

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74464; File No. SR-EDGX-2015-13]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of EDGX Exchange, Inc.

March 10, 2015.

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 March 2, 2015, 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 Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. 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 filed a to amend its fees and rebates applicable to Members⁵ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to: (i) Decrease the rebate from \$0.00150 per share to \$0.00040 per share for orders that yield fee code A, which routes to the Nasdaq Stock Market LLC (“Nasdaq”) and adds liquidity; (ii) add new fee code RN, which routes to Nasdaq using the ROOC routing strategy and adds liquidity; (iii) add a bullet to the General Notes section regarding the rates that would apply when the New York Stock Exchange, Inc. (“NYSE”) or NYSE MKT LLC (“NYSE MKT”) declare an emergency condition under their Rule 49; (iv) amend footnotes 1, 2, and 4 to place parentheses around the amount of the rebate to be provided for

each tier; (v) amend footnote 10 regarding how a Member’s volume attributed to fee code 5 will be allocated; and (vi) amend fees related to the use of ConnectEdge.

The text of the proposed rule change is available at the Exchange’s Web site at www.batstrading.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 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 parts 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: (i) Decrease the rebate from \$0.00150 per share to \$0.00040 per share for orders that yield fee code A, which routes to Nasdaq and adds liquidity; (ii) add new fee code RN, which routes to Nasdaq using the ROOC routing strategy and adds liquidity; (iii) add a bullet to the General Notes section regarding the rates that would apply when the NYSE or NYSE MKT declare an emergency condition under their Rule 49; (iv) amend footnotes 1, 2, and 4 to place parentheses around the amount of the rebate to be provided for each tier; (v) amend footnote 10 regarding how a Member’s volume attributed to fee code 5 will be allocated; and (vi) amend fees related to the use of ConnectEdge.

Fee Code A

In securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.00150 per share for Members’ orders that yield fee code A, which routes to Nasdaq and adds liquidity. The Exchange proposes to amend its Fee Schedule to decrease this rebate to \$0.00040 per share for Members’ orders that yield fee code A. The proposed change represents a pass through of the rate that BATS Trading, Inc. (“BATS Trading”), the Exchange’s affiliated routing broker-dealer, is

rebated for routing orders in certain symbols to Nasdaq when it does not qualify for a volume tiered rebate. When BATS Trading routes to Nasdaq, it is rebated a standard rate of \$0.00040 per share for orders in select symbols (“Nasdaq’s Select Symbol Program”).⁶ BATS Trading will pass through this rate on Nasdaq to the Exchange and the Exchange, in turn, will pass through this rate to its Members. The Exchange notes that the proposed change is in response to Nasdaq’s January 2015 fee change where Nasdaq decreased the rebate it provides its customers, such as BATS Trading, from a rebate of \$0.00150 per share to a rebate of \$0.00040 per share for orders in symbols included in Nasdaq’s Select Symbol Program.⁷

Fee Code RN

The Exchange proposes to adopt new fee code RN, which would be applied to orders routed to Nasdaq using the ROOC routing strategy that add liquidity. Orders that yield fee code RN will receive a rebate of \$0.00150 per share. The ROOC Routing strategy routes orders to participate in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (BATS, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the EDGX Book, executed, or routed to destinations on the System routing table. Proposed fee code RN represents a pass through of the rate that BATS Trading, the Exchange’s affiliated routing broker-dealer, is rebated for routing orders to Nasdaq in Tape C securities not included in Nasdaq’s Select Symbol Program when it does not qualify for a volume tiered rebate. When BATS Trading routes to Nasdaq using the ROOC routing strategy, it is rebated a standard rate of \$0.00150 per share for Tape C securities that are not included in Nasdaq’s Select Symbol Program.⁸

⁶ The Exchange notes that to the extent BATS Trading does or does not achieve any volume tiered discount on Nasdaq or routes an order to Nasdaq in a symbol that is not included in Nasdaq’s Select Symbol Program to receive a rebate of \$0.00040 per share, its rate for Flag A will not change. The Exchange further notes that, due to billing system limitations that do not allow for separate rates by tape, it will pass through the lesser rebate of \$0.00040 per share for all Tapes A, B & C securities.

