other existing or future open-end management investment company or series thereof that: (a) Is advised by the Adviser or any entity controlling, controlled by, or under common control with the Adviser (any such entity included in the term ''Adviser''); and (b) operates as an exchange-traded managed fund as described in the Reference Order; and (c) complies with the terms and conditions of the Order and of the Reference Order, which is incorporated by reference herein (each such company or series and Initial Fund, a ''Fund'').[3]

6. Section 6(c) of the Act provides that the Commission may exempt any person, security or transaction, or any class of persons, securities or transactions, from any provisions of the Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Section 17(b) of the Act authorizes the Commission to exempt a proposed transaction from section 17(a) of the Act if evidence establishes that the terms of the transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policies of the registered investment company and the general purposes of the Act. Section 12(d)(1)(J) of the Act provides that the Commission may exempt any person, security, or transaction, or any class or classes of persons, securities or transactions, from any provision of section 12(d)(1) if the exemption is consistent with the public interest and the protection of investors.

7. Applicants submit that for the reasons stated in the Reference Order: (1) With respect to the relief requested pursuant to section 6(c) of the Act, the relief is appropriate, in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (2) with respect to the relief request pursuant to section 17(b) of the Act, the proposed transactions are reasonable and fair and do not involve overreaching on the part of any person concerned, are consistent with the policies of each registered investment company concerned and consistent with the general purposes of the Act; and (3) with respect to the relief requested pursuant to section 12(d)(1)(J) of the Act, the relief is consistent with the public interest and the protection of investors.

[3] All entities that currently intend to rely on the Order are named as applicants. Any other entity that relies on the Order in the future will comply with the terms and conditions of the Order and of the Reference Order, which is incorporated by reference herein.

By the Division of Investment Management, pursuant to delegated authority.

Robert W. Errett,

Deputy Secretary.

[FR Doc. 2015–18029 Filed 7–22–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–75479; File No. SR–EDGX–2015–33]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 11.6, 11.8, 11.9, 11.10 and 11.11 to Align With Similar Rules of the BATS Exchange, Inc.

July 17, 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 July 8, 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 and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A) of the Act[3] and Rule 19b–4(f)(6)(iii) thereunder,[4] which renders it 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 certain rules to better align Exchange rules and system functionality with that currently offered by BATS Exchange, Inc. (''BZX''). These changes are described in detail below and include amending: (i) Rule 11.6, Definitions; (ii) Rule 11.8, Order Types; (iii) Rule 11.9, Priority of Orders; (iv) Rule 11.10, Order Execution; and (v) Rule 11.11, Routing to Away Trading Centers. The Exchange does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX. The Exchange notes that the proposed rule text is based on BZX rules and is different only to the extent necessary to conform to the Exchange's current rules.

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 Statutory Basis for, the Proposed Rule Change

1. Purpose

In early 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 BZX and the BATS Y-Exchange, Inc. (''BYX'', together with BZX, EDGA and EDGX, the ''BGM Affiliated Exchanges'').[5] In order to provide consistent rules and system functionality amongst the Exchange and BZX, the Exchange proposes to amend: (i) Rule 11.6, Definitions; (ii) Rule 11.8, Order Types; (iii) Rule 11.9, Priority of Orders; (iv) Rule 11.10, Order Execution; and (v) Rule 11.11, Routing to Away Trading Centers.

The proposed amendments are intended to better align certain Exchange rules and system functionality with that currently offered by BZX in order to provide a consistent functionality across the Exchange and BZX. Consistent functionality between the Exchange and BZX is designed to

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

[2] 17 CFR 240.19b–4.

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

[4] 17 CFR 240.19b–4(f)(6)(iii). The Exchange notes that it originally filed the proposed rule change on July 2, 2015, under File Number SR–EDGX–2015–30. On July 8, 2015, the Exchange withdrew SR–EDGX–2015–30 and re-filed the proposed rule change under File Number SR–EDGX–2015–33.

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

reduce complexity and streamline duplicative functionality, thereby resulting in simpler technology implementation, changes and maintenance by Users[6] of the Exchange that are also participants on BZX. Unless otherwise noted, the proposed rule text is based on BZX rules and is different only to the extent necessary to conform to the Exchange's current rules.[7] The proposed amendments do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX.

Rule 11.6, Definitions

Rule 11.6, Definitions, sets forth in one rule current defined terms and order instructions that are utilized in Chapter XI. Rule 11.6 also includes additional defined terms and instructions to aid in describing System[8] functionality and the operation of the Exchange's order types. The Exchange proposes to amend Rule 11.6 to align certain sections with BZX functionality and rules, including additional specificity regarding the operation of Exchange functionality. These changes are described below and include: (i) Amending paragraph (d) regarding Discretionary Range; (ii) deleting subparagraph (j)(3) regarding the re-pricing of orders with a Pegged instruction priced more aggressively than the midpoint of the national best bid or offer (''NBBO''); (iii) amending subparagraph (l)(1)(A) regarding the Price Adjust Re-Pricing instruction; (iv) amending subparagraph (l)(1)(B) to replace the Hide Not Slide Re-Pricing instruction with a Display-Price Sliding instruction; (v) amending subparagraph (l)(2) regarding the Short Sale re-pricing instruction; (vi) amending subparagraph (l)(3) regarding the re-pricing of non-displayed orders and orders with an Odd Lot[9] size priced better than the NBBO; (vii) amending subparagraph (n)(1), (2) and (4) regarding the Aggressive, Super Aggressive, and Post Only instructions; and (viii) amending subparagraph (q) regarding Immediate-or-Cancel and Fill-or-Kill Time-In-Force instructions. As stated above, the proposed amendments to Rule 11.6 do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX. Each of these amendments are described in more detail below.

