

FINRA members, the Exchange has represented that they have received ample notice of the proposed change and will be given additional time, until January 31, 2012, to comply with the proposed rule change. Finally, the Commission notes that the proposed rule change is consistent with FINRA and Nasdaq rules previously approved by the Commission. The Commission, therefore, designates the proposed rule change to be operative upon filing with the Commission.

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.

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-NYSEARCA-2011-69 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-NYSEARCA-2011-69. 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 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 a.m. and 3 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-NYSEARCA-2011-69 and should be submitted on or before November 8, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁴

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65541; File No. SR-EDGX-2011-31]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

October 12, 2011.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on September 30, 2011, the EDGX Exchange, Inc. (the "Exchange" or the "EDGX") 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 fees and rebates applicable to Members³

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

of the Exchange pursuant to EDGX Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange's Internet Web site at <http://www.directedge.com>.

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 these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

Purpose

The Exchange proposes to decrease the charge assessed for removing liquidity from the Exchange from \$0.0030 per share to \$0.0029 per share. In the Exchange's fee schedule, these modifications are reflected in Flags N, W, 6 and PI, where liquidity is removed. The Exchange proposes adding footnote 12 to state that a removal rate of \$0.0029 per share applies where an MPID's add liquidity ratio is equal to or greater than 10%. The add liquidity ratio is defined as "added" flags / ("added" flags + "removal" flags) × 100, where added flags include B, H, V, Y, MM, 3, or 4 and removal flags include MT, N, W, PI, or 6. The removal rate of \$0.0029 per share applies to single MPIDs only as share volume calculations for wholly owned affiliates cannot be aggregated across multiple MPIDs on a prospective basis. The Exchange also proposes to add language to state that the removal rate of \$0.0030 per share will apply where a Member does not meet the add liquidity ratio of at least 10%.

The Exchange proposes to add the RR Flag for orders that are routed to the EDGA Exchange and remove liquidity using routing strategies IOCX and IOCT, as defined in Exchange Rules 11.9(b)(3)(l) and (m). The Exchange proposes to assess a charge of \$0.0007 per share to account for the pass-through of the proposed EDGA fee for removing liquidity.

The Exchange proposes to add the PI Flag to the fee schedule for orders that

remove liquidity from the EDGX Exchange against the Midpoint Match, as defined in Exchange Rule 11.5(c)(7). The Exchange proposes to assess a charge of \$0.0029 per share, which corresponds to the proposed fee of \$0.0029 per share assessed for removing liquidity from the Exchange.

The Exchange proposes to incorporate the H Flag for Non-Displayed Orders that add liquidity, as defined in Exchange Rule 11.5(c)(8), but not including Midpoint Match Orders. The Exchange proposes to provide a rebate of \$0.0015 per share.

The Exchange proposes to eliminate the FIX (ECN Translator)⁴ logical port fee effective as of October 1, 2011, as the ECN Translator is no longer being used by its Members and non-members.⁵

The Exchange proposes to make technical amendments to Flags MM and MT to add "using Midpoint Match order type" to further clarify the order types where the fees will be assessed.

The Exchange proposes to make a technical amendment to footnote 9 by adding "per share" to clarify that the fee will be calculated on a per share basis.

The Exchange also proposes to make technical amendments to the membership fee table included in the fee schedule to eliminate the word "proposed" since these fees were effective on September 1, 2011⁶ and add the word "will" to footnote 3.

The Exchange proposes to implement these amendments to its fee schedule on October 1, 2011.

Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Exchange Act,⁷ in general, and furthers the objectives of Section 6(b)(4),⁸ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The Exchange believes that the proposed decrease in rate for removing liquidity from \$0.0030 per share to \$0.0029 per share provided that a certain add liquidity ratio is met by Members (and the conforming flag

changes to flags N, W, 6, and PI) represents an equitable allocation of reasonable dues, fees, and other charges. The Exchange believes that this decreased fee to Members would incent further liquidity to the Exchange and provide an incentive for Members to provide liquidity that supports the quality of price discovery and promotes market transparency. The tier rewards Members who provide liquidity to the Exchange (at least a 10% add liquidity ratio), and provides a decreased fee that is reasonably related to the value to the exchange's market quality associated with higher volumes. Such similar ratios are also used by NYSE Arca.⁹ Such increased volume also increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of a lower fee. The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

In addition, the Exchange proposes to apply a removal rate of \$0.0029 per share to single MPIDs only, which is consistent with the precedent set forth by NASDAQ in its fee schedule, where it gives different rates for liquidity "added through any single MPID" versus liquidity "added by firms" as whole.¹⁰ The Exchange believes this competitive pricing promotes increased liquidity provision to EDGX by each individual MPID, which supports the quality of price discovery and promotes market transparency. At this time, the Exchange approximates that more than 250 MPIDs will qualify for this reduced rate. In footnote 12 of the fee schedule, the Exchange states that a removal rate of \$0.0029 per share cannot be aggregated across multiple MPIDs on a prospective basis because the Exchange does not want to incidentally reward MPID(s) that do not contribute to this liquidity provision. The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members and MPIDs.