⁷ See Securities Exchange Act Release No. 73967 (December 30, 2014), 80 FR 594 (January 6, 2015) (SR-Nasdaq-2014-128).

⁸ The Exchange notes that to the extent BATS Trading does or does not achieve any volume tiered discount on Nasdaq or routes an order to Nasdaq in a symbol that is included in Nasdaq’s Select

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¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ The term “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.” See Exchange Rule 1.5(n).

BATS Trading will pass through this rate on Nasdaq to the Exchange and the Exchange, in turn, will pass through this rate to its Members. The Exchange notes that fee code A above will be applied to all orders routed to Nasdaq not utilizing the ROOC routing strategy that add liquidity.

NYSE and NYSE MKT Rule 49

The Exchange proposes to add a bullet under the General Notes section of the Fee Schedule to describe the rates that would apply where the NYSE or NYSE MKT declare an emergency condition under their Rule 49. Under NYSE and NYSE MKT Rule 49, the NYSE or NYSE MKT may invoke their emergency powers during an emergency condition and designate NYSE Arca, Inc. (“NYSE Arca”) as their backup facility to receive and process bids and offers and to execute orders on behalf of the NYSE or NYSE MKT. In such case, the Exchange will route any order that was intended to be routed to the NYSE or NYSE MKT to NYSE Arca and the Exchange’s System will identify such trades as being executed on NYSE Arca, not the NYSE or NYSE MKT. Because the executions occurred on NYSE Arca, NYSE Arca will charge BATS Trading their applicable fee or rebate, and BATS Trading will pass through that fee or rebate to the Exchange who would, in turn, pass that rate along to its Members. Therefore, the Exchange proposes to add a bullet to its Fee Schedule stating that fee codes applicable to orders routed to NYSE Arca will be applied to orders routed to the NYSE or NYSE MKT where, pursuant to NYSE and NYSE MKT Rule 49, the NYSE or NYSE MKT have designated NYSE Arca as their backup facility to receive and process bids and offers and to execute orders on behalf of the NYSE or NYSE MKT.

Identifying Rebates in Footnotes 1, 2, and 4

The Exchange proposes to amend footnotes 1, 2, and 4 to place the amount of each rebate in parentheses. The Exchange further notes that, due to billing system limitations that do not allow for separate rates by tape, it will pass through the rebate of \$0.000150 per share for all Tapes A, B & C securities that yield fee code RN.

Symbol Program to receive a rebate of \$0.00040 per share, its rate for Flag RN will not change. The Exchange further notes that, due to billing system limitations that do not allow for separate rates by tape, it will pass through the rebate of \$0.000150 per share for all Tapes A, B & C securities that yield fee code RN.

Footnote 10

In December 2014, the Exchange added footnote 10 to state that a Member’s monthly volume attributed to fee code 5 will be divided evenly between the added fee codes and removal fee codes when determining whether that Member satisfied a certain tier.⁹ At that time, the Exchange proposed to divide a Member’s fee code 5 volume as such because the Exchange’s systems could not delineate orders yielding fee code 5 that added from those that removed liquidity for purposes of determining whether a Member satisfied a certain tier.

In January 2014, the Exchange and its affiliate, EDGA Exchange, Inc. (“EDGA”) received approval to effect a merger (the “Merger”) of the Exchange’s parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BATS (together with BATS, EDGA and EDGX, the “BGM Affiliated Exchanges”).¹⁰ In the context of the Merger, the BGM Affiliated Exchanges migrated EDGX and EDGA onto the BATS technology platform, which was completed in January 2015. Under the BATS technology platform, the Exchange is now able to delineate orders yield fee code 5 that added from those that removed liquidity for purposes of determining whether a Member satisfies a certain tier. Therefore, the Exchange proposes to amend footnote 10 to state that a Member’s monthly volume attributed to fee code 5 will be allocated accordingly between the added fee codes and removal fee codes when determining whether that Member satisfied a certain tier.

