SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69324; File No. SR–EDGX–2013–12]

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

April 5, 2013.

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 April 1, 2013, EDGX Exchange, Inc. (the ''Exchange'' or ''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 amend its fees and rebates applicable to Members[3] 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 *www.directedge.com*, at the Exchange's principal office, and at the Public Reference Room of the Commission.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to add an additional tier, the Growth Tier, to Footnote 1 of its fee schedule. Such tier would provide Members a rebate of $0.0025 per share for liquidity added on EDGX if on a daily basis, measured monthly, they post 5,000,000 shares or more of average daily volume (''ADV'') to EDGX.

Secondly, the Exchange currently provides a rebate of $0.0032 per share for Retail Orders, as defined in Footnote 4 of the Exchange's fee schedule, that add liquidity to EDGX. The Exchange currently offers a Retail Order Tier whereby Members are provided a rebate of $0.0034 per share if they add an ADV of Retail Orders (Flag ZA) that is 0.25% or more of the Total Consolidated Volume (''TCV'') on a daily basis, measured monthly. The Exchange proposes to lower the criteria to satisfy this tier to ''an average daily volume of Retail Orders that is *0.10%* or more of the TCV on a daily basis, measured monthly.'' (emphasis added).

The Exchange proposes to implement these amendments to its fee schedule on April 1, 2013.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,[4] in general, and furthers the objectives of Section 6(b)(4),[5] 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 addition of the Growth Tier represents an equitable allocation of reasonable dues, fees, and other charges because it incentivizes Members to add liquidity to the EDGX Book.[6] Furthermore, such increased volume would increase 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 in turn would allow the Exchange to pass on the savings to Members in the form of higher rebates and lower fees. The increased liquidity benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the one proposed to be amended herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes. In addition, the Exchange also believes that these proposed amendments are non-discriminatory because they apply uniformly to all Members.

The Exchange also believes that the proposed rebate of $0.0025 per share for the Growth Tier and volume thresholds that require Members to add an ADV of 5,000,000 shares or more also represents an equitable allocation of reasonable dues, fees, and other charges since higher (lower) rebates are directly correlated with more (less) stringent criteria. As explained in detail below, the proposed Growth Tier rebate of $0.0025 per share will have the least stringent criteria associated with it, and Members will receive $0.0003 less per share than the next best tiered rebates of $0.0028 per share (the Super Tier and an un-named tier in Footnote 1 of the Exchange's fee schedule in which a Member must post 0.065% of the TCV in ADV more than their February 2011 ADV added to EDGX).

In order to qualify for the next best tier after the Growth Tier, the Super Tier (rebate of $0.0028), a Member must post double the number of shares (i.e., 10,000,000 shares or more of ADV to EDGX) than that required to qualify for the Growth Tier.

In addition, the Exchange believes that the proposed rebate is reasonable in that it is in line with the BATS Exchange, Inc.'s (''BZX Exchange'') default rebate of $0.0025 per share for adding displayed liquidity to the BZX Exchange order book for members that do not satisfy a volume tier.[7]

The Exchange believes that reducing the percentage of TCV required to achieve the Retail Order Tier from 0.25% to 0.10% for Members' Retail Orders that add liquidity (Flag ZA) is reasonable, equitable and not unfairly discriminatory because it would

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

[2] 17 CFR 240.19b–4.

[3] As defined in Exchange Rule 1.5(n).

[4] 15 U.S.C. 78f.

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

[6] As defined in Exchange Rule 1.5(d).

[7] *See* BATS Exchange, Inc., BATS BZX Exchange Fee Schedule, *http://cdn.batstrading.com/resources/regulation/rule_book/BATS-Exchanges_Fee_Schedules.pdf*.

continue to encourage Members to send additional Retail Orders that add liquidity to the Exchange for execution in order to qualify for an incrementally higher rebate for such executions that add liquidity on the Exchange if Members satisfy the conditions of the Retail Order Tier.

The potential for increased volume from Retail Orders would increase potential revenue to the Exchange, and 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 in turn would allow the Exchange to pass on the savings to Members in the form of lower fees. The increased liquidity benefits all investors by deepening EDGX's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Volume-based rebates such as the one proposed herein have been widely adopted in the cash equities markets, and are equitable because they are open to all Members on an equal basis and provide discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes.

The Exchange believes that reducing the percentage of TCV required to achieve the Retail Order Tier from 0.25% to 0.10% for Members' Retail Orders that add liquidity (Flag ZA) is reasonable, equitable and not unfairly discriminatory because this percentage continues to be within a range that the Exchange believes would incentivize Members to submit Retail Orders to the Exchange in order to qualify for the applicable rebate of $0.0034 per share. The Exchange notes that certain other existing pricing tiers within its fee schedule make rebates available to Members that are also based on the Member's level of activity as a percentage of TCV. These existing percentage thresholds, depending on other related factors and the level of the corresponding rebates, are both higher and lower than the 0.10% proposed herein.[8] Moreover, like existing pricing on the Exchange that is tied to Member's volume levels as a percentage of TCV, the proposed Retail Order Tier continues to be equitable and not unfairly discriminatory because it is available to all Members on an equal and non-discriminatory basis.

