hours per SRO) × (19 SROs) = 52,440 burden hours. Amortized over three years, the annualized burden hours would be 920 hours per SRO, or a total of 17,480 for all 19 SROs.

The Commission further estimates that the aggregate one-time reporting burden for preparing and filing an NMS plan would be approximately $20,000 in external legal costs per SRO, calculated as follows: 50 legal hours × $400 per hour = $20,000, for an aggregate burden of $380,000, calculated as follows: ($20,000 in external legal costs per SRO) × (19 SROs) = $380,000. Amortized over three years, the annualized capital external cost would be $6,667 per SRO, or a total of $126,667 for all 19 SROs.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following Web site: *www.reginfo.gov.* Comments should be directed to: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503, or by sending an email to: *Shagufta_Ahmed@omb.eop.gov;* and (ii) Pamela Dyson, Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549, or by sending an email to: *PRA_Mailbox@sec.gov.* Comments must be submitted to OMB within 30 days of this notice.

Dated: September 25, 2015.

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–24888 Filed 9–30–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75987; File No. SR–NASDAQ–2015–112]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing of Proposed Rule Change To Amend Rule 4758

September 25, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [1] and Rule 19b–4 thereunder,[2] notice is hereby given that on September 21, 2015, The NASDAQ Stock Market LLC (''NASDAQ'' or ''Exchange'') filed with the Securities and Exchange Commission (''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 Substance of the Proposed Rule Change

The Exchange proposes to amend NASDAQ Rule 4758 (Order Routing) to adopt a new routing option, the Retail Order Process (''RTFY'').

The text of the proposed rule change is available at *http://nasdaq.cchwallstreet.com/*, at the Exchange's principal office, 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

NASDAQ is amending Rule 4758, which describes its order routing processes, to add the new RTFY order routing option under NASDAQ Rule 4758(a)(1)(A)(v) for Designated Retail Orders (''DROs'').[3] Retail order firms often send non-marketable order flow, that is—orders that are not executable against the best prices available in the market place based on their limit price—to post and display on exchanges. Some of the orders that have been deemed to be non-marketable by the entering firm become marketable by the time the exchange receives them and ultimately remove liquidity from the exchange order book. As discussed more fully below, the RTFY order routing option is designed to enhance execution quality and benefit retail investors by providing price improvement opportunities to retail order flow.

The Exchange is proposing RTFY, which is similar to TFTY,[4] as an alternative method for posting non-marketable order flow on the Exchange order book. Rather than allowing the marketable DROs to immediately remove liquidity from the Exchange order book (unless explicitly instructed to do so), the order will be routed to destinations in the System routing table [5] to increase price improvement opportunities for the DROs. RTFY may remove liquidity from the Exchange book after routing to other destinations. Any non-marketable RTFY orders will post on the Exchange book. In this regard, the RTFY routing option does not differ from the TFTY routing option. Specifically, members using TFTY will not check the NASDAQ book (unless so instructed by the entering firm) for available shares and will instead route to the destination with lower transaction fees.[6]

The destinations in the System routing table for RTFY will include OTC market makers,[7] which may also be registered NASDAQ market makers [8] (''Market Makers''). The Exchange believes Market Makers will likely provide the greatest opportunity for price improvement for the DROs. The Exchange believes the RTFY routing option will benefit DROs by providing additional price improvement opportunities for retail investors that they do not otherwise enjoy today.

If a RTFY order is posted on the Exchange, either because it was non-marketable when it was received or it has exhausted all available liquidity within its limit price—including the Exchange, Reg NMS protected quotations and other destinations in the System routing table—and the order is subsequently locked or crossed by another market center, the System will not route to the locking or crossing market center.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* NASDAQ Rule 7018.

[4] *See* NASDAQ Rule 4758(a)(1)(A)(v).

[5] The term ''System routing table'' refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. NASDAQ reserves the right to maintain a different System routing table for different routing options and to modify the System routing table at any time without notice. *See* NASDAQ Rule 4758(a)(1)(A).

[6] *See* Securities Exchange Act Release No. 61460 (Feb. 1, 2010), 75 FR 66183 (Feb. 5, 2010) (SR–NASDAQ–2010–018).

[7] An ''OTC market maker'' in a stock is defined in Rule 600(b)(52) of Regulation NMS as, in general, a dealer that holds itself out as willing to buy and sell the stock, otherwise than on a national securities exchange, in amounts of less than block size (less than 10,000 shares).

[8] *See* NASDAQ Rule 4612.