ConnectEdge

The Exchange proposes to amend the fees related to the use of ConnectEdge by: (i) Adopting a fee of \$250 per month for receipt of Nasdaq Glimpse; and (ii) provide access to market data and order entry for the BGM Affiliated Exchanges at no charge. ConnectEdge is a communication and routing service that provides Members an additional means to receive market data from and route orders to any destination connected to the Exchange’s network. ConnectEdge does not affect trade executions and would not report trades to the relevant Securities Information Processor. The servers of the Member need not be located in the same facilities as the

Exchange in order to subscribe to ConnectEdge. Members may also seek to utilize ConnectEdge in the event of a market disruption where other alternative connection methods become unavailable.¹¹

The Exchange charges a monthly connectivity fee to Members utilizing ConnectEdge to route orders to other exchanges and broker-dealers that are connected to the Exchange’s network. The amount of the connectivity fee varies based solely on the bandwidth selected by the Member. Specifically, the Exchange currently charges \$350 for 1 Mb, \$700 for 5 Mb, \$950 for 10 Mb, \$1,500 for 25 Mb, \$2,500 for 50 Mb, and \$3,500 for 100 Mb. The Exchange proposes to provide at no charge, bandwidth required to access each of the BGM Affiliated Exchanges and BZX Options.

Members utilizing ConnectEdge to access the Exchange or its affiliates for either order entry or market data will remain liable for the applicable Physical Connectivity Fees as set forth in the Fee Schedule and charged by each BGM Affiliated Exchange. Currently, the Exchange and EDGA charge \$500 per month a 1 Gb Copper connection, \$1,000 per month for a 1 Gb Fiber connection, and \$2,000 per month for a 10 Gb Fiber connection. BZX and BYX currently charge \$1,000 per month for a 1 Gb physical port at the BZX or BYX primary of secondary data center, \$2,000 per month for a 1 Gb physical port at any other data center where BZX or BYX maintain a point-to-point presence (“PoP”), \$2,500 per month for a 10 Gb physical port at the BZX or BYX primary of secondary data center; and \$5,000 per month for a 10 Gb physical port at any other data center where BZX or BYX maintain a PoP.

ConnectEdge also allows participants to receive market data feeds from exchanges connected to the Exchange’s network. In such case, the Member would pay the Exchange a connectivity fee, which varies and is based solely on the amount of bandwidth required to transmit the selected data product to the Member. The proposed connectivity fees range from \$100 to \$3,500 based on the market data product the vendor selects. The Exchange currently charges \$1,300 per month for BZX PITCH

¹¹ This service is an alternative to a service that the Exchange already provides to its Members—current order-sending Members route orders through access provided by the Exchange to the Exchange that either check the Exchange for available liquidity and then route to other destinations or, in certain circumstances, bypass the Exchange and route to other destinations. See Exchange Rule 11.9(b)(2) (setting forth routing options whereby Members may select their orders be routed to other market centers).

⁹ See Securities Exchange Act Release No. 73782 (December 8, 2014), 79 FR 73916 (December 12, 2014) (SR-EDGX-2014-32).

¹⁰ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

Multicast, \$250 per month for BZX PITCH Spin Server, \$350 per month for BYX Pitch Multicast, \$250 per month for BYX Spin Server, \$1,000 per month for BZX Options Pitch, and \$500 per month for EDGA or EDGX.¹² The Exchange proposes to provide access to each of these market data products at no charge. Members would pay any fees charged by the BGM Affiliated Exchange providing the market data feed directly to that exchange.

The Exchange also proposes to adopt a fee of \$250 per month for market data connectivity to Nasdaq Glimpse. Nasdaq Glimpse is a point-to-point data feed connection that provides direct data feed customers with the current state of the Nasdaq execution systems with full market participant attribution.¹³ The proposed fee is designed to reflect the amount of bandwidth required to transmit the Nasdaq Glimpse to the Member. Participants would pay any fees charged by Nasdaq for Nasdaq Glimpse directly to Nasdaq.

