

reported to the FINRA/NASDAQ TRF and the value of its other data products.

Competition has also driven NASDAQ continually to improve its data offerings and to cater to customers' data needs. The NASDAQ Basic product itself is a product of this competition, offering a subset of core data to users that may not wish to receive or pay for all consolidated data. Moreover, as detailed in the section of this proposed rule change discussing its purpose, NASDAQ has made continual enhancements to the NASDAQ Basic product to ensure that it remains an attractive offering to its customers. Despite these enhancements and a dramatic increase in message traffic, NASDAQ's fees for professional usage of NASDAQ Basic have hitherto remained flat.

The existence of numerous alternatives to NASDAQ Basic, including real-time consolidated data, free delayed consolidated data, and proprietary data from other sources ensures that NASDAQ cannot set unreasonable fees, or fees that are unreasonably discriminatory, without losing business to these alternatives. Accordingly, NASDAQ believes that the acceptance of the NASDAQ Basic product in the marketplace demonstrates the consistency of these fees with applicable statutory standards. Likewise, the fee changes proposed herein will be subject to these same competitive forces. If the proposed fee increase is excessive, or if the proposals for an enterprise license and netting are unattractive to market participants, only NASDAQ will suffer, since its customers will merely migrate to competitive alternatives.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.²⁴ 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 email to rule-comments@sec.gov. Please include File Number SR-NASDAQ-2014-011 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-NASDAQ-2014-011. 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-NASDAQ-2014-011 and should be submitted on or before March 6, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²⁵

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71506; File No. SR-BX-2014-008]

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Not Charge the Extranet Access Fee

February 7, 2014.

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 January 31, 2014, NASDAQ OMX BX, Inc. ("BX" 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 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 proposes to not charge the extranet access fee ("Extranet Access Fee") set forth in BX Rule 7025.

The text of the proposed rule change is below. Proposed new language is italicized; proposed deletions are bracketed.³

* * * * *

7025. Extranet Access Fee

Extranet providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds shall *not* be assessed a monthly access fee [of \$1,000] per client organization Customer Premises Equipment ("CPE") Configuration. [If an extranet provider uses multiple CPE Configurations to provide market data feeds to any client organization, the monthly fee shall apply to each such CPE Configuration.] For purposes of this Rule 7025, the term "Customer Premises Equipment Configuration" shall mean

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Changes are marked to the rules of NASDAQ OMX BX, Inc. found at <http://nasdaqomxbx.cchwallstreet.com>.

²⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

²⁵ 17 CFR 200.30-3(a)(12).

any line, circuit, router package, or other technical configuration used by an extranet provider to provide a direct access connection to the Exchange market data feeds to a recipient's site. No extranet access fee will be charged for connectivity to market data feeds containing only consolidated data. For purposes of this rule, consolidated data includes data disseminated by the UTP SIP.

* * * * *

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 is proposing to change the Extranet Access Fee as set forth in BX Rule 7025 so that there is no charge. BX Rule 7025 currently provides that [sic] for extranet providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds to be assessed a monthly access fee of \$1,000 per recipient Customer Premises Equipment ("CPE") Configuration.⁴

Specifically, the Exchange proposes to reduce the Extranet Access Fee from \$1,000 per recipient CPE Configuration per month to free. An Extranet Access Fee has been in place since its introduction in 2009⁵ and provided for free during the first year of operation. At the end of this period, the initial fee of \$750 per recipient CPE Configuration per month remained in place although it was never billed. Since extranet providers have never yet been billed for

this fee, the Exchange now proposes to change BX Rule 7025 to reflect that there will be no charge for extranet providers that establish a connection with the Exchange to offer direct access connectivity to market data feeds.