An order using the RTFY option will be sent to the primary listing exchange for opening, reopening, and closing auctions. Orders received in non-NASDAQ listed securities prior to market open that are not eligible for the pre-market session will be submitted to the primary listing market for inclusion in that market's opening process. Orders received in NASDAQ-listed securities prior to market open that are not eligible for the pre-market session will follow normal pre-market processing.[9] Orders received prior to the market open that are eligible for the pre-market session will be posted (and routed if marketable) for potential execution. Approximately two minutes prior to market open, active pre-market session orders in the Exchange's possession will be routed to the primary listing exchange. When a security that is listed on an exchange other than NASDAQ is halted, RTFY orders (including RTFY orders received during the halt) will be sent to the primary listing exchange for inclusion in that exchange's reopening process. All RTFY orders will be sent to the primary listing exchange approximately two minutes prior to that exchange's closing process.

This additional RTFY order routing option under NASDAQ Rule 4758(a)(1)(A)(v) is substantially similar to the current TFTY routing option under the same rule. The proposed new RTFY routing option differs from TFTY in three ways: (i) RTFY is only available to DROs; (ii) RTFY uses a separate and distinct routing table, as permitted under NASDAQ Rule 4758(a)(1)(A); and (iii) RTFY orders will be sent to the primary listing exchange for opening, reopening, and closing auctions. Additionally, RTFY is also not unlike other exchange order routing options. TRIM[10] is an example of a BATS Exchange, Inc. (''BATS'') order routing option under which an order checks the system for available shares only if so instructed by the entering firm and then is sent to destinations on the system routing table.

The Exchange proposes to offer RTFY to firms that send DROs because the needs of a retail order firm are unique when compared to institutional or proprietary trading firms. As retail orders are generally smaller on average, they are often able to receive better prices than the prevailing national best bid and offer (''NBBO''). Primarily, this is achieved through a process whereby retail order firms[11] send their orders to OTC market makers that provide some level of price improvement to the orders they receive. DROs may also participate in exchange mechanisms geared towards DROs such as the BX Retail Price Improvement (''RPI'') program.[12] The Exchange is proposing to offer another mechanism through which DROs will seek price improvement. The Exchange anticipates that the RTFY order routing option will route to trading centers in the System routing table that have experience executing and providing price improvement to DROs.

When a participant chooses to use a particular routing strategy, various trade-offs need to be weighed against each other. First and foremost is a decision as to whether to use an exchange routing strategy at all. There are many broker-dealers and vendors that provide customized routing strategies and order execution algorithms. Further, an order flow firm may choose to make its own routing decisions based on proprietary routing processes. Many retail order firms use other firms to enhance their routing capabilities. As mentioned above, retail order firms often route orders to OTC market makers who provide price improvement, routing, and other services. Additionally, retail order firms often also post non-marketable orders on exchanges. In conjunction with the posted order flow, the retail order firm may also employ one of the exchanges order routing strategies to assist in achieving best execution for the retail investors they represent.

NASDAQ offers multiple routing options and each has its own set of strengths and trade-offs. STGY,[13] one of the most used routing options, aggressively searches for executions without taking transaction fees into account. Also, once it is posted, if it is locked or crossed it will route to the locking or crossing market. SCAN[14] is a slightly less aggressive strategy that will not route once it is posted on the Exchange book, even if locked or crossed by an away market. TFTY is a less aggressive strategy and takes fees into account. The TFTY strategy does not access the NASDAQ book before routing (unless specified to do so by the entering party) and instead focuses on low-cost trading destinations. Only after routing to the destinations specific to TFTY does it access the NASDAQ book. The user of TFTY is giving the transaction cost more weight when deciding which routing option to use, recognizing that it may miss an execution on NASDAQ in its attempt to access other destinations first. The reason the Exchange offers various routing options is because each market participant's view of how to achieve best execution is different and thus the submitting firm makes its own decision based on its view as to which routing option best meets its needs.

NASDAQ aims to offer functionality and order options that meet the needs of its diverse membership. In particular, the Exchange believes the new RTFY routing option will meet the needs of the retail order flow firms that opt to use it based on their routing technology, business model or level of retail order flow. Based on NASDAQ's analysis, as well as information provided by potential users of the RTFY routing option, approximately 96% of the DROs that use this new routing option once it is available will add liquidity on the Exchange. The remainder will be routed to destinations on the System routing table for potential price improvement, including to OTC market makers who are also NASDAQ market makers. NASDAQ also believes this latter feature will provide additional price improvement opportunities to retail order flow, which ultimately benefits the retail investors whose individual orders are included in that order flow.