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on March 2, 2015.¹⁴

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(4),¹⁶ 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 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.

Fee Code A

The Exchange believes that its proposal to decrease the pass through rebate for Members' orders that yield fee code A from \$0.00150 to \$0.00040 per share represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. Prior to Nasdaq's Select Symbol Program, Nasdaq provided BATS Trading a rebate of \$0.00150 per share for orders yielding fee code A, which BATS Trading passed through to the Exchange and the Exchange passed through to its Members. In January 2015, Nasdaq decreased the standard rebate it provides its customers, such as BATS Trading, from a rebate of \$0.00150 per share to a rebate of \$0.00040 per share for orders that are routed to Nasdaq in symbols included in its Select Symbol Program.¹⁷ Therefore, the Exchange believes that the proposed change in fee code A from a rebate of \$0.00150 per share to a rebate of \$0.00040 per share is equitable and reasonable because it accounts for the pricing changes on Nasdaq. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through rate for orders that are routed to Nasdaq. The Exchange further notes that, due to billing system limitations that do not allow for separate rates by security for those included in Nasdaq's Select Symbol Program, it will pass through the lesser rebate of \$0.00040 per share for all Tapes A, B & C securities routed to Nasdaq. The Exchange notes that routing through BATS Trading is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

Fee Code RN

The Exchange believes its proposal to adopt new fee code RN, which would be applied to orders routed to Nasdaq using the ROOC routing strategy that add liquidity, represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to Nasdaq through BATS Trading using the ROOC routing strategy. Proposed fee code RN represents a pass through of the rate that BATS Trading, the Exchange's affiliated routing broker-dealer, is rebated for routing orders to Nasdaq in certain

securities not included in Nasdaq's Select Symbol Program when it does not qualify for a volume tiered rebate. When BATS Trading routes to Nasdaq using the ROOC routing strategy, it is rebated a standard rate of \$0.00150 per share for Tape C securities that are not included in Nasdaq's Select Symbol Program.¹⁸ Therefore, the Exchange believes to provide proposed fee code RN a rebate of \$0.00150 per share is equitable and reasonable because it accounts for pricing on Nasdaq and allows the Exchange to charge its Members a pass-through rate for orders that are routed to Nasdaq using the ROOC routing strategy. The Exchange further notes that, due to billing system limitations that do not allow for separate rates by security for those included in Nasdaq's Select Symbol Program, it will pass through the rebate of \$0.00150 per share for all Tapes A, B & C securities routed to Nasdaq yielding fee code RN. The Exchange notes that routing through BATS Trading is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

NYSE and NYSE MKT Rule 49

The Exchange believes that adding a bullet under the General Notes section of the Fee Schedule to describe the rates that would apply where the NYSE or NYSE MKT declare an emergency condition under their Rule 49 is reasonable because it is designed to provide greater transparency to Members by describing which rates would apply in such circumstances. In the case when NYSE or NYSE MKT invoke their Rule 49, the Exchange will route any order that was intended for the NYSE or NYSE MKT to NYSE Arca and the Exchange's System will identify such trades as being executed on NYSE Arca, not the NYSE or NYSE MKT. Because the executions occurred on NYSE Arca, NYSE Arca will charge their applicable fee or rebate. The proposed bullet is intended to make clear within the Fee Schedule which rate would apply where the NYSE or NYSE MKT invoke their emergency powers under their Rule 49, thereby eliminating potential investor confusion, removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest. The Exchange notes that routing through BATS Trading is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-

¹² Market data connectivity to EDGA and EDGX is free if the Member's connection is within the Equinix facilities in Secaucus, New Jersey.

¹³ See <http://www.nasdaqomx.com/transactions/marketdata/europeanproducts/data-feeds/glimpse> for a description of Nasdaq Glimpse.

¹⁴ The date of the EDGX Fee Schedule was previously amended to March 2, 2015 in SR-EDGX-2015-12 filed on February 26, 2015.

¹⁵ 15 U.S.C. 78f.

¹⁶ 15 U.S.C. 78f(b)(4).