Additionally, because the Exchange has thus far never collected an Extranet Access Fee, it does not intend to charge the \$1,000 Extranet Access Fee for January 2014.⁶

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁷ in general, and with Section 6(b)(4) of the Act,⁸ 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 the Exchange operates or controls. All similarly situated extranet providers that establish an extranet connection with the Exchange to access market data feeds from the Exchange will not be subject to an Extranet Access Fee.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. No fee is being charged and this applies across all extranet providers and none are compelled to establish a connection with the Exchange to offer access connectivity to market data feeds.

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

No written comments were either solicited or received.

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)(ii) of the Act.⁹ 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-BX-2014-008 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-BX-2014-008. 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 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 offices 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-BX-2014-008, and should be submitted on or before March 6, 2014.

⁴ See Securities Exchange Act Release No. 71197 (December 30, 2013), 79 FR 679 (January 6, 2014) (SR-BX-2013-063). As defined in BX Rule 7025, a "Customer Premises Equipment Configuration" means any line, circuit, router package, or other technical configuration used by an extranet provider to provide a direct access connection to the Exchange market data feeds to a recipient's site.

⁵ See Securities Exchange Act Release No. 59615 (March 20, 2009), 74 FR 14604 (March 31, 2009) (SR-BX-2009-005).

⁶ The Exchange will not back-bill any extranet providers for extranet connections with the Exchange to offer direct access connectivity to market data feeds.

⁷ 15 U.S.C. 78f [sic].

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-71513; File No. SR-CBOE-2013-100]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Granting Approval of Proposed Rule Change Relating to CBSX Trading Permit Holder Eligibility

February 7, 2014.

I. Introduction

On October 23, 2013, Chicago Board Options Exchange, Incorporated (the "Exchange" or "CBOE") filed with the Securities and Exchange Commission (the "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to add Rule 50.4A to the rules of the CBOE Stock Exchange, LLC ("CBSX").³ The proposed rule change was published for comment in the **Federal Register** on November 12, 2013.⁴ The Commission received four comment letters on the proposal.⁵ CBOE responded to the comments on December 20, 2013.⁶ On December 20, 2013, the Commission extended the time period for Commission action to February 10, 2014.⁷ This order approves the proposed rule change.

II. Description of the Proposal

The Exchange proposes to adopt Rule 50.4A regarding eligibility for CBSX Trading Permit Holders. Proposed Rule 50.4A provides that a CBSX Trading Permit Holder ("TPH") may become or remain a CBSX TPH only if it is a member of a national securities association.⁸ All CBSX TPHs would have six months from the approval of the rule filing to become a member of a national securities association. The proposed rule also provides that CBSX will terminate, upon written notice, the TPH status of any CBSX TPH that fails to meet this requirement.

CBOE states that it conducts surveillance of trading on CBSX and examines the securities-related operations of TPHs for compliance with CBSX Rules and the federal securities laws, rules and regulations. CBSX TPHs may submit orders to other trading venues as customers through executing broker-dealers, which are ultimately executed on those other trading venues ("away trading activity"). Because away trading activity does not occur on CBSX's market, CBOE states that it does not have access to all necessary order and trade information for this trading activity, as it does for trading activity done directly on CBSX, from which it can directly conduct systematic surveillance reviews.

The Exchange notes that, although other national securities exchanges require their members to be members of another national securities exchange or a national securities association,⁹ the other national securities exchanges may not have direct access to the order and transaction information related to the away trading activity of their members, as is the case with CBOE, and thus may not be in a position to review the away trading activity for potential violations of federal securities laws, rules and

regulations.¹⁰ The Exchange states that requiring a CBSX TPH to be a member of a national securities association (*i.e.* FINRA), but not providing it the option of becoming a member of another national securities exchange, is appropriate to ensure that the CBSX TPH's away trading activity is subject to appropriate regulatory review. According to the Exchange, FINRA rules currently require each FINRA member to submit order data for trading activity on all venues (including away trading activity) to FINRA on a regular basis.¹¹ The Exchange explains that this order data audit trail provides FINRA the necessary information related to each member's away trading activity to review for and detect possible violations of the federal securities laws, rules and regulations. This, in turn, would allow FINRA to detect possible violations of federal securities laws, rules, and regulations, and take appropriate regulatory and disciplinary action against a CBSX TPH as one of its regulators, or otherwise refer such matter to CBOE for review and consideration of disciplinary action.