To illustrate how the RTFY routing option would work, consider the following:

NASDAQ Quote: $50.00 × $50.02 (100 × 100)

- Order 1 is received to buy 100 shares at $50.02 RTFY
- Order 1 does not check the NASDAQ book
- Order 1 is routed and receives an execution for 100 shares at $50.01—$1.00 in price improvement.
  - Order 2 is received to buy 100 shares at $50.02 RTFY
  - Order 2 does not check the NASDAQ book
  - Order 2 is routed but receives no execution
  - The NASDAQ quote updates to $50.00 × $50.03 (100 × 100) while Order 2 is routing
  - Order 2 is posted on the NASDAQ book at $50.02
  - The NASDAQ quote now reflects Order 2 $50.02 × $50.03 (100 × 100)

[9] *See* NASDAQ Rule 4752.

[10] *See* Securities Exchange Act Release No. 63147 (Oct. 21, 2010), 75 FR 66183 (Oct. 27, 2010) (SR–BATS–2010–029). More recently, BATS reaffirmed that they offer several routing strategies (*e.g.*, TRIM, TRIM2, TRIM3 and SLIM) under which an order checks the BATS system for available shares if so instructed by the entering member and then is sent to destinations on the applicable BATS system routing table. *See* Securities Exchange Act Release No. 73412 (Oct. 23, 2014), 79 FR 64431 (Oct. 29, 2014) (SR–BATS–2014–052).

[11] As used in this proposal, the term ''retail order firms'' refers to NASDAQ member firms that provide orders that qualify as Designated Retail Orders under NASDAQ Rule 7018.

[12] *See* BX Rule 4780.

[13] *See* NASDAQ Rule 4758(a)(1)(A)(iii).

[14] *See* NASDAQ Rule 4758(a)(1)(A)(iv).

■ Order 3 is received to buy 100 shares at $50.03 RTFY

■ Order 3 does not check the NASDAQ book

■ Order 3 is routed and receives an execution for 100 shares at $50.03 (its limit price)

❖ Order 4 is received to sell 100 shares at $50.02 (non-routable order)

❖ Order 4 executes against Order 2 at $50.02

➢ RTFY Order 1 received $1.00 price improvement

➢ RTFY Order 2 executed at its limit price

➢ RTFY Order 3 executed at its limit price

➢ The average price improvement per order is $0.33

➢ The average price improvement per share across the three orders is $0.0033

➢ Although Order 2 missed an execution on NASDAQ at its limit price, all three orders taken together are better off, on average, by $0.33.

As with all routing options (other than Directed Orders),[15] the RTFY routing table will be monitored and approved by a best execution committee (the ''Committee'').[16] The Committee determines how to organize the System routing table and which trading destinations are included in the routing table. The Committee considers best execution by reviewing various parameters, such as price improvement, fill rate, latency, interaction rate, experience of the execution venue operator, and the volume the execution venue handles on a daily basis. As execution quality is dynamic, the parameters considered by the Committee evolve over time; often resulting in new parameters being considered.

In order to maximize price improvement and execution quality for the retail investor, the Exchange (or any of its affiliates) will not accept payment for order flow from any OTC market maker to which an RTFY order is sent. If the trading venue pays a standard rebate for DROs to all of its subscribers or another exchange pays a rebate to remove liquidity, the Exchange will accept and retain those rebates. However, the Exchange expects and believes that most, if not all, orders routed using the RTFY routing option will be sent to and executed by an OTC market maker that may also be a registered NASDAQ market maker.

[15] *See* NASDAQ Rule 4758(a)(1)(A)(ix).

[16] The best execution committee consists of several internal NASDAQ participants representing product management, internal audit, economic research, broker-dealer compliance, and market operations.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the Act and the rules and regulations thereunder, including the requirements of Section 6(b) of the Act.[17] In particular, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) [18] requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Exchange believes that the proposed rule change is consistent with these principles for several reasons. First, it would increase competition among execution venues since this routing option would allow the Exchange to compete more aggressively for retail order flow. Competition results in innovation and better services provided at lower prices. RTFY is an innovation born from competition and will encourage additional liquidity on the Exchange as more DRO liquidity will be posted on NASDAQ resulting in improved price discovery for all market participants. Additionally, this routing option provides a means for retail investors to receive potential price improvement in a manner that is not today offered by an exchange. The Exchange notes that a significant percentage of the orders from individual investors are executed over-the-counter.[19] The Exchange believes that this new Exchange functionality will enhance coordination and cooperation with market participants and produce a more efficient market because the Exchange believes more retail investor orders will be sent to the Exchange to add liquidity or to obtain price improvement. Price improvement for retail orders has been a hallmark and goal of U.S. equity markets. Marketable retail orders that are sent to an OTC market maker using RTFY for potential price improvement is an example of an Exchange proposal to create another way for a DRO to receive such price improvement.

[17] 15 U.S.C. 78f(b).

[18] 15 U.S.C. 78f(b)(5).