¹⁷ See *supra* note 6.

¹⁸ See *supra* note 8.

discriminatory because it applies uniformly to all Members.

Identifying Rebates in Footnotes 1, 2, and 4

The Exchange believes that amending footnotes 1, 2, and 4 to place the amount of each rebate in parentheses is reasonable because it is designed to provide greater transparency to Members by aligning the identification of rebates in these footnotes with the way rebates are identified elsewhere in the Fee Schedule. The Exchange notes that this change is not designed to amend any rebate, nor alter the manner in which it calculates rebates. This non-substantive change to the Fee Schedule is intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

Footnote 10

The Exchange believes proposed footnote 10 stating that a Member's monthly volume attributed to fee code 5 will be allocated accordingly between the added fee codes and removal fee codes when determining whether that Member satisfied a certain tier represents an equitable allocation of reasonable dues, fees, and other charges. Footnote 10 initially divided a Member's fee code 5 volume as such because fee code 5 includes both added and removed liquidity and the Exchange's systems could not delineate orders yielding fee code 5 that added from those that removed liquidity purposes of determining whether a Member satisfies a certain tier. Under the BATS technology platform, the Exchange is now able to delineate orders yield fee code 5 that added from those that removed liquidity for purposes of determining whether a Member satisfies a certain tier. Therefore, the Exchange believes amending footnote 10 to state that a Member's monthly volume attributed to fee code 5 will be allocated accordingly between the added fee codes and removal fee codes is reasonable because it would provide Members an accurate understanding of how their orders yielding fee code 5 would be allocated amongst added and removed volume for purposes of determining whether they satisfied a certain tier. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

ConnectEdge

The Exchange believes its proposal to amend fees for the use of ConnectEdge is consistent with Section 6(b)(4) of the Act,¹⁹ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using its facilities. The Exchange charges a connectivity fee to Members utilizing ConnectEdge to route orders to or receive market data from other exchanges and market centers that are connected to the Exchange's network, the amounts of which vary based solely on the amount of bandwidth selected by the Member or required to transmit the market data. The BGM Affiliated Exchanges are currently located in different data centers and the Exchange is in the process of transitioning itself and its affiliates into a single data center. Members currently located in a different data center than one of the BGM Affiliated Exchanges may utilize ConnectEdge to connect to that BGM Affiliated Exchange and would be subject to the applicable ConnectEdge fees. The Exchange has notified Members that it is migrating the BGM Affiliated Exchange into a single data center and many of those Members are already located in that data center or may elect to establish a presence in that data center. In the interim, the Exchange proposes to charge no fee for the use of ConnectEdge to access the BGM Affiliated Exchange as an accommodation to Members pending the migration. Once the migration is complete, it will not be necessary for a ConnectEdge subscriber to pay an additional fee for order entry or receipt of market data from the Exchange or of its affiliates if located in the same data center over and above the connectivity fees currently charged.²⁰ Therefore, the Exchange believes it is reasonable and equitable to charge no fee for the use of ConnectEdge to access the BGM Affiliated Exchanges during this transitional period.

The Exchange also believes that its fee of \$250 per month for market data connectivity to Nasdaq Glimpse is consistent with Section 6(b)(4) of the Act,²¹ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using its facilities. ConnectEdge is offered and purchased on a voluntary basis, in that neither the

Exchange nor Members are required by any rule or regulation to make this product available. Accordingly, Members can discontinue use at any time and for any reason, including due to an assessment of the reasonableness of fees charged. Moreover, the Exchange believes the proposed fees are reasonable and equitable because they are based on the Exchange's costs to cover the amount of bandwidth required to provide connectivity to Nasdaq Glimpse. The proposed fees allow the Exchange to recoup this cost, while providing Members with an alternative means to connect to Nasdaq Glimpse. The Exchange believes that the proposed fees are reasonable and equitable in that they reflect the costs and the benefit of providing alternative connectivity.

Lastly, the Exchange also believes that the proposed amendments to its fee schedule are non-discriminatory because they will apply uniformly to all Members. All Members that voluntarily select various service options will be charged the same amount for the same services. All Members have the option to select any connectivity option, and there is no differentiation among Members with regard to the fees charged for the service.