Proposed Rule 50.4A requires CBSX TPHs to become a member of FINRA within six months of the date of approval of this rule change.¹² CBOE will announce the date by which CBSX TPHs must comply with this new requirement (the "Compliance Date") in a Regulatory Circular.¹³ The Exchange notes that if it determines that there are extenuating circumstances which result in a CBSX TPH not being able to comply by the Compliance Date, the Exchange may permit the CBSX TPH to retain its TPH status beyond the Compliance Date for such period of time as the Exchange deems reasonably necessary to enable the CBSX TPH to become a member of FINRA.¹⁴

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ CBSX is a stock execution facility of CBOE.

⁴ See Securities Exchange Act Release No. 70806 (November 5, 2013), 78 FR 67424 ("Notice").

⁵ See letter from Chris Concannon, Executive Vice President, Virtu Financial BD, LLC, to Elizabeth M. Murphy, Secretary, Commission, dated November 11, 2013 ("Virtu Letter"); letter from Martin H. Kaplan, Gusrae Kaplan Nusbaum PLLC, to Kevin M. O'Neill, Deputy Secretary, Commission, dated November 18, 2013 ("Gusrae Kaplan Nusbaum Letter"); letter from James Ongena, General Counsel, Chicago Stock Exchange, Inc., to Elizabeth M. Murphy, Secretary, Commission, dated December 3, 2013 ("CHX Letter"); and letter from Mary Ann Burns, Chief Operating Officer, Futures Industry Association, to Elizabeth M. Murphy, Secretary, Commission, dated December 3, 2013 ("FIA Letter").

⁶ See letter from Corinne Klott, Attorney, CBOE, to Elizabeth M. Murphy, Secretary, Commission, dated December 20, 2013 ("CBOE Letter").

⁷ See Securities Exchange Act Release No. 71152, 78 FR 79035 (December 27, 2013).

⁸ Currently, Financial Industry Regulatory Authority, Inc. ("FINRA") is the only registered national securities association. CBOE states that this proposal furthers compliance with Undertaking O of the June 11, 2013 Order Instituting Administrative and Cease-and-Desist Proceedings involving CBOE and C2 Options Exchange, Inc., which requires CBOE to enhance its regulation of CBSX-only TPHs. CBOE notes that this proposed rule change is only one component of its efforts to enhance its regulation of all CBSX TPHs, including CBSX-only TPHs. CBOE notes that although there will technically no longer be any CBSX-only TPHs if the proposed rule change is approved, the Exchange still believes that the proposal will enhance the general regulatory oversight of CBSX TPHs, including those former CBSX-only TPHs.

⁹ See, e.g., BATS Exchange, Inc. Rule 2.3, BATS Y-Exchange, Inc. Rule 2.3, EDGA Exchange, Inc. Rule 2.3(a), EDGX Exchange, Inc. Rule 2.3(a), NASDAQ Stock Market LLC Rule 1002(e), and New York Stock Exchange LLC Rule 2.

¹⁰ The Exchange notes that it may obtain an audit trail of this "away activity" from which it will be able to conduct direct systematic surveillance reviews once the National Market System consolidated audit trail is finalized and implemented.

¹¹ See, e.g., FINRA Rules 7440 and 7450.

¹² As of December 20, 2013, 38 CBSX TPHs would be affected by this eligibility requirement (*i.e.*, are not already members of FINRA).

¹³ The Exchange will also issue periodic written reminders to all CBSX TPHs affected by this requirement that the CBSX TPH must become a FINRA member by the Compliance Date.

¹⁴ The Exchange notes that the ability to extend certain time limits where extenuating circumstances exist is consistent with and similar to other Exchange rules. See e.g., CBOE Rule 3.19 and CBOE Rule 3.30.