[19] *See* Concept Release on Equity Market Structure, Securities Exchange Act Release No. 61358 (January 14, 2010), 75 FR 3594 (January 21, 2010) (noting that dark pools and internalizing broker-dealers executed approximately 25.4% of share volume in September 2009). *See also* Mary L. Schapiro, Strengthening Our Equity Market Structure (Speech at the Economic Club of New York, Sept. 7, 2010) (available on the Commission's Web site). In her speech, Chairman Schapiro noted that nearly 30 percent of volume in U.S.-listed equities was executed in venues that do not display their liquidity or make it generally available to the public and the percentage was increasing nearly every month.

NASDAQ believes that the proposed rule change promotes just and equitable principles of trade, as well as serves to remove impediments to and to perfect the mechanism for a free and open market and a national market system, and, in general, to protect investors and the public interest because the Exchange is creating a new routing option for processing orders that are meant to be posted passively on the Exchange book but are nonetheless marketable orders. The creation of different approaches to market challenges is what drives innovation, market quality, and ultimately competition. The Exchange competes vigorously for order flow in a marketplace where participants have many trading venue choices. The Exchange believes the RTFY routing option will increase competition by providing value to retail order firms and their retail investor customers, which will in turn result in more order flow being sent to the Exchange.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is designed to attract greater retail order flow to NASDAQ, which will benefit both retail investors by providing potential price improvement and market participants in general by making the market more efficient. If the proposed routing option is successful in attracting retails order flow, the proposal will likely increase competition among exchanges and other trading venues for such order flow.

Moreover, the proposed rule change is not designed to place the Exchange in competition with broker-dealers since it provides this new routing process option to assist broker-dealers not affiliated with the Exchange to conduct their order execution business and provides them with greater choice of services available and enhanced opportunities all of which are hallmarks of a highly-functioning, efficient and competitive marketplace. As proposed, RTFY will offer NASDAQ members another means to seek price improvement opportunities for retail orders and it is designed to complement, not compete against, their existing best execution processes. If a member believes that RTFY will not complement their best execution efforts, the member can simply choose not to use RTFY.

The Exchange does not believe the proposed rule change will impact non-exchange affiliated broker-dealers negatively and will not provide any advantages to exchange affiliated broker-dealers because of the following reasons: NASDAQ's affiliated broker-dealer [20] offers a very limited service to retail orders that complement the activities of non-exchange affiliated broker-dealers by providing another novel way to seek price improvement opportunities for retail orders. Additionally, NES will act only on behalf of a NASDAQ member, through NASDAQ's direction, if and only if requested by the member to do so via the use of the RFTY order routing option and other NASDAQ order routing options.[21] In short, there is no obligation for a NASDAQ member to use RTFY, as is the case today with TFTY and all other routing options offered by NASDAQ.

The proposed rule change is a result of a dialogue initiated by NASDAQ more than a year ago with members and non-members regarding various ways the Exchange can help improve execution quality for retail investors and provide services that complement their existing routing technology and related services. Based upon these discussions, NASDAQ believes that neither members nor non-members would feel as though RTFY provides NES with an advantage over non-exchange affiliated broker-dealers or will compete with non-exchange affiliated broker-dealers in any way.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

Written comments were neither solicited nor received.

[20] NASDAQ sends routable orders entered into the System to a broker-dealer that it owns and operates, NASDAQ Execution Services, LLC (''NES''). NES is a broker-dealer registered with the Commission pursuant to Section 15 of the Act, and is considered a facility and an affiliate of NASDAQ. NES's sole function is to provide outbound routing services to NASDAQ.

[21] When NASDAQ routes an order to other venues it does not do so directly but rather uses NES, which is a member of other exchanges and market venues. A member's routable Order will be sent by NASDAQ to NES for routing consistent with the member-selected routing option.

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

Within 45 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission shall: (a) By order approve or disapprove such proposed rule change, or (b) institute proceedings to determine whether the proposed rule change should be 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*. Please include File Number SR–NASDAQ–2015–112 on the subject line.

Paper comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–NASDAQ–2015–112. 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 will also 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–NASDAQ–2015–112 and should be submitted on or before October 22, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[22]

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–24884 Filed 9–30–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75984; File No. SR–NYSEMKT–2015–71]

Self-Regulatory Organizations; NYSE MKT LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Adding to the Rules of the Exchange the Third Amended and Restated Certificate of Incorporation of NYSE Market, Inc., and the Eighth Amended and Restated Operating Agreement of New York Stock Exchange LLC

September 25, 2015.

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 September 22, 2015, NYSE MKT LLC (the ''Exchange'' or ''NYSE MKT'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization. The Exchange has designated this proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A) of the Act [4] and Rule 19b–4(f)(6)(iii) thereunder,[5] which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

[22] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.

[4] 15 U.S.C. 78s(b)(3)(A).

[5] 17 CFR 240.19b–4(f)(6)(iii).