securities that meet the definition of ''Eligible Security'' in rule 2a–7 under the Act, or (d) listed or traded on any foreign securities exchange or board of trade that satisfies regulatory requirements under the law of the jurisdiction in which such foreign securities exchange or board of trade is organized similar to those that apply to a national securities exchange or a national market system for securities.

4. Each Partnership and its General Partner will maintain and preserve, for the life of each Series of the Partnership and at least six years thereafter, such accounts, books and other documents constituting the record forming the basis for the audited financial statements that are to be provided to the Limited Partners in the Partnership, and each annual report of the Partnership required to be sent to the Limited Partners, and agree that all such records will be subject to examination by the Commission and its staff.[14]

5. Within 120 days after the end of each fiscal year of each Partnership, or as soon as practicable thereafter, the General Partner of each Partnership will send to each Limited Partner having an Interest in the Partnership at any time during the fiscal year then ended, Partnership financial statements audited by the Partnership's independent accountants with respect to those Series in which the Limited Partner had an Interest. At the end of each fiscal year, the General Partner will make or cause to be made a valuation of all of the assets of the Partnership as of such fiscal year end in a manner consistent with customary practice with respect to the valuation of assets of the kind held by the Partnership. In addition, within 120 days after the end of each fiscal year of each Partnership (or as soon as practicable thereafter), the General Partner will send a report to each person who was a Limited Partner at any time during the fiscal year then ended, setting forth such tax information as shall be necessary for the preparation by the Limited Partner of that partner's federal and state income tax returns and a report of the investment activities of the Partnership during that fiscal year.

6. If a Partnership makes purchases or sales from or to an entity affiliated with the Partnership by reason of an officer, director or employee of a KKR entity (i) serving as an officer, director, general partner, manager or investment adviser of the entity (other than an entity that is an Aggregation Vehicle), or (ii) having a 5% or more investment in the entity, such individual will not participate in the Partnership's determination of whether or not to effect the purchase or sale.

[14] Each Partnership will preserve the accounts, books and other documents required to be maintained in an easily accessible place for the first two years.

For the Commission, by the Division of Investment Management, under delegated authority.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–13314 Filed 6–6–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72300; File No. SR–MIAX–2014–16]

Self-Regulatory Organizations; Miami International Securities Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend MIAX Exchange Rules To Harmonize the Language With Certain Rules of the Financial Industry Regulatory Authority, Inc. (''FINRA'') and Other Exchanges

June 3, 2014.

Pursuant to the provisions of 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 June 2, 2014, Miami International Securities Exchange LLC (''MIAX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') a 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 the Substance of the Proposed Rule Change

The Exchange is filing a proposal to amend its Rules to harmonize the language with certain rules of the Financial Industry Regulatory Authority, Inc. (''FINRA'') and other exchanges.

The text of the proposed rule change is available on the Exchange's Web site at *http://www.miaxoptions.com/filter/wotitle/rule_filing,* at MIAX's principal office, and at the Commission's Public Reference Room.

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

[2] 17 CFR 240.19b–4.

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

The Exchange proposes to amend certain Rules to harmonize the language with the rules of FINRA and other exchanges, and to make other conforming and technical changes. Specifically, the Exchange proposes: (i) To amend Rule 303, Prevention of the Misuse of Nonpublic Information, to adopt the language of the corresponding rule of another exchange; (ii) to amend Rule 315, Anti-Money Laundering Compliance Program, by adding text to paragraphs (c) and (d) which is identical to text found in FINRA Rule 3310; (iii) to amend Rule 319, to adopt the language of the corresponding rule of another exchange; (iv) to add a new Rule 320, Trading Ahead of Research Reports; (v) to amend Rule 610, Limitation on Dealings, to adopt the language of the corresponding rule of another exchange; (vi) to amend paragraphs (b) and (d) of Rule 800, Maintenance, Retention and Furnishing of Books, Records and Other Information; (vii) to amend Rule 1321, Transfer of Accounts, to incorporate by reference FINRA Rule 11870, Customer Account Transfer Contracts; (viii) to amend Rule 1322, Options Communications, to better align with FINRA Rule 2220; and (ix) to replace the rule text of Rule 1325, Telephone Solicitation, with the rule text from FINRA Rule 3230. The Exchange anticipates entering into a 17d–2 Agreement with FINRA and possibly a Regulatory Service Agreement within the near future. The Exchange believes the proposed changes to harmonize the Exchange rules with FINRA and other exchanges (which also have such 17d–2 Agreements and Regulatory Service Agreement with FINRA) should expedite the process.