The Exchange believes that the proposed fee for the PI flag of \$0.0029 per share represents an equitable allocation of reasonable dues, fees, and other charges since the fee is in line with standard rate for removal of liquidity from the Exchange of \$0.0029

per share.¹¹ The PI flag will increase transparency for Members as well as enable them to track their orders that execute against the Midpoint Match and result in price improvement. The Exchange also believes that the PI Flag will afford the Exchange the flexibility to offer additional cost savings and/or price discounts for orders that offer price improvements in the future. Similarly, the Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed charge associated with the RR flag (\$0.0007 per share) represents an equitable allocation of reasonable dues, fees, and other charges since it reflects a pass through of the proposed EDGA fee for removing liquidity of \$0.0007 per share. The RR Flag will only apply to orders incorporating routing strategies IOCX or IOCT, which are the Exchange's only two routing strategies that solely sweep EDGX and then route the balance of the order to EDGA. The RR Flag differs from the I Flag because the RR Flag is the result of two routing strategies that target EDGA, and the I Flag is the result of multiple routing strategies that execute at EDGA amongst other destinations. In addition, the Exchange believes the resulting effect of the RR Flag is consistent with similar strategies that solely target one other away exchange such as ROBA, ROBY and ROPA (and also pass on the removal rate of those respective exchange), pursuant to Exchange Rules 11.9(b)(3)(e), 11.9(b)(3)(g) and 11.9(b)(3)(k). In addition, EDGX believes that it is reasonable and equitable to pass on these fees to its members. The Exchange believes that the proposed charge is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed rebate of \$0.0015 per share for adding non-displayed orders to the EDGX book represents an equitable allocation of reasonable dues, fees, and other charges as it is designed to incentivize Members to add hidden liquidity to the book, but not reward them as much as those who offer displayed liquidity (standard rebate of \$0.0023 per share). The Exchange implemented the H Flag in order to differentiate between the relative value (and rebates) of non-displayed orders and displayed orders. In addition, the rate is [sic] line with other similar

⁴ The ECN Translator allows a Member or non-member who previously connected to Direct Edge's ECN to be re-directed automatically to EDGX Exchange, Inc. It can only be accessed through a FIX port.

⁵ Members were notified on May 3, 2011 that the ECN Translator ports would no longer be available as of August 1, 2011.

⁶ See Securities Exchange Act Release No. 34-65189 (August 24, 2011), 76 FR 53990 (August 30, 2011) (SR-EDGX-2011-26).

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(4).

⁹ See Securities Exchange Act Release No. 64593 (June 3, 2011), 76 FR 33380 (June 8, 2011) (SR-NYSEArca-2011-34) (introducing Investor Tier 1 and Investor Tier 2).

¹⁰ See <http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2>.

¹¹ The Exchange notes that the PI flag is to be contrasted with the MT flag in that the PI flag results from an incidental match against Midpoint Match, while the MT flag results from a Member intentionally sending order flow through Midpoint Match.

exchange rebates offered for hidden liquidity by BATS (rebate of \$0.0017 per share), Nasdaq tiered rate of .0010/.0015), and NYSE Arca (rebate of \$0.0015 per share). The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed elimination of the FIX (ECN Translator) logical port fee represents an equitable allocation of reasonable dues, fees, and other charges as the ECN Translator is no longer used by any Members and therefore, its elimination will not impact any Members. The proposed elimination of the fee also provides more simplicity to the fee schedule.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule changes reflect a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

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

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3) [sic] of the Act¹² and Rule 19b-4(f)(2)¹³ thereunder. At any time within 60 days of the filing of such 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.

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-EDGX-2011-31 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-EDGX-2011-31. 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 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 a.m. and 3 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-EDGX-2011-31 and should be submitted on or before November 8, 2011.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Elizabeth M. Murphy,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-65536; File No. SR-NASDAQ-2011-140]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the Minimum Quantity Order

October 12, 2011.

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 30, 2011, The NASDAQ Stock Market LLC ("NASDAQ") 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 NASDAQ. 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

NASDAQ is filing this proposed rule change to modify the operation of its Minimum Quantity Order. NASDAQ proposes to implement the rule change on a date that is at least thirty days after the date of the filing, but prior to November 30, 2011. The text of the proposed rule change is available at <http://nasdaq.cchwallstreet.com/>, at NASDAQ'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

¹⁴ 17 CFR 200.30-3(a)(12).

¹⁵ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 19b-4(f)(2).