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

The Exchange believes its proposed amendments to its Fee Schedule would 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 change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Fee Code A

The Exchange believes that its proposal to pass through a rebate of \$0.00040 per share for Members' orders that yield fee code A would increase intermarket competition because it offers customers an alternative means to route to Nasdaq for a similar rate as entering orders in certain symbols on Nasdaq directly. The Exchange believes that its proposal would not burden intramarket competition because the

¹⁹ 15 U.S.C. 78f(b)(4).

²⁰ Similarly, the Exchange notes that it currently charges no fee to Member's utilizing ConnectEdge to connect to the Exchange and EDGA if located in the same data center.

²¹ 15 U.S.C. 78f(b)(4).

proposed rate would apply uniformly to all Members.

Fee Code RN

The Exchange believes that its proposal to add fee code RN for orders that route to Nasdaq using the ROOC routing strategy and pass through a rebate of \$0.00150 per share to Members would increase intermarket competition because it offers customers an alternative means to route orders to Nasdaq to participate in their opening, re-opening or closing process for a similar rate as entering orders in certain symbols on Nasdaq directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

NYSE and NYSE MKT Rule 49

The Exchange believes that adding a bullet under the General Notes section of the Fee Schedule to describe which rates that would apply where the NYSE or NYSE MKT declare an emergency condition under their Rule 49 would not affect intermarket nor intramarket competition because none of these changes are designed to amend any rebate or alter the manner in which the Exchange calculates rebates. This change is not designed to have a competitive impact. Rather, it is intended to make clear to Members and investors within the Fee Schedule which rate would apply where the NYSE or NYSE MKT invoke their emergency powers under their Rule 49, thereby eliminating potential investor confusion.

Identifying Rebates in Footnotes 1, 2, and 4

The Exchange believes that amending footnotes 1, 2, and 4 to place the amount of each rebate in parentheses would not affect intermarket nor intramarket competition because none of these changes are designed to amend any rebate or alter the manner in which the Exchange calculates rebates. This change is intended to make the Fee Schedule clearer and less confusing for investors and eliminate potential investor confusion by providing greater clarity to Members with regard to how the Exchange calculates rebates.

Footnote 10

The Exchange believes that amending footnote 10 to reflect current system functionality that orders yielding fee code 5 will be allocated accordingly amongst added fee codes and removal fee codes would increase intermarket competition because it would encourage Members to direct their orders to the

Exchange because they would have certainty as to how their orders will be allocated when determining whether that Member qualified for a certain pricing tier. The Exchange believes that its proposal would neither increase nor decrease intramarket competition because the fee code 5 and footnote 10 would continue to apply uniformly to all Members.

ConnectEdge

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. The proposed rule change is designed to accommodate Members while the Exchange migrates itself and its affiliates into a single data center. Once that migration is complete it will not be necessary for a ConnectEdge subscriber to pay an additional fee for order entry or receipt of market data from the Exchange or of its affiliates over and above the connectivity fees currently charged. The Exchange believes that charging no fee during this for the use of ConnectEdge to access the Exchange or its affiliates during this transitional period will not result in any burden on competition that is not necessary or appropriate because Members will remain liable for the applicable Physical Connectivity Fees charged by each BGM Affiliated Exchange. The Exchange believes that its proposal would neither increase nor decrease intramarket competition because it would apply uniformly to all Members.

The Exchange also believes the proposed connectivity fee for Nasdaq Glimpse will not result in any burden on completion. The proposed rule change is designed to provide Members with an alternative means to access Nasdaq Glimpse if they choose or in the event of a market disruption where other alternative connection methods become unavailable. ConnectEdge is not the exclusive method to connect to Nasdaq Glimpse and Members may utilize alternative methods to connect to the product if they believe the Exchange's proposed pricing is unreasonable or otherwise. Therefore, the Exchange does not believe the proposed rule change will have any effect on competition.

