(m) Comments on Proposed FINRA Rule 3170

SIFMA requested that FINRA confirm whether it would continue to maintain and disseminate the ''Disciplined Firms List'' once new FINRA Rule 3170 (Tape Recording of Registered Persons by Certain Firms), which replaces NASD Rule 3010(b)(2) (the ''Taping Rule''), becomes effective. Currently, FINRA provides a ''Disciplined Firms List'' identifying those firms that meet NASD Rule 3010(b)(2)'s definition of ''disciplined firm.'' This list assists members that are required to establish special supervisory procedures, including the tape recording of conversations, when they have hired more than a specified percentage of registered persons from firms that meet the Taping Rule's definition of ''disciplined firm.'' FINRA intends to continue to maintain the list to assist members in meeting their supervisory obligations under FINRA Rule 3170.

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 such 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 email to *rule-comments@sec.gov.* Please include File Number SR–FINRA–2013–025 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–FINRA–2013–025. 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of FINRA. 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–FINRA–2013–025 and should be submitted on or before July 29, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[118]

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2013–16231 Filed 7–5–13; 8:45 am]

BILLING CODE 8011–01–P

[118] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69900; File No. SR–EDGA–2013–18]

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

July 1, 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 June 26, 2013, EDGA Exchange, Inc. (the ''Exchange'' or ''EDGA'') 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 Members[3] and non-Members of the Exchange pursuant to EDGA Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGA 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 maintains logical ports for order entry (FIX, HP–API), drop copies (DROP), EdgeRisk and market data (collectively, ''Direct Logical Ports'').[4] In SR–EDGA–2012–37, the Exchange reduced the number of free Direct Logical Ports from ten (10)

[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.

[4] *See* Securities Exchange Act Release No. 69669 (May 30, 2013) 78 FR 33880 (June 5, 2013) (SR–EDGA–2013–14) (adding EdgeRisk ports to the list of logical ports offered by the Exchange); Securities and Exchange Act Release No. 64964 (July 26, 2011), 76 FR 45898 (August 1, 2011) (SR–EDGA–2011–22) (discussing the Exchange's proposal to include logical ports that receive market data among the types of logical ports that the Exchange assesses a monthly fee to Members and non-Members).

sessions to five (5) sessions.[5] The Exchange proposes to reduce the quantity of free Direct Logical Ports from five (5) sessions to two (2) sessions. The Exchange would assess a monthly fee per logical port for Members and non-Members that maintain three or more Direct Logical Ports. In addition, the Exchange, pursuant to an information circular dated June 4, 2013, communicated to Members and non-Members that the Exchange would propose these changes in a subsequent filing with the Securities and Exchange Commission.[6]

The Exchange further proposes to make a ministerial change to its fee schedule by changing the name of its HP–API logical ports from ''HP–API'' to ''Edge XPRS (HP–API).''

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

2. Statutory Basis

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

The Exchange believes its proposal to amend its fee schedule to reduce the quantity of free Direct Logical Ports from five sessions to two sessions represents an equitable allocation of reasonable dues, fees and other charges because the Exchange has recently implemented several infrastructure enhancements that optimized processing speed and capacity per port, thereby requiring fewer ports to communicate the same information. In addition, the proposal to reduce the number of logical ports from five to two will offset the costs of necessary hardware, infrastructure expenses, maintenance fees and staff support costs in operating a national securities exchange. The revenue generated from its proposal will also pay for the technical infrastructure and operating expenses of logical ports along with administrative and infrastructure costs associated with allowing Members and non-Members to establish logical ports to connect to the Exchange's systems. The Exchange also believes that reducing the quantity of free Direct Logical Ports from five to two sessions will promote efficient use of the ports by market participants, not only helping the Exchange to continue to maintain and improve its infrastructure, market technology, and services, but also encourage Members and non-Members to request and enable only the ports that are necessary for their operations related to the Exchange.

The Exchange believes that it is reasonable to reduce the number of free logical ports available to Members and non-Members because such practice is consistent with that of other exchanges, such as BATS Exchange, Inc., BATS Y-Exchange, Inc. and the NASDAQ Stock Exchange LLC.[9] Additionally, Members and non-Members may opt to disfavor the Exchange's pricing if they believe that alternative venues offer them better value. Accordingly, if the Exchange were to charge excessive fees, the Exchange would stand to lose not only connectivity revenues but also revenues associated with the execution of orders routed to it, and, to the extent applicable, market data revenues. The Exchange believes that this competitive dynamic imposes powerful restraints on the ability of any exchange to charge unreasonable fees for connectivity.

Lastly, the Exchange believes that the proposed reduction in quantity of free ports is non-discriminatory because it applies uniformly to Members and non-Members.

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

The Exchange believes that 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. The Exchange does not believe that the proposed amendment to its fee schedule represents a significant departure from previous Exchange fees or such fees offered by the Exchange's competitors.[10] Accordingly, the Exchange believes that reducing the quantity of free Direct Logical Ports from five sessions to two sessions would allow the Exchange to remain competitive with other market centers and thus would not burden intermarket competition.

The Exchange believes its proposal would not burden intramarket competition because the proposed rule change would apply uniformly to all Members and non-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 [11] and Rule 19b–4(f)(2) [12] 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–EDGA–2013–18 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.

[5] *See* Securities and Exchange Act Release No. 67742 (August 28, 2012), 77 FR 53951 (September 4, 2012) (SR–EDGA–2012–37) (discussing the Exchange's proposal to reduce its number of free logical ports from ten (10) to five (5)).

