the purposes of the Act and the rules and regulations thereunder, and that they are designed to prompt more liquidity to the marketplace, thereby providing greater overall price discovery, and that the proposed rule changes would achieve the objectives of Section 19(b)(5) of the Act.

On February 7, 2012, the Commission instituted proceedings to determine whether to disapprove the proposed rule changes, as modified by Amendments No. 1. On February 16, 2012, the Exchanges each filed Partial Amendment No. 2 to their proposals, which the Commission published for comment in the Federal Register on March 1, 2012 (“Notice of Partial Amendment No. 2”). In response to the Order Instituting Proceedings and the Notice of Partial Amendment No. 2, the Commission received four additional comment letters on the proposals. On March 20, 2012, the Exchanges submitted a consolidated rebuttal letter in response to the Order Instituting Proceedings. Additionally, on April 10, 2012, the Exchanges submitted a consolidated response to the comments concerning Partial Amendment No. 2.

Section 19(b)(2) of the Act provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule changes not later than 180 days after the date of publication of notice of their filing. The Commission may extend the period for issuing an order approving or disapproving the proposed rule changes, however, by up to 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. In this case, the proposed rule changes were published for notice and comment in the Federal Register on November 9, 2011; May 7, 2012, is 180 days from that date, and July 6, 2012, is 240 days from that date. The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule changes so that it has sufficient time to consider the Program and the issues that commenters have raised concerning the Program. Specifically, as the Commission noted in the Order Instituting Proceedings, the Program raises several notable issues, including whether the Program is consistent with the Sub-Penny Rule and with the Quote Rule. The Commission’s resolution of these issues could have an impact on overall market structure. As a result, the Commission continues to consider whether the proposed rule changes are consistent with these particular NMS Rules and with the Act. Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act, designates July 6, 2012, as the date by which the Commission shall either approve or disapprove the proposed rule changes (File Nos. SR–NYSE–2011–55 and SR–NYSEAmex–2011–84).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.

Kevin M. O’Neill,
Deputy Secretary.

For the Commission, by the Division ofTrading and Markets, pursuant to delegated authority.

Kevin M. O’Neill,
Deputy Secretary.

SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Order Approving Proposed Rule Change, as Modified by Amendment No. 2, Consisting of Interpretive Notice Concerning the Application of MSRB Rule G–17 to Underwriters of Municipal Securities

May 4, 2012.

I. Introduction

On August 22, 2011, the Municipal Securities Rulemaking Board (“MSRB” or “Board”) filed with the Securities and Exchange Commission (“Commission”), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act” or “Act”) 1 and Rule 19b–4 thereunder, 2 a proposed rule change consisting of an interpretive notice concerning the application of MSRB Rule G–17 (Conduct of Municipal Securities and Municipal Advisory Activities) to underwriters of municipal securities (“Interpretive Notice”). The proposed rule change was published for comment in the Federal Register on September 9, 2011. 3 The Commission received five comment letters on the proposed rule change. 4 On October 11, 2011, the MSRB extended the time period for Commission action to December 7, 2011. On November 3, 2011, the MSRB filed Amendment No. 1 to the proposed rule change. On November 10, 2011, the MSRB withdrew Amendment No. 1, responded to comments, 5 and filed Amendment No. 2 to the proposed rule change. The proposed rule change, as modified by Amendment No. 2, was published for comment in the Federal Register on November 21, 2011. 6 The Commission received eight comment letters on the proposed rule change, as modified by Amendment No. 2, and a second response from the MSRB. 7 On December 6, 2011, the MSRB extended the time period for Commission action to

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3 See letters from Margaret C. Henry, General Counsel, Market Regulation, MSRB, dated November 10, 2011 (“Response Letter I”).


6 See Federal Register 76400 (December 1, 2011), 76 FR 75236 (“Notice of Proposed rule change”).