

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70628; File No. SR-NYSE-2013-68)

October 8, 2013

Self-Regulatory Organizations; New York Stock Exchange LLC; Notice of Filing of Proposed Rule Change Amending Section 907.00 Of The Listed Company Manual To Expand The Suite Of Complimentary Products And Services That Are Offered To Certain Current And Newly Listed Companies

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 October 1, 2013, New York Stock Exchange LLC (“NYSE” or the “Exchange”) filed with the Securities and Exchange Commission (the “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 Section 907.00 of the Listed Company Manual to expand the suite of complimentary products and services that are offered to certain current and newly listed companies. The text of the proposed rule change is available on the Exchange’s website 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

¹ 15 U.S.C.78s(b)(1).

² 15 U.S.C. 78a.

³ 17 CFR 240.19b-4.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposed to amend Section 907.00 of the Manual to expand the suite of complimentary products and services that it offers to certain listed companies. All listed issuers receive some complimentary products and services through NYSE Market Access Center. Presently, the Exchange offers products and services in the following general categories to certain current and newly listed companies: market surveillance, web-hosting, market analytics and news distribution. The available products and services have approximate commercial values ranging from \$10,000 to \$45,000 annually⁴ and are offered to companies under a tiered system based on shares outstanding or global market value, as the case may be.

With respect to currently listed companies, the Exchange offers complimentary products and services based on the number of shares such company has issued and outstanding. Companies that have more than 270 million shares issued and outstanding (each a "Tier One Company") are offered (i) a choice of market surveillance or market analytics products and services, and (ii) web-hosting products and services on a complimentary basis. Companies that have between 160 million and 269.9 million shares issued and outstanding (each a "Tier Two Company") are offered a choice of market analytics or web-hosting products and services.

⁴ The market surveillance products and services have a commercial value of approximately \$45,000 annually, web-hosting products and services have a commercial value of approximately \$12,000-\$16,000 annually, market analytics products and services have a commercial value of approximately \$20,000 annually and news distribution products and services have a commercial value of approximately \$10,000 annually.

For newly listed companies, the Exchange offers different product and service options for an initial period of two years based on such company's global market value. A company with a global market value of \$400 million or more (each a "Tier A Company") is offered (i) a choice of market surveillance products and services for a period of twelve months or market analytics products and services for a period of 24 months, and (ii) web-hosting and news distribution products and services for a period of 24 months. Newly-listed companies with a global market value of less than \$400 million (each a "Tier B Company") are offered web-hosting and news distribution products and services for a period of 24 months.

The Exchange proposes to amend Section 907.00 of the Manual to add three additional categories of complimentary products and services that will be offered to certain current and newly listed companies. Specifically, the Exchange proposes to include corporate governance tools and advisory services with a commercial value of approximately \$45,000 annually (the "Enhanced Package"), corporate governance tools with a commercial value of approximately \$20,000 annually (the "Basic Package") and data room services and virtual investor relation tools⁵ (with a commercial value of approximately \$15,000-\$20,000 annually) to the list of complimentary products and services offered to certain listed companies. The Enhanced Package will be offered to Tier One Companies as a third alternative to the market surveillance and market analytics products they are already offered. The Basic Package will be offered to Tier Two Companies as a third alternative to the market analytics and web-hosting products they are already offered. The Basic Package will be offered to Tier A Companies as a second

⁵ A data room is a password-protected website used for document storage. It is typically used to store due diligence materials to be reviewed in connection with transactional activity. Virtual investor relations tools are websites used to present roadshows and other investor presentations on a short-term basis, typically in connection with a specific transaction.

alternative to the market analytics products and services they are already offered. The data room services and virtual investor relation tools will be offered to all listed companies on an annual basis.

In an increasingly complex and constantly evolving regulatory environment, the management and boards of directors of listed companies are eager to understand corporate governance best practices and to adopt high quality corporate governance policies. To that end, the Exchange has seen a growing demand among listed companies for pragmatic tools that will enable them to develop comprehensive corporate governance policies. Due to this demand, the Exchange believes it is attractive and helpful to listed companies to add corporate governance tools to the suite of products and services that it offers to certain current and newly listed companies. The Exchange proposes to offer these tools through an affiliated service provider and may engage additional third-party providers in the future.