Discretionary Range (Rule 11.6(d))

Current Functionality. Pursuant to current Rule 11.6(d), Discretionary Range is an instruction the User may attach to an order to buy (sell) a stated amount of a security at a specified, displayed price with discretion to execute up (down) to a specified, non-displayed price. An order with a Discretionary Range instruction resting on the EDGX Book[10] will execute at its least aggressive price when matched for execution against an incoming order that also contains a Discretionary Range instruction, as permitted by the terms of both the incoming and resting order.

Proposed Functionality. The Exchange proposes to amend the Discretionary Range instruction under Rule 11.6(d) to align with BZX Rule 11.9(c)(10).[11] As proposed, amended Rule 11.6(d) are substantially similar to BZX Rule 11.9(c)(10). To the extent the amended text of Exchange Rule 11.6(d) differs from BZX Rule 11.9(c)(10), such differences are necessary to conform the rule to existing rule text.

First, the Exchange proposes to add specificity to the Exchange's rule based on BZX Rule 11.9(c)(10) to make clear that although an order with a Discretionary Range instruction may be accompanied by a Displayed[12] instruction, an order with a Discretionary Range instruction may also be accompanied by a Non-Displayed[13] instruction, and if so, will have a non-displayed ranked price as well as a discretionary price. The Exchange further proposes to adopt language from BZX Rule 11.9(c)(10) to specifically state that resting orders with a Discretionary Range instruction will be executed at a price that uses the minimum amount of discretion necessary to execute the order against an incoming order. Neither of these proposed changes represent changes to functionality, but rather, additional specificity in Exchange Rules based on BZX Rule 11.9(c)(10).

Second, the Exchange also proposes to amend its current Rule and functionality by adding language to 11.6(d) discussing how an order with a Discretionary range instruction would interact with an order with a Post Only instruction. Specifically, when an order with a Post Only instruction that is entered at the displayed or non-displayed ranked price of an order with a Discretionary Range instruction that does not remove liquidity on entry pursuant to Rule 11.6(n)(4),[14] the order with a Discretionary Range instruction would be converted to an executable order and will remove liquidity against such incoming order. Similar to the proposed amendments to the Aggressive and Super Aggressive instructions described below, due to the fact that an order with a Discretionary Range instruction contains a more aggressive price at which it is willing to execute, the Exchange proposes to treat orders with a Discretionary Range instruction as aggressive orders that would prefer to execute at their displayed or non-displayed ranked price than to forgo an execution due to applicable fees or rebates. Accordingly, in order to facilitate transactions consistent with the instructions of its Users, the Exchange proposes to execute resting orders with a Discretionary Range instruction (and certain orders with an Aggressive or Super Aggressive instruction, as described below) against incoming orders, when such incoming orders would otherwise forego an execution. The Exchange notes that the determination of whether an order should execute on entry against resting interest, including against a resting order with a Discretionary Range instruction, is made prior to determining whether the price of such an incoming order should be adjusted pursuant to the Exchange's price sliding functionality pursuant to Rule 11.6(l). In other words, an execution would have

[6] The term ''User'' is defined as ''any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.'' *See* Exchange Rule 1.5(ee).

[7] To the extent a proposed rule change is based on an existing BATS Rule, the language of the BATS and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange Rules but not currently included in BATS rules based on the current structure of such rules.

[8] The term ''System'' is defined as ''the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.'' *See* Exchange Rule 1.5(cc).

[9] An ''Odd Lot'' is defined as ''any amount less than a Round Lot.'' *See* Exchange Rule 11.8(s)(2).

[10] The ''EDGX Book'' is defined as ''System's electronic file of orders.'' *See* Exchange Rule 1.5(d).

[11] *See* Securities Exchange Act Release No. 74738 (April 16, 2015), 80 FR 22600 (April 22, 2015) (SR–BATS–2015–09) (Order Granting Approval of a Proposed Rule Change to Amend Rules 11.9, 11.12, and 11.13).

[12] *See* Exchange Rule 11.6(e)(1).

[13] *See* Exchange Rule 11.6(e)(2).

[14] Under Rule 11.6(n)(4), an order with a Post Only instruction or Price Adjust instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below $1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. To determine at the time of a potential execution whether the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, the Exchange will use the highest possible rebate paid and highest possible fee charged for such executions on the Exchange.

already occurred as set forth above before the Exchange would consider whether an order could be displayed and/or posted to the EDGX Book, and if so, at what price.

Examples—Order With a Discretionary Range Instruction Executes Against an Order With a Post Only Instruction

Assume that the NBBO is $10.00 by $10.05, and the Exchange's BBO is $9.99 by $10.06. Assume that the Exchange receives a non-routable order to buy 100 shares at $10.00 per share designated with discretion to pay up to an additional $0.05 per share.