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 Act²² and paragraph (f) of Rule 19b-4 thereunder.²³ 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-EDGX-2015-13 on the subject line.

Paper Comments

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-1090.
- All submissions should refer to File Number SR-EDGX-2015-13. 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

²² 15 U.S.C. 78s(b)(3)(A).

²³ 17 CFR 240.19b-4(f).

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-2015-13, and should be submitted on or before April 6, 2015.

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

Brent J. Fields,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74463; File No. SR-EDGX-2015-12]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use of EDGX Exchange, Inc.

March 10, 2015.

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 February 26, 2015, 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 Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. 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 filed a proposal to amend its fees and rebates applicable to

Members⁵ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) related to the fees charged and rebates provided for executions occurring at the midpoint of the National Best Bid or Offer (“NBBO”) by: (i) Amending the descriptions of fee codes MM and MT; and (ii) adopting new fee code AM.

The text of the proposed rule change is available at the Exchange’s Web site at www.batstrading.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 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 parts 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 amend its Fee Schedule related to the fees charged and rebates provided for executions occurring at the midpoint of the NBBO by: (i) Amending the descriptions of fee codes MM and MT; and (ii) adopting new fee code AM.

Fee Code MM

Fee code MM is applied to orders that add liquidity at the midpoint of the NBBO using: (i) A MidPoint Match Order;⁶ (ii) an order with a Hide Not Slide instruction;⁷ or (iii) an order with a Non-Displayed instruction.⁸ Orders yielding fee code MM are charged a fee of \$0.0012 per share in securities priced at \$1.00 or above and receive a rebate of \$0.00003 per share in securities

priced below \$1.00. The Exchange proposes to reformat the description of fee code MM using numbers (1) through (3) to better delineate each transaction to which the fee code is applied.

Pursuant to footnote 11 of the Fee Schedule, an order with a Non-Displayed instruction will receive fee code MM where it executes against an order that receives fee code MT, as discussed below. The Exchange proposes to amend footnote 11 to specifically state that an order with a Non-Displayed instruction that adds liquidity at the midpoint of the NBBO will only receive fee code MM where it receives price improvement relative to its limit price (in contrast to an order receiving fee code AM, as proposed below). Footnote 11 also currently lists the three types of orders against which an order with a Non-Displayed instruction will execute that results in fee code MM for such order, including orders with a Hide Not Slide instruction (as well as MidPoint Match Orders and orders with a Non-Displayed and Post Only instruction). The Exchange proposes to specify in footnote 11 that an order with a Non-Displayed instruction executing against an order with a Hide Not Slide instruction will receive fee code MM if the order with a Hide Not Slide instruction receives fee code MT because it also contains a Post Only instruction⁹ and the difference between the NBB and NBO is \$0.01. The applicability of fee code MT to such orders with a Hide Not Slide instruction is described in further detail below and in proposed footnote 13. As described below, the Exchange proposes an update to footnote 3, which relates to a volume tier for orders that receive fee code MM, and to amend footnote 3 to fee code MM, as this is the fee code to which the footnote pertains.

Neither the proposed changes to fee code MM nor the proposed changes to footnotes 3 and 11 are intended to amend the amount of the fees charged, the amount of the rebate provided or the transactions to which fee code MM is applied. The proposed changes are intended to clearly delineate the transactions to which fee code MM may be applied when adding liquidity at the midpoint of the NBBO.

Fee Code MT

Fee code MT is applied to orders that remove liquidity at the midpoint of the NBBO using: (i) A MidPoint Match Order; (ii) an order with a Hide Not Slide instruction; or (iii) an order with a Non-Displayed and Post Only

⁹ See Rule 11.6(n)(4) for a description of the Post Only instruction.

⁵ The term “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in section 3(a)(3) of the Act.” See Exchange Rule 1.5(n).

⁶ See Rule 11.8(d) for a description of MidPoint Match Orders.

⁷ See Rule 11.6(l)(1)(B) for a description of the Hide Not Slide instruction.

⁸ See Rule 11.6(e)(2) for a description of the Non-Displayed instruction.

²⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).