The Exchange proposes to replace Rule 303, Prevention of the Misuse of Nonpublic Information, in its entirety with the language of the corresponding rule of another exchange.[3] The new Rule will provide that each Member must establish, maintain and enforce written procedures reasonably designed, taking into consideration the nature of such Member's business, to prevent the misuse of material, non-public information by such Member or persons associated with such Member. Members for whom the Exchange is the Designated Examining Authority (''DEA'') that are required to file SEC form X–17A–5 with the Exchange on an annual or more frequent basis must file contemporaneously with the submission for the calendar year end ITSFEA compliance acknowledgements stating that the procedures mandated by this Rule have been established, enforced and maintained. In addition, any Member or associated person of a Member who becomes aware of a possible misuse of material, non-public information must notify the Exchange's Regulatory Department.

Interpretations and Policies .01 to proposed Rule 303 provides that conduct which will be characterized as the misuse of material, non-public information includes, but is not limited to, the following:

- Trading in any securities issued by a corporation, or in any related securities or related options or other derivative securities, while in possession of material, non-public information concerning that issuer; or
- Trading in a security or related options or other derivative securities, while in possession of material non-public information concerning imminent transactions in the security or related securities; or
- Disclosing to another person or entity any material, non-public information involving a corporation whose shares are publicly traded or an imminent transaction in an underlying security or related securities for the purpose of facilitating the possible misuse of such material, non-public information.

Interpretations and Policies .02 to proposed Rule 303 provides that at minimum each Member must establish, maintain, and enforce the following policies and procedures:

- All associated persons of the Member must be advised in writing of the prohibition against the misuse of material, non-public information; and
- All associated persons of the Member must sign attestations affirming their awareness of, and agreement to abide by the aforementioned prohibitions. These signed attestations must be maintained for at least three years, the first two years in an easily accessible place; and
- Each Member must receive and retain copies of trade confirmations and monthly account statements for each account in which an associated person: has a direct or indirect financial interest or makes investment decisions. The activity in such brokerage accounts should be reviewed at least quarterly by the Member for the purpose of detecting the possible misuse of material, non-public information; and
- All associated persons must disclose to the Member whether they, or any person in whose account they have a direct or indirect financial interest, or make investment decisions, are an officer, director or 10% shareholder in a company whose shares are publicly traded. Any transaction in the stock (or option thereon) of such company shall be reviewed to determine whether the transaction may have involved a misuse of material non-public information. Maintenance of the foregoing policies and procedures will not, in all cases, satisfy the requirements and intent of this Rule; the adequacy of each Member's policies and procedures will depend upon the nature of such Member's business.

The Exchange believes that the proposed changes to the Prevention of the Misuse of Nonpublic Information Rule clarifies activity which it believes to be inconsistent with just and equitable principles of trade. Additionally, the Exchange believes the proposed changes will assist in the prevention of fraudulent and manipulative acts by providing an appropriate mechanism designed to ensure that material, non-public information continues to be protected while promoting the protecting of investors and the public interest.

The Exchange proposes to amend Rule 315(c) to provide additional clarity and instruction to Members' regarding independent testing for compliance and to more closely align the language of the Rule with the corresponding FINRA Rule 3310.[4] The proposed rule change will require ''annual (on a calendar year basis)'' independent testing for compliance of the Member's anti-money laundering program, to be conducted by the Member's personnel or by a qualified outside party. Further, the proposed rule change will provide that testing be done on a periodic basis, ''every two years (on a calendar-year basis),'' if the Member does not execute transactions for customers or otherwise hold customer accounts or act as an introducing broker with respect to customer accounts. Finally, the proposed rule change clarifies that the individual responsible for implementing and monitoring the program must be an associated person of the Member. The Exchange believes the proposed changes to Rule 315(c) will more closely align the Rule with the corresponding FINRA Rule 3310, and creates a more concise rule which benefits investors and the public by establishing uniform and clearly defined time parameters for review. The Exchange proposes to amend Rule 315(d) to clarify that implementation and monitoring of a Member's Anti-Money Laundering Compliance Program be performed by an associated person of the Member. The proposed change to Rule 315(d) clarifies a Member's obligation for implementing and maintaining its program and more closely aligns to FINRA Rule 3310.