- Assume that the next order received by the Exchange is an order with a Post Only instruction to sell 100 shares of the security priced at $10.03 per share. The order with a Post Only instruction would not remove any liquidity upon entry pursuant to the Exchange's economic best interest functionality, and would post to the EDGX Book at $10.03. This would, in turn, trigger the discretion of the resting buy order with a Discretionary Range instruction and an execution would occur at $10.03. The order with a Post Only instruction to sell would be treated as the adder of liquidity and the buy order with discretion would be treated as the remover of liquidity.
- Assume the same facts as above, but that the incoming order with a Post Only instruction is priced at $10.00 instead of $10.03. As is true in the example above, the order with a Post Only instruction would not remove any liquidity upon entry pursuant to the Exchange's economic best interest functionality. Rather than cancelling the incoming order with a Post Only instruction to sell back to the User, particularly when the resting order with a Discretionary Range instruction is willing to buy the security for up to $10.05 per share, the Exchange proposes to execute at $10.00 the order with a Post Only instruction against the resting buy order with a Discretionary Range instruction. As is also true in the example above, the order with a Post Only instruction to sell would be treated as the liquidity adder and the buy order with discretion would be treated as the liquidity remover. As set forth in more detail below, if the incoming order was not an order with a Post Only instruction to sell, the incoming order could be executed at the ranked price of the order with a Discretionary Range instruction without restriction and would therefore be treated as the liquidity remover.

Third, the Exchange proposes to modify the process by which it handles incoming orders that interact with Discretionary Orders. The Exchange proposes to specify in Rule 11.6(d) its proposed handling of a contra-side order that executes against a resting Discretionary Order at its displayed or non-displayed ranked price or that contains a time-in-force of IOC or FOK and a price in the discretionary range by stating that such an incoming order will remove liquidity against the Discretionary Order. The Exchange also proposes to specify in Rule 11.6(d) its handling of orders that are intended to post to the EDGX Book at a price within the discretionary range of an order with a Discretionary Range instruction. This includes, but is not limited to, an order with a Post Only instruction. Specifically, the Exchange proposes to specify in Rule 11.6(d) that any contra-side order with a time-in-force other than IOC or FOK and a price within the discretionary range but not at the displayed or non-displayed ranked price of an order with a Discretionary Range instruction will be posted to the EDGX Book and then the order with a Discretionary Range instruction would remove liquidity against such posted order.

Examples—Order With a Discretionary Instruction Executes Against an Order Without a Post Only Instruction

Assume that the NBBO is $10.00 by $10.05, and the Exchange's BBO is $9.99 by $10.06. Assume that the Exchange receives an order to buy 100 shares of a security at $10.00 per share designated with discretion to pay up to an additional $0.05 per share.

- Assume that the next order received by the Exchange is an order with a Book Only instruction [15] to sell 100 shares of the security with a TIF other than IOC or FOK priced at $10.03 per share. The order with a Book Only instruction would not remove any liquidity upon entry and would post to the EDGX Book at $10.03. This would, in turn, trigger the discretion of the resting buy order and an execution would occur at $10.03. The order with a Book Only instruction to sell would be treated as the adder of liquidity and the buy order with discretion would be treated as the remover of liquidity.
- Assume the same facts as above, but that the incoming order with a Book Only instruction is priced at $10.00 instead of $10.03. The order with a Book Only instruction would remove liquidity upon entry at $10.00 per share pursuant to the Exchange's order execution rule.[16] Contrary to the examples set forth above, the order with a Book Only instruction to sell would be treated as the liquidity remover and the resting buy order with discretion would be treated as the liquidity adder. The Exchange notes that this example operates the same whether an order contains a TIF of IOC, FOK or any other TIF.

Finally, because orders with a Discretionary Range instruction have both a price at which they will be ranked and an additional discretionary price, the Exchange proposes to expressly state how the Exchange handles a routable order with a Discretionary Range instruction by stating that such an order will be routed away from the Exchange at its full discretionary price. As an example, assume the NBBO is $10.00 by $10.05 and the Exchange's BBO is $9.99 by $10.06. If the Exchange receives a routable order with a Discretionary Range instruction to buy at $10.00 with discretion to pay up to an additional $0.05 per share, the Exchange would route the order as a limit order to buy at $10.05. Any unexecuted portion of the order would be posted to the EDGX Book with a ranked price of $10.00 and discretion to pay up to $10.05.

The Exchange notes that it has historically treated orders with a Discretionary Range instruction as relatively passive orders and as orders that, once posted to the EDGX Book, would in all cases be treated as the liquidity provider. The changes proposed above will change the handling of orders with a Discretionary Range instruction such that such orders are more aggressive and, thus, such orders will execute on the Exchange in additional circumstances than they do currently without regard to such orders' status as resting orders. In turn, orders with a Discretionary Range instruction resting on the EDGX Book may be treated as liquidity removers under certain circumstances, as outlined above.