As discussed above, the Exchange proposes to offer two tiers of corporate governance products. The Basic Package, offered to Tier Two and Tier A Companies, will consist of a combination of governance, risk, compliance and board tools for company directors and executives. The Exchange expects that these tools will provide generic, easily implemented corporate governance advice and/or educational tools that are applicable to a wide range of listed companies.

The Enhanced Package, offered to Tier One Companies, will be an expanded version of the Basic Package. It will offer the same tools as the Basic Package but will also include access to advisory services. Such advisory services may include ongoing, periodic review of a company's corporate governance policies as well as benchmarking such policies against a company's peer group. The advisory services will offer companies a more individualized

assessment of their corporate governance practices particular to the specific nature of their industry and organization.

The Exchange believes it is appropriate to offer the Enhanced Package to Tier One Companies. It is the Exchange's experience that Tier One Companies tend to be larger, more complex organizations. In many cases they have more divisions and product lines and operate across multiple jurisdictions thereby increasing their need for comprehensive corporate governance and compliance policies. Tier One Companies tend to be very large and complex organizations and the Exchange believes that such companies would benefit most from the individualized attention offered by the advisory services element of the Enhanced Package. By comparison, Tier Two and Tier A Companies tend to be mid-sized companies and therefore are smaller, less complex organizations than Tier One companies that can benefit from the general tools offered by the Basic Package. Given that most Tier B Companies are smaller and, less complex organizations than Tier Two and Tier A Companies, the Exchange believes they are unlikely to require the tools offered by the Basic Package.

The specific tools and services offered by these products will be developed by the Exchange or by third-party vendors. Companies that are offered these products are under no obligation to accept them and a company's listing on the Exchange is not conditioned upon acceptance of any product or service. The Exchange notes that, from time to time, companies elect to purchase products and services from other vendors at their own expense rather than accepting comparable products and services offered by the Exchange.

The proposed expansion of additional complimentary products and services will not benefit any category of listed companies over another one. The additional corporate governance packages discussed above will not increase the overall value of complimentary products and

services offered to companies by the Exchange. The commercial value of the two corporate governance packages is approximately equal to the commercial value of other products already being offered to listed companies in each tier and are simply being offered as an additional alternative choice. Additionally, the data room services and virtual investor relation tools are being offered to all listed companies.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁶ in general, and furthers the objectives of Sections 6(b)(4)⁷ of the Act, in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(5)⁸ of the Act in that it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Exchange believes that it is reasonable to offer complimentary products and services to attract new listings, retain currently listed issuers, and respond to competitive pressures. The Exchange faces competition in the market for listing services, and it competes in part by improving the quality of the services that it offers to listed companies. By offering products and services on a complimentary basis and ensuring that it is offering the services most valued by its listed issuers, the Exchange will improve the quality of the services that listed companies receive. Because Tier B Companies are typically smaller organizations that pay lower listing fees to the Exchange than other categories of listed companies, the Exchange believes it is

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(4).

⁸ 15 U.S.C. 78f(b)(5).

reasonable to keep the suite of complimentary products and services offered to Tier B Companies unchanged.

With respect to the addition of the two corporate governance packages, the Exchange believes that it is reasonable, equitable and not unfairly discriminatory to allow companies to choose whether they receive corporate governance products or one of the other complimentary products offered by the Exchange. With respect to the addition of the data room services and virtual investor relation tools, the Exchange believes it is reasonable, equitable and not unfairly discriminatory to offer an additional product to all listed companies. The Exchange further notes that the proposed rule change is equitable and not unfairly discriminatory because the criteria for satisfying the tiers are the same for all similarly situated companies. Companies are not forced or required to utilize the complimentary products and services as a condition of listing. All companies will continue to receive some level of free services.

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 change simply expands the universe of products and services offered to certain listed companies. While the value of complimentary products and services offered by the Exchange will increase marginally, such increased value will be offered to all listed companies without regard to size or status. Accordingly, the Exchange does not believe that the proposed change will impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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 self-regulatory organization consents, the Commission will:

- (A) by order approve or disapprove the 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 e-mail to rule-comments@sec.gov. Please include File Number SR-NYSE-2013-68 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-NYSE-2013-68. 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 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 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 a.m. and 3:00 p.m. Copies of the 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-NYSE-2013-68 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.⁹

Kevin M. O'Neill
Deputy Secretary

⁹ 17 CFR 200.30-3(a)(12).