The Exchange proposes to replace Rule 319, Proxy Voting, in its entirety with the language of the corresponding rule of another exchange, Forwarding of Proxy and Other Issuer-Related Materials; Proxy Voting.[5] The new Rule will provide that a Member when so requested by an issuer and upon being furnished with: (1) Sufficient copies of proxy material, annual reports, information statements or other material required by law to be sent to security holders periodically, and (2) satisfactory assurance that it will be reimbursed by such issuer for all out-of-pocket expenses, including reasonable clerical expenses, shall transmit promptly to each beneficial owner of securities (or the beneficial owner's designated investment adviser) of such issuer which are in its possession and control and registered in a name other than the name of the beneficial owner all such material furnished. In the event of a proxy solicitation, such material shall include a signed proxy indicating the number of shares held for such beneficial owner and bearing a symbol identifying the proxy with proxy records maintained by the Member, and a letter informing the beneficial owner (or the beneficial owner's designated investment adviser) of the time limit and necessity for completing the proxy form and forwarding it to the person soliciting proxies prior to the expiration of the time limit in order for the shares to be represented at the meeting. In

[3] *See* Proposed Rule 303. *See also* BATS Rule 5.5.

[4] *See* Proposed Rule 315(c). *See also* FINRA Rule 3310.

[5] *See* Proposed Rule 319. *See also* BATS Rule 13.3.

addition, a Member shall furnish a copy of the symbols to the person soliciting the proxies and shall also retain a copy thereof pursuant to the provisions of Exchange Act Rule 17a–4. This paragraph shall not apply to beneficial owners residing outside of the United States of America though Members may voluntarily comply with the provisions hereof in respect of such persons if they so desire. Further, the new Rule provides that No Member shall give a proxy to vote stock that is registered in its name, unless: (i) Such Member is the beneficial owner of such stock; (ii) such proxy is given pursuant to the written instructions of the beneficial owner; or (iii) such proxy is given pursuant to the rules of any national securities exchange or association of which it is a member provided that the records of the Member clearly indicate the procedure it is following. In addition, notwithstanding the foregoing, a Member that is not the beneficial owner of a security registered under Section 12 of the Exchange Act is prohibited from granting a proxy to vote the security in connection with a shareholder vote on the election of a member of the board of directors of an issuer (except for a vote with respect to uncontested election of a member of the board of directors of any investment company registered under the Investment Company Act of 1940), executive compensation, or any other significant matter, as determined by the Commission, by rule, unless the beneficial owner of the security has instructed the Member to vote the proxy in accordance with the voting instructions of the beneficial owner. Notwithstanding the foregoing, a Member may give a proxy to vote any stock registered in its name if such Member holds such stock as executor, administrator, guardian, trustee, or in a similar representative or fiduciary capacity with authority to vote. A Member that has in its possession or within its control stock registered in the name of another Member and that desires to transmit signed proxies pursuant to the provisions of paragraph (a) of this proposed Rule 319, shall obtain the requisite number of signed proxies from such holder of record. Notwithstanding the foregoing: (1) Any Member designated by a named Employee Retirement Income Security Act of 1974 (as amended) (''ERISA'') Plan fiduciary as the investment manager of stock held as assets of the ERISA Plan may vote the proxies in accordance with the ERISA Plan fiduciary responsibilities if the ERISA Plan expressly grants discretion to the investment manager to manage, acquire, or dispose of any plan asset and has not expressly reserved the proxy voting right for the named ERISA Plan fiduciary; and (2) any designated investment adviser may vote such proxies.