Pegged (Rule 11.6(j))

Current Functionality. In sum, an order with a Pegged instruction enables a User to specify that the order's price will peg to a price a certain amount away from the NBB or NBO (offset). If an order with a Pegged instruction displayed on the Exchange would lock the market, the price of the order will be automatically adjusted by the System to one Minimum Price Variation [17]

[15] The term ''Book Only'' is defined as an ''order instruction stating that an order will be matched against an order on the EDGX Book or posted to the EDGX Book, but will not route to an away Trading Center.'' *See* Exchange Rule 11.6(n)(3).

[16] *See* Exchange Rule 11.10.

[17] The term ''Minimum Price Variation'' is defined in Exchange Rule 11.6(i).

below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers). A new time stamp is created for the order each time it is automatically adjusted and orders with a Pegged instruction are not eligible for routing pursuant to Rule 11.11. For purposes of the Pegged instruction, the System's calculation of the NBBO does not take into account any orders with Pegged instructions that are resting on the EDGX Book. An order with a Pegged instruction is cancelled if an NBB or NBO, as applicable, is no longer available.

An order with a Pegged instruction may be a Market Peg or Primary Peg. An order that includes a Primary Peg instruction will have its price pegged by the System to the NBB, for a buy order, or the NBO for a sell order. In contrast, an order that includes a Market Peg instruction will have its price pegged by the System to the NBB, for a sell order, or the NBO, for a buy order.

Proposed Functionality. The Exchange proposes to amend the Pegged instruction under Rule 11.6(j) by deleting subparagraph (3) to further align the operation of orders that include a Pegged instruction with the operation of Pegged Orders [18] on BZX. As amended, Rule 11.6(j) would no longer provide for the re-pricing orders with a Pegged and Non-Displayed instruction where such orders include an offset, the amount of which causes them to be priced more aggressive than the midpoint of the NBBO. Under current subparagraph (3) of Rule 11.6(j), an order with a Pegged and Non-Displayed instruction that includes an offset that causes the order to be priced more aggressive than the midpoint of the NBBO is ranked at the midpoint of the NBBO pursuant to the re-pricing instruction under Rule 11.6(l)(3) with discretion to execute to the price established by the offset, or the NBB (NBO) where the offset for an order to sell (buy) is equal to or exceeds the NBB (NBO). The Exchange proposes to remove this functionality and instead to handle such orders in accordance with Rule 11.6(j) generally.

For example, assume the NBBO is $10.00 by $10.05. A Limit Order is entered into the System to buy 500 shares with a Non-Displayed and Market Peg instruction and offset of −$0.02. Because the order's offset causes it to be priced more aggressively than the midpoint of the NBBO, under current functionality it would be ranked at $10.025, the midpoint of the NBBO, with discretion to execute to $10.03, the price established by the offset.[19] As proposed, the order with a Non-Displayed and Market Peg instruction and offset of −$0.02 will ranked at $10.03, the price established by the offset and not the midpoint of the NBBO, as is currently the case.

Re-Pricing (Rule 11.6(l))

The Exchange currently offers re-pricing instructions which, in all cases, result in the ranking and/or display of an order at a price other than its limit price in order to comply with applicable securities laws and Exchange Rules. Specifically, the Exchange currently offers re-pricing instructions to ensure compliance with Regulation NMS and Regulation SHO. The re-pricing instructions currently offered by the Exchange re-price and display an order upon entry and in certain cases again re-price and re-display an order at a more aggressive price based on changes in the NBBO. Rule 11.6(l) sets forth the re-pricing instructions currently available to Users with regard to Regulation NMS compliance—Price Adjust, and Hide Not Slide, as well as a separate re-pricing process with regard to Regulation SHO compliance. As described below, the Exchange now proposes to amend its re-pricing instructions to align and streamline Exchange functionality with that of BZX.

Re-Pricing Instructions To Comply With Rule 610(d) of Regulation NMS

The Exchange proposes to amend its re-pricing instructions to comply with Rule 610(d) of Regulation NMS as follows: (i) Amend the Price Adjust instruction under Rule 11.6(l)(1)(A) to: (A) divide the rule into subparagraphs (i), (ii), and (iii); (B) clarify the order must be a Locking Quotation [20] or Crossing Quotation [21] of an external market; and (C) propose new subparagraph (iv) described below; and (ii) replace the Hide Not Slide instruction under Rule 11.6(l)(1)(B) with Display-Price Sliding, which would operate in a similar fashion to the display-price sliding process currently available on BZX as described under BZX Rule 11.9(g)(1).

Price Adjust Re-Pricing (Rule 11.6(l)(1)(A)). Under the Price Adjust instruction, where a buy (sell) order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, the order will be displayed and ranked [22] at a price that is one Minimum Price Variation lower (higher) than the Locking Price.[23] The Exchange proposes to modify the operation of the Price Adjust instruction such that an order must be a Locking Quotation or Crossing Quotation of an external market, not the EDGX Book, in order be eligible for the re-pricing. This change will provide additional specificity within the Exchange's rules regarding the applicability of the Price Adjust instruction as well as align the description with BZX's Price Adjust process described under BZX Rule 11.9(g)(2).[24] This change is also consistent with display-price sliding on BZX and Display-Price Sliding discussed below, under which orders are only re-priced where they are a Locking Quotation or Crossing Quotation of an external market, and not the BZX order book or EDGX Book, as applicable. Other than as described above, these provisions will remain unchanged and be set forth under subparagraph (i), so that the Exchange may renumber the following provisions of Rule 11.6(l)(1)(A) as set forth below.