[6] *See* Direct Edge Trading Notice #13–23: Logical Port Fee Changes Effective July 1, 2013, *http://www.directedge.com/About/Announcements/ViewNewsletterDetail.aspx?NewsletterID=1010.*

[7] 15 U.S.C. 78f.

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

[9] *See* BATS, BATS BZX & BYX Exchange Fee Schedules, *http://batstrading.com/FeeSchedule/* (charging a monthly fee of $400 per logical port other than a Multicast PITCH Spin Server Port or GRP Port). *See also* NASDAQ, Price List-Trading & Connectivity, *http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2* (charging a monthly fee of $500 per logical port pair for FIX/OUCH/RASHPort/DROP connectivity to NY-Metro and Mid-Atlantic Datacenters).

[10] *See* BATS, BATS BZX & BYX Exchange Fee Schedules, *http://batstrading.com/FeeSchedule/* (charging a monthly fee of $400 per logical port other than a Multicast PITCH Spin Server Port or GRP Port). *See also* NASDAQ, Price List-Trading & Connectivity, *http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2* (charging a monthly fee of $500 per logical port pair for FIX/OUCH/RASHPort/DROP connectivity to NY-Metro and Mid-Atlantic Datacenters).

[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4 (f)(2).

All submissions should refer to File Number SR–EDGA–2013–18. 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–EDGA–2013–18 and should be submitted on or before July 29,2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Elizabeth M. Murphy,

Secretary.

[FR Doc. 2013–16227 Filed 7–5–13; 8:45 am]

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[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–69898; File No. SR–NASDAQ–2013–093]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Modify the Fees Under the QMM Pricing Incentive Program Under Rules 7014 and 7015

July 1, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1], and Rule 19b–4[2] thereunder, notice is hereby given that on June 26, 2013, The NASDAQ Stock Market LLC (''NASDAQ'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''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 proposing changes to fees under its Qualified Market Maker (''QMM'') pricing incentive program under Rules 7014 and 7015. NASDAQ proposes to implement the proposed rule change on July 1, 2013. The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaq.cchwallstreet.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 Exchange included statements concerning the purpose of and basis for 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Under NASDAQ's QMM Program, a member may be designated as a QMM with respect to one or more of its market participant identifiers (''MPIDs'') if:

- the member is not assessed any ''Excess Order Fee'' under Rule 7018 during the month;[3] and
- through such MPID the member quotes at the national best bid or best offer (''NBBO'') at least 25% of the time during regular market hours[4] in an average of at least 1,000 securities during the month.[5]

A member that is a QMM with respect to a particular MPID (a ''QMM MPID'') is eligible to receive certain discounts and credits. NASDAQ is now proposing to eliminate one of these discounts. At present, a QMM receives a discount on fees for ports used for entering orders for a QMM MPID, up to a total discount equal to the lesser of the QMM's total fees for such ports or $5,000.[6] As provided in Rule 7015, the specific fees subject to this discount are: (i) All ports using the NASDAQ Information Exchange (''QIX'') protocol,[7] (ii) Financial Information Exchange (''FIX'') trading ports,[8] and (iii) ports using other trading telecommunications protocols.[9] Beginning July 1, 2013, the port discount will be eliminated. All other discounts and credits associated with the QMM program will remain in effect.

2. Statutory Basis

NASDAQ believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[10] in general, and with Sections 6(b)(4), 6(b)(5), and 6(b)(8) of the Act,[11] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which NASDAQ operates or controls, is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers, and does not impose any burden on competition not necessary or

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

[2] 17 CFR 240.19b–4.

[3] Rule 7018(m). Last year, NASDAQ introduced an Excess Order Fee, aimed at reducing inefficient order entry practices of certain market participants that place excessive burdens on the systems of NASDAQ and its members and that may negatively impact the usefulness and life cycle cost of market data. In general, the determination of whether to impose the fee on a particular MPID is made by calculating the ratio between (i) entered orders, weighted by the distance of the order from the NBBO, and (ii) orders that execute in whole or in part. The fee is imposed on MPIDs that have an ''Order Entry Ratio'' of more than 100.

[4] Defined as 9:30 a.m. through 4:00 p.m., or such shorter period as may be designated by NASDAQ on a day when the securities markets close early (such as the day after Thanksgiving).

[5] A member MPID is considered to be quoting at the NBBO if it has a displayed order at either the national best bid or the national best offer or both the national best bid and offer. On a daily basis, NASDAQ will determine the number of securities in which the member satisfied the 25% NBBO requirement. To qualify for QMM designation, the MPID must meet the requirement for an average of 1,000 securities per day over the course of the month. Thus, if a member MPID satisfied the 25% NBBO requirement in 900 securities for half the days in the month, and satisfied the requirement for 1,100 securities for the other days in the month, it would meet the requirement for an average of 1,000 securities.

[6] The ports subject to the discount are not used for receipt of market data.

[7] The applicable undiscounted fees are $1,200 per month for a port pair or ECN direct connection port pair, and $1,000 per month for an unsolicited message port. *See* Rule 7015(a).

[8] The applicable undiscounted fee is $500 per port per month. *See* Rule 7015(b).

[9] The applicable undiscounted fee is $500 per port pair per month. *See* Rule 7015(g).

[10] 15 U.S.C. 78f.

[11] 15 U.S.C. 78f(b)(4), (5) and (8).