Interpretations and Policies .01 to proposed Rule 319 provides that for purposes of this Rule, the term ''designated investment adviser'' is a person registered under the Investment Advisers Act of 1940, or registered as an investment adviser under the laws of a state, who exercises investment discretion pursuant to an advisory contract for the beneficial owner and is designated in writing by the beneficial owner to receive proxy and related materials and vote the proxy, and to receive annual reports and other material sent to security holders. For purposes of this Rule, the term ''state'' shall have the meaning given to such term in Section 202(a)(19) of the Investment Advisers Act (as the same may be amended from time to time). The written designation must be signed by the beneficial owner; be addressed to the Member; and include the name of the designated investment adviser. Members that receive such a written designation from a beneficial owner must ensure that the designated investment adviser is registered with the SEC pursuant to the Investment Advisers Act, or with a state as an investment adviser under the laws of such state, and that the investment adviser is exercising investment discretion over the customer's account pursuant to an advisory contract to vote proxies and/or to receive proxy soliciting material, annual reports and other material. Members must keep records substantiating this information. Beneficial owners have an unqualified right at any time to rescind designation of the investment adviser to receive materials and to vote proxies. The rescission must be in writing and submitted to the Member. The Exchange believes that the proposed changes to the proxy voting Rule will provide a clearer framework for Members to handle proxy related materials in a manner that is designed to prevent fraudulent and manipulative acts and practices, and to promote the protection of investors and the public interest. The Exchange notes that the proposed changes will also bring the Exchange's Rule more closely aligned with that of FINRA.[6]

The Exchange proposes to add Rule 320, to incorporate the language of FINRA Rule 5280, Trading Ahead of Research Reports.[7] The proposed Rule 320 contains two provisions, paragraph (a) and (b), pertaining to trading and research reports. Paragraph (a) stipulates that a Member may not change its position in a security based upon non-public advance knowledge of information contained in a research report. Specifically, no Member shall establish, increase, decrease or liquidate an inventory position in a security or a derivative of such security based on non-public advance knowledge of the content or timing of a research report in that security. Paragraph (b) stipulates that a Member must establish and enforce policies and procedures which are designed to restrict the flow of information between research department personnel and trading department personnel. Specifically, Members must establish, maintain and enforce policies and procedures reasonably designed to restrict or limit the information flow between research department personnel, or other persons with knowledge of the content or timing of a research report, and trading department personnel, so as to prevent trading department personnel from utilizing non-public advance knowledge of the issuance or content of a research report for the benefit of the Member or any other person. The Exchange believes the addition of Rule 320 benefits investors and the public by establishing specific parameters concerning a Members' trading activity in a security and the timing of Research Reports related to that security. The Exchange also believes that adopting the language of FINRA helps to ensure that Members have the same obligations to comply under the Exchange Rules as they do under FINRA rules.[8]

The Exchange proposes to replace Rule 610, Limitations on Dealings, in its entirety with the language of the corresponding rule of another exchange.[9] The new Rule will provide that no Member, other than a Market

[6] *See* FINRA Rule 2251.

[7] *See* Proposed Rule 320. *See also* FINRA Rule 5280.

[8] The Exchange intends that MIAX Rule 320 be interpreted and applied in the same manner as FINRA interprets and applies FINRA Rule 5280, including the application of any associated Notice to Members, or rules, that FINRA uses to interpret FINRA Rule 5280. *See* Rule 200(c)(7). MIAX Rule 200(c)(7) provides that, ''[e]very Applicant must have and maintain membership in another registered options exchange (that is not registered solely under Section 6(g) of the Exchange Act). If such other registered options exchange has not been designated by the Commission, pursuant to Rule 17d–1 under the Exchange Act, to examine Members for compliance with financial responsibility rules, then such Applicant must have and maintain a membership in FINRA.''

[9] *See* Proposed Rule 610. *See also* NYSE Arca Rule 6.83; NYSE MKT Rule 927.3NY.