The Exchange proposes to restructure the provisions of the current Rule by

[18] *See* BZX Rule 11.9(c)(8).

[19] In such cases, the order will be given a new time stamp each time it is re-priced by the System in response to changes in the midpoint of the NBBO.

[20] The term ''Locking Quotation'' is defined as ''[t]he display of a bid for an NMS stock at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.'' *See* Exchange Rule 11.6(g).

[21] The term ''Crossing Quotation'' is defined as ''[t]he display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.'' *See* Exchange Rule 11.6(c).

[22] For purposes of the description of the re-pricing instructions under proposed Rule 11.6(l), the terms ''ranked'' and ''priced'' are synonymous and used interchangeably.

[23] The term ''Locking Price'' is defined as ''[t]he price at which an order to buy (sell), that if displayed by the System on the EDGX Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.'' *See* Exchange Rule 11.6(f).

[24] The description of the Price Adjust process under BATS Rule 11.9(g)(2), states that ''[a]n order eligible for display by the Exchange that, at the time of entry, would create a violation of Rule 610(d) of Regulation NMS by locking or crossing a Protected Quotation *of an external market* will be ranked and displayed by the System at one minimum price variation below the current NBO (for bids) or to one minimum price variation above the current NBB (for offers) . . .'' (*emphasis added*). Thus, an order will only be re-priced pursuant to its Price Adjust process where it locks or crosses a Protected Quotation of an external market, and not BATS. The Exchange notes that this reflects a recent change to BATS Rule 11.9(g)(2). *See* Securities Exchange Act Release No. 75324 (June 29, 2015) (SR–BATS–2015–47) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11.9 of BATS Exchange, Inc., to Modify its Price Adjust Functionality).

separating rule text and adopting additional subparagraph references, subparagraph (ii) and (iii).

The Exchange also proposes to add new subparagraph (iv) to Rule 11.6(l)(1)(A) which would cover where an order with a Price Adjust instruction and a Post Only instruction would be a Locking Quotation or Crossing Quotation of the Exchange. The proposed amendments to Rule 11.6(l)(1)(A) are based on BZX Rule 11.9(g)(2)(D). To the extent the amended text of Exchange Rule 11.6(l)(1)(A) differs from BZX Rule 11.9(g)(2)(D), such differences are necessary to conform the rule with existing rule text.

As noted above, an order subject to the Price Adjust instruction will only be re-priced where it would be a Locking Quotation of Crossing Quotation of an external market, and not the Exchange. In such case, any display-eligible order with a Price Adjust instruction and a Post Only instruction that would be a Locking Quotation or Crossing Quotation of the Exchange upon entry will be executed as set forth in Rule 11.6(n)(4) [25] or cancelled. For example, assume the NBBO is $10.00 by $10.01 and an order to sell at $10.01 is resting on the EDGX Book. Further assume that no other Trading Center [26] is displaying an order to sell at $10.01. Assume that the Exchange receives an order to buy with a Post Only instruction and Price Adjust instruction at $10.01. The incoming order to buy will be cancelled unless, pursuant to Rule 11.6(n)(4), the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity. The incoming order to buy will not be posted to the EDGX Book and re-priced pursuant to the Price Adjust instruction.

Replacing Hide Not Slide With Display-Price Sliding (Rule 11.6(l)(1)(B))

The Exchange proposes to replace the Hide Not Slide re-pricing instruction under Rule 11.6(l)(1)(B) with Display-Price Sliding, which would operate the same fashion as the Display-Price Sliding process currently available on BZX and described under BZX Rule 11.9(g)(1).[27] The main differences between the current operation of orders with a Hide Not Slide instruction and the proposed Display-Price Sliding instruction are: (i) Orders with a Hide Not Slide instruction are ranked at the midpoint of the NBBO with discretion to the Locking Price while orders with Display-Price Sliding instruction are ranked at the Locking Price; and (ii) orders with the Hide Not Slide and Post Only instructions are re-priced if they would be a Locking Quotation of the EDGX Book, while orders with the Display-Price Sliding and Post Only instructions would be executed in accordance with Rule 11.6(n)(4) [28] or cancelled if they would be a Locking Quotation of the EDGX Book, but re-priced if they would be a Locking Quotation of an external market.

Under the current Hide Not Slide instruction, an order that would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGX Book at the time of entry, will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), and ranked at the mid-point of the NBBO with discretion to execute at the Locking Price. However, if a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book, the order subject to the Hide Not Slide instruction will be ranked at the mid-point of the NBBO but its discretion to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGX Book that equals the Locking Price. Where the NBBO changes such that the order, if displayed by the System on the EDGX Book at the Locking Price, would not be a Locking Quotation or Crossing Quotation, the System will rank and display such orders at the Locking Price. The order will not be subject to further re-ranking and will be displayed on the EDGX Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp when it is ranked at the Locking Price. Pursuant to Rule 11.9, all orders that are re-ranked and re-displayed by the System on the EDGX Book pursuant to the Hide Not Slide instruction retain their priority as compared to each other based upon the time such orders were initially received by the System.