The Exchange notes that a significant percentage of the orders of individual investors are executed over-the-counter.[9] The Exchange believes that it is thus appropriate to continue to create a financial incentive to bring more retail order flow to a public market, such as the Exchange, over off-exchange venues. The Exchange believes that investor protection and transparency is promoted by rewarding displayed liquidity on exchanges over off-exchange executions. In this regard, the Exchange believes that maintaining or increasing the proportion of Retail Orders in exchange-listed securities that are executed on a registered national securities exchange (rather than relying on certain available off-exchange execution methods) would contribute to investors' confidence in the fairness of their transactions and would benefit all investors by deepening the Exchange's liquidity pool, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The Exchange also notes that the Retail Order Tier is reasonable in that NYSE Arca, Inc. (''NYSE Arca'') offers a comparable Retail Order Tier (with an analogous Retail Order definition) that provides a rebate of $0.0033 per share for its Retail Orders that provide liquidity on NYSE Arca in Tapes A, B and C securities for ETP Holders that execute an ADV of Retail Orders that is 0.20% or more of the TCV.[10] In addition, The NASDAQ Stock Market LLC (''Nasdaq'') offers its members a rebate of $0.0034 per share for Designated Retail Orders, as defined by Nasdaq, that are displayed orders that provide liquidity if a member enters Designated Retail Orders through an MPID through which (i) at least 90% of the shares of liquidity provided during the month are provided through Designated Retail Orders, and (ii) the members access, provide, or route shares of liquidity that represent at least 0.10% of TCV during the month.[11]

The Exchange also 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 change reflects 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 equitable and 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

These proposed rule changes do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor EDGX's pricing if they believe that alternatives offer them better value. Accordingly, EDGX does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Regarding the Retail Order Tier, the Exchange believes that its proposal to amend the criteria to achieve the tier will increase competition for Retail Orders because the proposed Retail Order Tier is comparable in price and criteria to Nasdaq's retail order tier. The Exchange believes its proposal will not burden intramarket competition given that the Exchange's rates apply uniformly to all Members.

Regarding the Exchange's proposed Growth Tier, the Exchange believes its proposal will not burden competition but rather increase competition with the Exchange's competitors that offer similar tiers and rebates. The Exchange believes its proposal will not burden

[8] *See* for example, the Market Depth Tier Rebate ($0.0033 per share rebate), Mega Tier rebate ($0.0032 per share), Ultra Tier rebate ($0.0031 per share rebate), and Super Tier rebate ($0.0031 per share rebate) that are all tied to a percentage of TCV.

[9] *See* Concept Release on Equity Market Structure, Securities Exchange Act Release No. 61358 (January 14, 2010), 75 FR 3594 (January 21, 2010) (noting that dark pools and internalizing broker-dealers executed approximately 25.4% of share volume in September 2009). *See also* Mary L. Schapiro, Strengthening Our Equity Market Structure (Speech at the Economic Club of New York, Sept. 7, 2010) (available on the Commission's Web site). In her speech, Chairman Schapiro noted that nearly 30 percent of volume in U.S.-listed equities was executed in venues that do not display their liquidity or make it generally available to the public and the percentage was increasing nearly every month.

[10] *See* Securities Exchange Act Release No. 69134 (March 14, 2013), 78 FR 17247 (March 20, 2013) (SR–NYSEArca–2013–24). *See also,* NYSE Arca Equities, Inc., Schedule of Fees and Charges for Exchange Services, *https://usequities.nyx.com/sites/usequities.nyx.com/files/nyse_arca_marketplace_fees_3_1_13.pdf.*

[11] *See* Securities Exchange Release No. 69133 (March 14, 2013), 78 FR 17272 (March 20, 2013) (SR–NASDAQ–2013–42). Nasdaq, Price List—Trading and Connectivity, *http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.*

intramarket competition given that the Exchange's rates apply uniformly to all Members.

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)(A) of the Act [12] 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 email to *rule-comments@sec.gov.* Please include File Number SR–EDGX–2013–12 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–2013–12. 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 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 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–2013–12 and should be submitted on or before May 2, 2013.

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

Kevin M. O'Neill,

Deputy Secretary.

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[12] 15 U.S.C. 78s(b)(3)(A).

[13] 17 CFR 240.19b–4 (f)(2).

[14] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69315; File No. SR–NYSEArca–2013–37]

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Establishing Non-Display Usage Fees for NYSE Arca Integrated Feed, NYSE ArcaBook, NYSE Arca Trades, and NYSE Arca BBO, and a Redistribution Fee for NYSE ArcaBook

April 5, 2013.

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 March 28, 2013, NYSE Arca, Inc. (the "Exchange" or "NYSE Arca") 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 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 establish non-display usage fees for NYSE Arca Integrated Feed, NYSE ArcaBook, NYSE Arca Trades, and NYSE Arca BBO, all of which will be operative on April 1, 2013, and a redistribution fee for NYSE ArcaBook, which will be operative on July 1, 2013. 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to establish non-display usage fees for NYSE Arca Integrated Feed, NYSE ArcaBook, NYSE Arca Trades, and NYSE Arca BBO, all of which will be operative on April 1, 2013, and a redistribution fee for NYSE ArcaBook, which will be operative on July 1, 2013. The subsections below describe (1) The background on the current fees for these real-time products; (2) the rationale for creating a new non-display usage fee structure; (3) the proposed fees for non-display use, which will include internal non-display use and managed non-display use; (4) the proposed redistribution fee for NYSE ArcaBook; and (5) examples comparing the current and proposed fees.

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

[2] 15 U.S.C. 78a.

[3] 17 CFR 240.19b–4.