Maker acting pursuant to Rule 603, limited partner, officer, employee, approved person(s) approved [sic], who is affiliated with a Market Maker or Member, shall, during the period of such affiliation, purchase or sell any option in which such Market Maker is appointed for any account in which such person(s) has a direct or indirect interest. Any such person(s) may, however, reduce or liquidate an existing position in an option in which such Market Maker is appointed provided that such orders are (i) identified as being for an account in which such person(s) has a direct or indirect interest; (ii) approved for execution by an Exchange Official; and (iii) executed by the Market Maker in a manner reasonably calculated to contribute to the maintenance of price continuity with reasonable depth. No order entered pursuant to Rule 610(a) shall be given priority over, or parity with, any order represented in the market at the same price. Notwithstanding the provisions of Rule 603, an approved person or Member that is affiliated with a Market Maker shall not be subject to Rule 610(a), provided it has obtained Exchange approval of procedures restricting the flow of material non-public corporate or market information between itself and the Market Maker and any Member, officer, or employee associated therewith. For such Member that controls, is controlled by, or is under common control with another organization, the exemption provided in Subsection (b) of Rule 610 shall be available to it only where the Exchange has determined that the relationship between the Market Maker, each person associated therewith, and such other organization satisfies all the conditions specified in the Exemption Guidelines. In addition, the following restrictions apply to a Member that is affiliated with a Market Maker. The Member may not: Purchase or sell for any account in which it has a direct or indirect interest in any security in which its affiliate is a Market Maker; engage in any business transaction with the issuer of a security or its insiders in which its affiliate is a Market Maker; or accept orders directly from the issuer, its insiders or certain designated parties in securities in which its affiliate is a Market Maker.

Further, the Exchange proposes Exemption Guidelines which provides a means by which an affiliated firm doing business with the public as defined in Rule 203 (hereafter ''Member'') may obtain an exemption from the restrictions discussed in Rule 610 above. This exemption is only available to a Member that obtains prior Exchange approval for procedures restricting the flow of material non-public information between it and its affiliated Market Maker, (i.e., so-called ''Chinese Wall'' procedures). The Exemption Guideline subsection sets forth the steps a Member must undertake, at a minimum, to seek to qualify for exemptive relief. Any firm that does not obtain Exchange approval for its procedures in accordance with these Guidelines shall remain subject to the restrictions set forth in Rule 610 described above.

The Exchange believes that the proposed changes to the information barrier rule clarify activity which it believes to be inconsistent with just and equitable principles of trade. The Exchange believes that the proposed information barrier rule is more precise and prescriptive than the current rule regarding which activities are prohibitive and what constitutes an adequate information barrier between Market Makers and affiliated order flow providers. The proposed rule also contains a detailed exemptive relief section that is absent from the current rule. The Exchange notes that under the proposal the Exchange will still require the maintaining of information barriers between Members and any affiliated Market Makers to the same extent as the current rule. The Exchange believes the proposed changes will assist in the prevention of fraudulent and manipulative acts by providing an appropriate mechanism designed to ensure that there are sufficient information barriers between Market Makers and affiliated order flow providers while promoting the protecting of investors and the public interest. The Exchange believes that the proposed rule will provide detailed guidelines and protections in a manner that is easily understood and enforced by not only Members, but also FINRA, with whom the Exchange anticipates entering in a17d–2 Agreement and possibly a Regulatory Service Agreement with in the near future.

The Exchange proposes to amend Rule 800, Maintenance, Retention and Furnishing of Books, Records and Other Information, to include rule text from the related FINRA Rule 4511, General Requirements.[10] The Exchange proposes to add paragraph (b) to its rule, specifying that each Member shall preserve for a period of at least six years those books and records for which there is no specified period under Exchange Rules or applicable Exchange Act rules. The Exchange also proposes to add paragraph (d) to its rule, specifying that all books and records required to be made pursuant to the Exchange Rules shall be preserved in a format and media that complies with Exchange Act Rule 17a–4. The Exchange believes that adding additional detail to its Rule is appropriate as it will harmonize the Exchange's Rule with the related FINRA rule, which is designed to protect investors and the public interest.