The Exchange proposes to replace the Hide Not Slide instruction under Rule 11.6(l)(1)(B) with the Display-Price Sliding instruction, which would operate in an identical fashion as the Display-Price Sliding process currently available on BZX.[29] Display-Price Sliding would be an order instruction requiring that where an order would be a Locking Quotation or Crossing Quotation of an external market if displayed by the System on the EDGX Book at the time of entry, such order will be ranked at the Locking Price and displayed by the System at one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell). A User may elect for the Display-Price Sliding instruction to only apply where their display-eligible order would be a Locking Quotation of an external market upon entry (''Lock Only''). In such cases, the User's display-eligible order would be cancelled if the order would be a Crossing Quotation of an external market upon entry.

For example, assume the Exchange has a posted and displayed bid to buy at $10.10 and a posted and displayed offer to sell $10.13. Assume the NBBO is $10.10 by $10.12. If the Exchange receives an order with a Book Only instruction to buy at $10.12, the Exchange will rank the order to buy at $10.12 and display the order at $10.11 because displaying the bid at $10.12 would cause it to be a Locking Quotation of an external market's Protected Offer to sell for $10.12. If the NBO then moved to $10.13, the Exchange would un-slide the bid to buy and display it at its ranked price (and limit price) of $10.12.

As an example of the Lock-Only option for Display-Price Sliding, assume the Exchange has a posted and displayed bid to buy at $10.10 and a posted and displayed offer to sell at $10.14. Assume the NBBO is $10.10 by $10.12. If the Exchange receives an order with a Book Only instruction to buy 100 shares at $10.13 and the User has elected the Lock-Only option for Display-Price Sliding, the Exchange will cancel the order back to the User. To reiterate a basic example of Display-Price Sliding, if instead the User applied Display-Price Sliding (and not the Lock-Only option for Display-Price Sliding), the Exchange would rank the order to buy at $10.12 and display the order at $10.11 because displaying the bid at $10.13 would cause it to be a Crossing Quotation of an external market's Protected Offer to sell for $10.12. If the NBO then moved to $10.13, the Exchange would un-slide the bid to buy and display it at $10.12.

As proposed, an order subject to the Display-Price Sliding instruction will retain its original limit price irrespective

[25] *See supra* note 14.

[26] The term ''Trading Center'' is defined as ''[o]ther securities exchanges, facilities of securities exchanges, automated trading systems, electronic communications networks or other broker dealers.'' *See* Exchange Rule 11.6(r).

[27] *See also* Securities Exchange Act Release Nos. 64475 (May 12, 2011), 76 FR 28830, 28832 (May 18, 2011) (SR–BATS–2011–015); 67657 (August 14, 2012), 77 FR 50199 (August 20, 2012) (SR–BATS–2012–035); 68791 (January 31, 2013), 78 FR 8617 (February 6, 2013) (SR–BATS–2013–007) (''BATS Display-Price Sliding Releases'').

[28] *See supra* note 14.

[29] *See* BATS Rule 11.9(g)(1). *See also* the BATS Display-Price Sliding Releases, *supra* note 27.

of the prices at which such order is ranked and displayed. An order subject to the Display-Price Sliding instruction will be displayed at the most aggressive price possible and receive a new time stamp should the NBBO change such that the order would no longer be a Locking Quotation or Crossing Quotation of an external market. As is true under the Price Adjust and current Hide Not Slide instructions, all orders that are re-ranked and re-displayed pursuant to the Display-Price Sliding instruction will retain their priority as compared to other orders subject to the Display-Price Sliding instruction based upon the time such orders were initially received by the Exchange. Following the initial ranking and display of an order subject to the Display-Price Sliding instruction, an order will only be re-ranked and re-displayed to the extent it achieves a more aggressive price, provided, however, that the Exchange will re-rank an order at its displayed price in the event such order's displayed price would be a Locking Quotation or Crossing Quotation. Such event will not result in a change in priority for the order at its displayed price. This will avoid the potential of a ranked price that crosses the Protected Quotation displayed by such external market, which could, in turn, lead to a trade through of such Protected Quotation at such ranked price. The Exchange notes that, as described below, when an external market crosses the Exchange's Protected Quotation and the Exchange's Protected Quotation is a displayed order subject to Display-Price Sliding, the Exchange proposes to re-rank such order at the displayed price. Thus, the order displayed by the Exchange will still be ranked and permitted to execute at a price that is consistent with Rule 611(b)(4) of Regulation NMS.[30]

The ranked and displayed prices of an order subject to the Display-Price Sliding instruction may be adjusted once or multiple times depending upon the instructions of a User and changes to the prevailing NBBO. Multiple re-pricing is optional and must be explicitly selected by a User before it will be applied. The Exchange's default Display-Price Sliding instruction will only adjust the ranked and displayed prices of an order upon entry and then the displayed price one time following a change to the prevailing NBBO, provided however, that if such an order's displayed price becomes a Locking Quotation or Crossing Quotation then the Exchange will adjust the ranked price of such order and it will not be further re-ranked or re-displayed at any other price. Orders subject to the optional multiple price sliding process will be further re-ranked and re-displayed as permissible based on changes to the prevailing NBBO.

