

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-70428; File No. SR-CTA-2013-05)

September 17, 2013

Consolidated Tape Association; Notice of Filing of the Eighteenth Substantive Amendment to the Second Restatement of the CTA 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 September 9, 2013, the Consolidated Tape Association (“CTA”) Plan participants (“Participants”)<sup>3</sup> filed with the Securities and Exchange Commission (“Commission”) a proposal to amend the Second Restatement of the CTA Plan (the “CTA Plan”).<sup>4</sup> The amendment proposes to remove odd-lot transactions from the list of transactions that are not to be reported for inclusion on the consolidated tape. The Commission is publishing this notice to solicit comments from interested persons on the proposed amendment.

I. Rule 608(a)

A. Purpose of the Amendments

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<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, New York Stock Exchange LLC (“NYSE”), NYSE MKT LLC (formerly NYSE Amex, Inc.), and NYSE Arca, Inc. (“NYSE Arca”).

<sup>4</sup> See Securities Exchange Act Release No. 10787 (May 10, 1974), 39 FR 17799 (declaring the CTA Plan effective). 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.

Currently, Section VIII(a) (Responsibility of Exchange Participants) of the CTA Plan provides that each Participant will “collect and report to the Processor all last sale price information to be reported by it relating to transactions in Eligible Securities taking place on its floor.” However, Section VI(d) (Transactions not reported (related messages)) provides a list of transactions that “are not to be reported for inclusion on the consolidated tape.” That list includes odd-lot transactions.

Because odd-lot transactions account for a not insignificant percentage of trading volume, the Participants have determined that including odd-lot transactions on the consolidated tape of CTA last sale prices would add post-trade transparency to the marketplace.

This amendment proposes to add odd-lot transactions to the consolidated tape by removing them from Section VI(d)’s list of transactions that are not to be reported for inclusion on the consolidated tape.

Due to the lack of economic significance of many individual odd-lot orders, the Participants are not proposing to include bids and offers for odd-lots in the best bid and best offer calculations that the Participants make available under the CQ Plan.

For the same reason, the Participants do not propose to include odd-lot transactions in calculations of last sale prices. Therefore, odd-lot transactions would not be included in calculations of high and low prices and would not be subject to Limit Up/Limit Down rules. Similarly, including odd-lot transactions on the consolidated tape would not trigger short sale restrictions or trading halts. However, odd-lot transactions would be included in calculations of daily consolidated volume.

For purposes of allocating revenue among the Participants under the CTA Plan, the Participants would include odd-lot transactions in the Security Income Allocation for each Eligible Security under Section XII(a)(ii) (Security Income Allocation) of the CTA plan. Just as with round lot transactions, an odd-lot transaction with a dollar value of \$5000 or more would constitute one qualified transaction report and an odd-lot transaction with a dollar value of less than \$5000 would constitute a fraction of a qualified transaction report that equals the dollar value of the transaction report divided by \$5000. The Participants do not anticipate that this will produce a significant shift in revenue allocation among the Participants. This treatment of odd-lot transactions for revenue allocation purposes does not require a change to the language of the CTA Plan.

B. Additional Information Required by Rule 608(a)

1. Governing or Constituent Documents

Not applicable.

2. Implementation of the Amendment

All of the Participants have manifested their approval of the proposed amendment by means of their execution of the amendments. Subject to Commission approval of the Amendment, the Participants intend to add odd-lot transactions to the consolidated tape under the CTA Plan commencing October 21, 2013.

3. Development and Implementation Phases

Not applicable.

4. Analysis of Impact on Competition

The proposed amendment does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act. This change is

being proposed and implemented in parallel with similar changes to the national market system plan governing the trading of stocks listed on NYSE, Amex, and other markets (i.e., the Nasdaq/UTP plan). The Participants do not believe that the proposed plan amendment introduces terms that are unreasonably discriminatory for the purposes of Section 11A(c)(1)(D) of the Act.<sup>5</sup>

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

Not applicable.

6. Approval by Sponsors in Accordance with Plan

Under Section IV(b) of the CTA Plan, each Participant must execute a written amendment to the CTA Plan before the amendment can become effective. The amendment is so executed.

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

Not applicable.

8. Terms and Conditions of Access

Not applicable.

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

Not applicable.

10. Method of Frequency of Processor Evaluation

Not applicable.

11. Dispute Resolution

Not applicable.

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<sup>5</sup> 15 U.S.C. 78k-1(c)(1)(D).

II. Rule 601(a)

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

Not applicable.

B. Reporting Requirements

As a result of the amendment, each Participant would be required to report odd-lot transactions to the Nasdaq/UTP Plan's Processor for inclusion in the consolidated tape.

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

Not applicable.

D. Manner of Consolidation

Odd-lot transactions would not be eligible for inclusion in calculations of last sale prices and would not be included in calculations of high and low prices. However, odd-lot transactions would be included in calculations of daily consolidated volume.

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 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-2013-05 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-CTA-2013-05. 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-2013-05 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.<sup>6</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>6</sup> 17 CFR 200.30-3(a)(27).