The Exchange proposes to amend Rule 1321, Transfer of Accounts, to incorporate FINRA Rule 11870 by reference into its rules so that Members have the same obligations to comply as if such rules and interpretations were part of the Exchange's rules.[11] FINRA Rule 11870 provides a comprehensive articulation of procedures to be followed when transferring a customer account. The FINRA Rule establishes the protocol and procedures for initiating a transfer, validating the transfer instructions, and handling fails. Incorporating by reference the FINRA rule ensures that Members have the same obligations to comply as if such rules and interpretations were part of the Exchange's Rules.

The Exchange proposes to amend Rule 1322, Options Communications, to conform with the corresponding FINRA Rule 2220, Options Communications.[12] The current rule requires each Member to establish appropriate written procedures for review by a Registered Options Principal of institutional communications used by the Member. The Exchange proposes to add a paragraph to section (a) Definitions, to conform the Exchange Rule text to FINRA by including the definition of an institutional investor in paragraph (a)(4) and an Institutional Investor in paragraph (a)(5). The Exchange proposes to update the text of paragraph (b)(3) Institutional Communications, to clarify that procedures for Institutional Communications be designed to ensure that those communications comply with applicable standards. Further, when procedures do not require review, the procedures must include a provision for the duration and training of associated persons as to the firm's procedures concerning institutional communications. In addition, evidence that these supervisory procedures have been implemented and carried out must be maintained and made available to the Exchange upon request. The Exchange

[10] *See* Proposed Rule 800. *See also* FINRA Rule 4511.

[11] *See* Proposed Rule 1321. *See also* FINRA Rule 11870. In the event FINRA updates its Rule 11870, Customer Account Transfer Contracts, MIAX will file a 19b–4 Rule filing to adopt any corresponding changes to its Rule 1321 to ensure it remains consistent with FINRA Rule 11870.

[12] *See* Proposed Rule 1322. *See also* FINRA Rule 2220.

proposes to make conforming and technical changes to Exchange Rule 1322 to align to FINRA Rule 2220.

The Exchange proposes to amend Rule 1325, Telephone Solicitation, to adopt the language of the corresponding FINRA Rule 3230, Telemarketing.[13] The FINRA rule text provides detailed guidance concerning telemarketing activities. The Exchange believes that the proposed changes are appropriate as they will harmonize the Exchange's Rules with FINRA rules with respect to account transfers and Exchange Members' communication with the public. The Exchange's proposed changes are designed to further cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities. Additionally, the Exchange believes that the proposed changes serve to further protect investors and the public interest by providing detailed guidance concerning telemarking [sic].

2. Statutory Basis

The Exchange believes that its proposed rule change is consistent with Section 6(b) [14] of the Act in general, and furthers the objectives of Section 6(b)(5) [15] of the Act in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanisms of a free and open market and a national market system and, in general, to protect investors and the public interest.

In particular, the Exchange believes the proposed rule changes will provide greater clarity to Members and the public regarding the Exchange's Rules. The Exchange believes that the new nonpublic information rule should assist in the prevention of fraudulent and manipulative acts by providing an appropriate mechanism designed to ensure that material, non-public information continues to be protected while promoting the protecting of investors and the public interest. In addition, the Exchange believes that the proposed rule changes will help ensure that investors are protected from potentially false or misleading communications with the public distributed by Exchange Members. The Exchange believes that the new proxy voting Rule will provide a clearer framework for Members to handle proxy related materials in a manner that is designed to prevent fraudulent and manipulative acts and practices, and to promote the protection of investors and the public interest. The Exchange believes that the new information barrier rule should assist in the prevention of fraudulent and manipulative acts by providing an appropriate mechanism designed to ensure that there are sufficient information barriers between Market Makers and affiliated order flow providers while promoting the protecting of investors and the public interest. Further, the proposed rule changes provide greater harmonization between Exchange Rules and FINRA Rules of similar substance and purpose, resulting in less burdensome and more efficient regulatory compliance for dual members. As previously noted, the proposed rule text is substantially similar to FINRA's current rule text, which has already been approved by the Commission. As such, the proposed rule change will foster cooperation and coordination with persons engaged in facilitating transactions in securities and will remove impediments to and perfect the mechanism of a free and open market and a national market system.

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 not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather is designed to provide greater harmonization between Exchange and FINRA rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for dual members.

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.