As an example of the multiple re-pricing option for Display-Price Sliding, assume the Exchange has a posted and displayed bid to buy at $10.10 and a posted and displayed offer to sell at $10.14. Assume the NBBO is $10.10 by $10.12. If the Exchange receives an order with a Book Only instruction to buy at $10.13, the Exchange would rank the order to buy at $10.12 and display the order at $10.11 because displaying the bid at $10.13 would cause it to be a Crossing Quotation of an external market's Protected Offer to sell for $10.12. If the NBO then moved to $10.13, the Exchange would un-slide the bid to buy, rank it at $10.13 and display it at $10.12. Where the User did not elect the multiple re-pricing option for Display-Price Sliding, the Exchange would not further adjust the ranked or displayed price following this un-slide. However, under the multiple re-pricing option, if the NBO then moved to $10.14, the Exchange would un-slide the bid to buy and display it at its full limit price of $10.13.

Pursuant to proposed Rule 11.6(l)(1)(B)(iv), any display-eligible order with a Post Only instruction that would be a Locking Quotation or Crossing Quotation of the Exchange upon entry will be executed as set forth in Rule 11.6(n)(4) or cancelled. Consistent with the principle of not re-pricing orders to avoid executions, in the event the NBBO changes such that an order with a Post Only instruction subject to Display-Price Sliding instruction would be ranked at a price at which it could remove displayed liquidity from the EDGX Book, the order will be executed as set forth in Rule 11.6(n)(4) or cancelled.[31]

Pursuant to proposed Rule 11.6(l)(1)(B)(v), an order with a Post Only instruction will be permitted to post and be displayed opposite the ranked price of orders subject to Display-Price Sliding instruction. In the event an order subject to the Display-Price Sliding instruction is ranked on the EDGX Book with a price equal to an opposite side order displayed by the Exchange, it will be subject to processing as set forth in Rule 11.10(a)(4), which is described in greater detail below.

For example, assume the Exchange has a posted and displayed bid to buy at $10.10 and a posted and displayed offer to sell at $10.12. Assume the NBBO (including Protected Quotations of other external markets) is also $10.10 by $10.12. If the Exchange receives an order with a Post Only instruction to buy at $10.12 per share, unless executed pursuant to Rule 11.6(n)(4),[32] the Exchange would cancel the order back to the User because absent the order with a Post Only instruction, the order to buy at $10.12 would be able to remove the order to sell $10.12, and, as explained above, the Exchange would no longer offer re-pricing to avoid executions against orders displayed by the Exchange.

If the Exchange did not have a displayed offer to sell at $10.12 in the example above, but instead the best offer on the EDGX Book was $10.13, the Exchange would apply Display-Price Sliding to the incoming order to buy by ranking such order at $10.12 and displaying the order at $10.11. The EDGX Book would now be displayed as $10.11 by $10.13. Assume, however, that after price sliding the incoming order to buy from $10.12 to a display price of $10.11, the Exchange received an order with a Post Only instruction to sell at $10.12, thus joining the NBO. The order with a Post Only instruction would be permitted to post and be displayed opposite the ranked price of orders subject to display-price sliding. Accordingly, the Exchange would allow such incoming order with a Post Only instruction to sell at $10.12 to post and display on the EDGX Book, as described above, with an opposite side order subject to Display-Price Sliding displayed at $10.11. Assume that the next Protected Offer displayed by all external markets other than the Exchange moved to $10.13. In this situation the Exchange would un-slide but then cancel the bid at $10.12 because, as proposed, in the event the NBBO changes such that an order with a Post Only instruction subject to Display-Price Sliding would un-slide and would be ranked at a price at which it could remove displayed liquidity from the EDGX Book (*i.e.,* when the Exchange is at the NBB or NBO) the Exchange proposes to execute[33] or cancel such order.

[30] 17 CFR 242.611(b)(4). *See also* the BATS Display-Price Sliding Releases, *supra* note 27.

[31] As noted above, the Exchange will execute an order with a Post Only instruction in certain circumstances where the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. *See supra* note 14.

[32] *Id.*

[33] *Id.*

Re-Pricing Instructions To Comply With Rule 201 of Regulation SHO

Current Functionality. Under Rule 11.6(l)(2), an order to sell with a Short Sale instruction that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be re-priced by the System at the Permitted Price.[34] The default short sale re-pricing process will only re-price an order upon entry and one additional time to reflect a decline in the NBB. Depending upon the instructions of a User, to reflect declines in the NBB the System will continue to re-price and re-display a short sale order at the Permitted Price down to the order's limit price. In the event the NBB changes such that the price of an order with a Non-Displayed instruction subject to Rule 201 of Regulation SHO would be a Locking Quotation or Crossing Quotation, the order will receive a new time stamp, and will be re-priced by the System to the mid-point of the NBBO.

Current Rule 11.6(l)(2) states that: (i) When a Short Sale Circuit Breaker is in effect, the System will execute a sell order with a Displayed and Short Sale instruction at the price of the NBB if, at the time of initial display of the sell order with a Short Sale instruction, the order was at a price above the then current NBB; (ii) orders with a Short Exempt instruction will not be subject to re-pricing under amended Rule 11.6(l)(2); and (iii) the re-pricing instructions to comply with Rule 610(d) of Regulation NMS will continue to be ignored for an order to sell with a Short Sale instruction when a Short Sale Circuit Breaker is in effect and the re-pricing instructions to comply with Rule 201 of Regulation SHO under this Rule will apply.

