

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73214; File No. SR-CTA-2014-01)

September 25, 2014

Consolidated Tape Association; Notice of Filing and Immediate Effectiveness of the Quote Meter Audit Late Fee Twentieth Charges Amendment to the Second Restatement of the Consolidated Tape Association Plan

Pursuant to Section 11A of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 608 thereunder,² notice is hereby given that on August 8, 2014, the Consolidated Tape Association (“CTA”) Plan and participants (“Participants”)³ filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Second Restatement of the CTA Plan (the “CTA Plan”).⁴ The proposal represents the twentieth charges amendment to the CTA Plan (“Twentieth Charges Amendment”), and reflects changes unanimously adopted by the Participants. The Twentieth Charges Amendment seeks to impose a late fee (“Late Fee”) on a vendor or other data redistributor that fails to submit the results of the required audit of its quote

¹ 15 U.S.C. 78k-1.

² 17 CFR 242.608.

³ 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., EDGX Exchange, Inc., Financial Industry Regulatory Authority, Inc., International Securities Exchange, LLC, NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, Inc., Nasdaq Stock Market LLC, National Stock Exchange, New York Stock Exchange LLC, NYSE MKT LLC, and NYSE Arca, Inc. (collectively, “Participants”).

⁴ See Securities Exchange Act Release No. 10787 (May 10, 1974), 39 FR 17799 (declaring the CTA Plan effective). The most recent restatement of the CTA Plan 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.

meter system in a timely manner. Pursuant to Rule 608(b)(3) under Regulation NMS, the Participants designate the amendment as establishing or changing a fee or other charge collected on their behalf in connection with access to, or use of, the facilities contemplated by the CTA Plan. As a result, the amendment becomes effective upon filing with the Commission. The Commission is publishing this notice to solicit comments from interested persons on the proposed Late Fee amendment.

I. Rule 608(a)

A. Purpose of the Amendment

One of the payment options that the Participants make available to data redistributors is the per-query option. Currently, a data redistributor may pay \$0.005 for every data query to which it responds.

The Participant's form of "Agreement for Receipt and Use of Market Data" requires each data redistributor that wishes to redistribute data on a per-query basis to periodically audit its quote-metering system. The Participants have required per-query vendors to periodically audit their quote meter systems since they first established the per-query payment option in the late 1990's. They have found that the audits are essential to assuring the accuracy of per-query counts and payments.

However, some data redistributors have been derelict in performing the audits or have been tardy in providing the Participants with reports of the results of the audits. These instances place administrative burdens on the network administrators and add cost to the payment-collection process.

The amendment seeks to compensate the Participants for the added administrative costs, to reduce the risk that the Participants will under-bill a data redistributor due to faulty quote

meter counts, and to provide incentives for data redistributors to submit the results of their quote meter audits to the Participants in a timely manner. The amendment proposes to impose a Late Fee of \$3,000 for each month a data redistributor falls behind in submitting the results of the required quote meter audit to the Participants. The Late Fee applies once a data redistributor fails to provide NYSE with its audit results on or prior to December 31 of a year in which an audit is required.

The Participants do not view the amendment as establishing a new revenue source. Rather, they hope it encourages all data redistributors to submit the results of their quote meter audits in a timely fashion. They hope that the Late Fee will motivate non-compliant, or late-complying, per-query data redistributors to adopt the same practices that the majority of per-query data redistributors follow.

B. Governing or Constituent Documents

Not applicable.

C. Implementation of the Amendment

Pursuant to Rule 608(b)(3)(i) under Regulation NMS, the Participants have designated the proposed Late Fee as establishing or changing fees and are submitting the amendment for immediate effectiveness. The Participants anticipate commencing to impose the Late Fee on data redistributors that are required to submit audit reports during 2014, but fail to do so on or prior to December 31, 2014. Prior to then, the Participants will give notice of the Late Fee to data redistributors that provide per-query service.

D. Development and Implementation Phases

See Item I(C) above.

E. Analysis of Impact on Competition

The amendment will impose no burden on competition.

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

The Participants have no written understandings or agreements relating to interpretation of the CTA Plan as a result of the amendment.

G. Approval by Sponsors in Accordance with Plan

In accordance with Section XII(b)(iii)] of the CTA Plan, each of the Participants has approved the Late Fee.

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

Not applicable.

I. Terms and Conditions of Access

Not applicable.

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

The Participants believe that the proposed Late Fee is fair and reasonable and provides for an equitable allocation of dues, fees, and other charges among vendors, data recipients and other persons using CTA Network A facilities. They intend that it will provide incentives for non-compliant (or late-complying) per-query data redistributors to conform to the same practices and requirements by which the majority of per-query data redistributors abide.

K. Method and Frequency of Processor Evaluation

Not applicable.

L. Dispute Resolution

Not applicable.

II. Rule 601(a)

A. Equity Securities for which Transaction Reports Shall be Required by the Plan

Not applicable.

B. Reporting Requirements

Not applicable.

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

Not applicable.

D. Manner of Consolidation

Not applicable.

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

Not applicable.

F. Rules and Procedures Addressed to Fraudulent or Manipulative Dissemination

Not applicable.

G. Terms of Access to Transaction Reports

Not applicable.

H. 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 Twentieth Charges Amendment to the CTA Plan 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 e-mail to rule-comments@sec.gov. Please include File Number SR-CTA-2014-01 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-CTA-2014-01. 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 Twentieth Charges Amendment to the CTA Plan that are filed with the Commission, and all written communications relating to the Twentieth Charges Amendment to the CTA Plan 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 Twentieth Charges Amendment to the CTA Plan 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-2014-01 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.⁵

Kevin M. O'Neill
Deputy Secretary

⁵ 17 CFR 200.30-3(a)(27).