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

Because the foregoing proposed rule change does not: (i) Significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate, it has become effective pursuant to 19(b)(3)(A) of the Act [16] and Rule 19b–4(f)(6) [17] thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or 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–MIAX–2014–16 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–MIAX–2014–16. 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

[13] *See* Proposed Rule 1325. *See also* FINRA Rule 3230.

[14] 15 U.S.C. 78f(b).

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

[16] 15 U.S.C. 78s(b)(3)(A).

[17] 17 CFR 240.19b–4(f)(6). In addition, Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

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 also will 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–MIAX–2014–16, and should be submitted on or before June 30, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[18]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2014–13312 Filed 6–6–14; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–72302; File No. SR–NYSE–2014–28]

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending Its Price List To Eliminate a Credit for Certain Non-Floor Broker Transactions

June 3, 2014.

Pursuant to Section 19(b)(1)[1] of the Securities Exchange Act of 1934 (''Act'')[2] and Rule 19b–4 thereunder,[3] notice is hereby given that, on May 28, 2014, New York Stock Exchange LLC (''NYSE'' 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 self-regulatory organization. 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 its Price List to eliminate a credit for certain non-Floor broker transactions. The proposed change will be operative on June 1, 2014. The text of the proposed rule change is available on the Exchange's Web site at *www.nyse.com,* at the principal office of the Exchange, 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 self-regulatory organization 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 those 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 parts of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Price List to eliminate a credit for certain non-Floor broker transactions. The proposed change will be operative on June 1, 2014.

On March 1, 2014, the Exchange established a $0.0019 per share credit per transaction for all non-Floor broker transactions that add liquidity to the Exchange if the member organization executes an average daily volume (''ADV'') during the billing month of at least 1 million shares in Retail Price Improvement Orders (''RPIs'')[4] and a Customer Electronic Adding ADV[5] during the billing month of at least 5 million shares.[6] A member organization's provide [sic] volume in RPIs counts toward the 5 million share Customer Electronic Adding ADV threshold if the RPIs meet the definition of Customer Electronic Adding ADV. When it established this credit, the Exchange believed that the credit would incentivize member organizations to submit RPIs and, therefore, contribute to robust amounts of RPI liquidity being available for interaction with retail orders submitted by other market participants and encourage overall liquidity in customer electronic orders that add liquidity to the Exchange. Because the credit has not attracted liquidity as the Exchange anticipated, the Exchange proposes to eliminate it.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,[7] in general, and furthers the objectives of Sections 6(b)(4) and (5) of the Act,[8] in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers. The Exchange believes that eliminating the credit is reasonable because it has not attracted liquidity as the Exchange anticipated when it was established. The elimination of the credit is also equitable and not unfairly discriminatory because it will be eliminated for all non-Floor broker transactions.

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

In accordance with Section 6(b)(8) of the Act,[9] 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 credit that the Exchange is proposing to eliminate has not attracted liquidity to the Exchange as anticipated, and therefore removing it will not affect competition. The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee or credit levels at a particular venue to be unattractive. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For these reasons, the Exchange believes that the proposed rule change reflects this competitive environment and is therefore consistent with the Act.

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[18] 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] ''RPI'' is defined in NYSE Rule 107C(a)(4) and consists of non-displayed interest in NYSE-listed securities that is priced better than the best protected bid or best protected offer, as such terms are defined in Regulation NMS Rule 600(b)(57), by at least $0.001 and that is identified as such.

[5] ''Customer Electronic Adding ADV'' is ADV that adds liquidity in customer electronic orders to the Exchange and excludes any liquidity added by a Floor broker, Designated Market Maker, or Supplemental Liquidity Provider. *See* Price List.

[6] *See* Securities Exchange Act Release No. 71684 (March 11, 2014), 78 FR 14758 (March 17, 2014) (SR–NYSE–2014–09). The applicable $0.0015 Midpoint Passive Liquidity (''MPL'') order credit did not change as a result of adding this credit and will continue to be available.

[7] 15 U.S.C. 78f(b).

[8] 15 U.S.C. 78f(b)(4) and (5).

[9] 15 U.S.C. 78f(b)(8).