Additions underscored
 Deletions [bracketed]

NYSE Listed Company Manual

Section 9—Exchange Forms.

Sec. 907.00 Products and Services Available to Issuers

The Exchange offers certain complimentary products and services and access to discounted third-party products and services through the NYSE Market Access Center to currently listed issuers, as described on the Exchange's Web site. The Exchange also provides complimentary market surveillance products and services (with a commercial value of approximately \$45,000 annually), corporate governance tools and advisory services (with a commercial value of approximately \$45,000 annually), corporate governance tools (with a commercial value of approximately \$20,000), Web-hosting products and services (with a commercial value of approximately \$12,000-\$16,000 annually), market analytics products and services (with a commercial value of approximately \$20,000 annually), and news distribution products and services (with a commercial value of approximately \$10,000 annually) to certain categories of currently and newly listed issuers as set forth below:

Currently listed issuers:

Tier One: The Exchange offers (i) a choice of market surveillance, corporate governance tools and advisory services or market analytics products and services, and (ii) Web-hosting products and services to U.S. issuers that have 270 million or more total shares of common stock issued and outstanding in all share classes, including and in addition to Treasury shares, and non-U.S. companies that have 270 million or more shares of an equity security issued and outstanding in the U.S., each calculated annually as of September 30 of the preceding year.

Tier Two: At each such issuer's election, the Exchange offers [either] a choice of market analytics, corporate governance tools or Web-hosting products and services to:

(1) U.S. issuers that have 160 million to 269,999,999 total shares of common stock issued and outstanding in all share classes, including

and in addition to Treasury shares, calculated annually as of September 30 of the preceding year; and

(2) non-U.S. companies that have 160 million to 269,999,999 shares of an equity security issued and outstanding in the U.S., calculated annually as of September 30 of the preceding year.

Newly listed issuers:

Tier A: For issuers with a global market value of \$400 million or more, the Exchange offers either market surveillance products and services for a period of 12 calendar months from the date of listing, or a choice of market analytics products and services or corporate governance tools for a period of 24 calendar months from the date of listing, at each issuer's election. If, at the end of the 12-month period, an issuer that has selected market surveillance products and services meets the qualifications of a Tier One issuer, then the issuer may continue to receive such products and services for an additional 12 months as a newly listed issuer under this section. In addition, for a period of 24 calendar months from the date of listing, the Exchange offers Web-hosting and news distribution products and services to such issuers.

Tier B: For issuers with a global market value of less than \$400 million, the Exchange offers Web-hosting and news distribution products and services for a period of 24 calendar months from the date of listing.

Global market value for a newly listed issuer is based on the public offering price; if there is no public offering in connection with listing on the Exchange, then the Exchange shall determine the issuer's global market value at the time of listing for purposes of determining whether the issuer qualifies for Tier A or B.

At the conclusion of the 24-month period, Tier A and Tier B issuers receive Tier One or Tier Two products and services if they qualify based on total shares of common stock (for a U.S. issuer) or equity security (for a non-U.S. issuer) issued and outstanding as described above under the heading "Currently listed issuers."

In addition to the foregoing, the Exchange provides all listed issuers with complimentary access to data room services and virtual investor relation tools (with a commercial value of approximately \$15,000-\$20,000 annually).

Issuers may elect whether or not to receive products and services for which they are eligible under this Section 907.00. For the purposes of this Section 907.00, the term

"newly listed issuers" means any U.S. company that lists common stock on the Exchange for the first time, and any non-U.S. company that lists an equity security on the Exchange under Section 102.01 or 103.00 of the Manual for the first time, regardless of whether such U.S. or non-U.S. company conducts an offering, but excludes any company that transfers its listing from another U.S. securities exchange. "Newly listed issuer" also means any U.S. or non-U.S. company emerging from a bankruptcy, spinoff (where a company lists new shares in the absence of a public offering), and carve-out (where a company carves out a business line or division, which then conducts a separate initial public offering). For purposes of Section 907.00, an "equity security" means common stock or common share equivalents such as ordinary shares, New York shares, global shares, American Depository Receipts, or Global Depository Receipts.