Proposed Functionality. The Exchange proposes to make the below changes to align the operation of the Exchange's short sale re-pricing process with that of BZX under BZX Rule 11.9(g)(5). First, the Exchange proposed to amend Rule 11.6(l)(2)(A) to only re-price an order upon entry, and not one additional time to reflect a decline in the NBB. This is consistent with the BZX short sale price sliding process under BZX Rule 11.9(g)(5)(A), which only re-prices an order upon entry. Second, the Exchange's rules currently state that in the event the NBB changes such that the price of an order with a Non-Displayed instruction subject to Rule 201 of Regulation SHO would be a Locking Quotation or Crossing Quotation, the order will receive a new time stamp, and will be re-priced by the System to the mid-point of the NBBO. As proposed, such order will be re-priced to the Permitted Price, and not the mid-point of the NBBO. This is consistent with BZX Rule 11.9(g)(5)(A), which also re-prices order subject to Rule 201 of Regulation SHO to the Permitted Price in such cases.

The Exchange also proposes to delete language from Rule 11.6(l)(2)(A) regarding orders with a Short Sale instruction and Price Adjust instruction being re-priced to the Permitted Price. The Exchange also proposes to delete language from Rule 11.6(l)(2)(A) regarding orders with a Short Sale instruction and a Hide Not Slide instruction being re-priced to the mid-point of the NBBO. This language is proposed to be deleted because, as discussed above, the Hide Not Slide instruction is being replaced by Display-Price Sliding, and because all orders with a Display-Price Sliding or Price Adjust instruction will be subject to the short sale re-pricing process under the Rule.

Lastly, the Exchange proposes to amend Rule 11.6(l)(2)(D) to align with BZX Rule 11.9(g)(6) and state that where an order is subject to either a Display-Price Sliding instruction or a Price Adjust instruction and also contains a Short Sale instruction when a Short Sale Circuit Breaker is in effect, the re-pricing instructions to comply with Rule 201 of Regulation SHO will apply. The Exchange does not propose this change to alter the meaning of Rule 11.6(l)(2)(D), but rather, to align the language with BZX Rule 11.9(g) in order to provide consistent rules across the Exchange and BZX.

Re-Pricing of Orders With a Non-Displayed Instruction and Odd Lot Orders (Rule 11.6(l)(3))

Current Functionality. Under Rule 11.6(l)(3), both an order with a Non-Displayed instruction or an order with an Odd Lot size that is priced better than the midpoint of the NBBO will be ranked at the midpoint of the NBBO with discretion to execute to its limit price. For securities priced equal to or greater than $1.00 where the midpoint of the NBBO is in an increment smaller than $0.01, an order buy (sell) with an Odd Lot size and a Displayed instruction priced better than the midpoint of the NBBO will be displayed at the next full penny increment below (above) the midpoint of the NBBO. The price of the order is automatically re-ranked by the System in response to changes in the NBBO until it reaches its limit price. A new time stamp is created for the order each time the midpoint of the NBBO changes. All orders with a Non-Displayed instruction and orders with an Odd Lot size that are re-ranked to the midpoint of the NBBO will retain their priority as compared to other orders with a Non-Displayed instruction and orders with an Odd Lot size, respectively, based upon the time such orders were ranked at the midpoint of the NBBO. While a User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back[35] when the order's limit price is greater (less) than the NBO (NBB), they are unable to do so for an order with an Odd Lot size. In such case, the User may cancel the order.

Proposed Functionality. The Exchange proposes to amend Rule 11.6(l)(3) to align with BZX Rule 11.9(g)(4). To the extent the amended text of Exchange Rule 11.6(l)(3) differs from BZX Rule 11.9(g)(4), such differences are necessary to conform the rule to existing rule text. As amended, orders with a Non-Displayed instruction or orders of Odd Lot size priced better than the NBBO will no longer be ranked at the mid-point of the NBBO. Amended Rule 11.6(l)(2) would state that in order to avoid potentially trading through Protected Quotations of external markets, any order with a Non-Displayed instruction that is subject to the Display-Price Sliding or Price Adjust instruction would be ranked at the Locking Price on entry. In the event the NBBO changes such that an order with a Non-Displayed instruction subject to the Display-Price Sliding or Price Adjust instruction would cross a Protected Quotation of an external market, the order will receive a new time stamp, and will be ranked by the System at the Locking Price. In the event an order with a Non-Displayed instruction has been re-priced by the System, such order with a Non-Displayed instruction is not re-priced by the System unless it again would cross a Protected Quotation of an external market. The Rule would no longer make particular reference to orders of Odd Lot size, as those orders would be treated like orders of Round Lot or Mixed Lot size as currently done on BZX. This functionality is equivalent to the handling of displayable orders

[34] The term ''Permitted Price'' is defined as ''[t]he price at which a sell order will be displayed at one Minimum Price Variation above the NBB.'' *See* Exchange Rule 11.6(k).

[35] The term ''Cancel Back'' is defined as ''[a]n instruction the User may attach to an order instructing the System to immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed or posted by the System to the EDGX Book at its limit price.'' *See* Exchange Rule 11.6(b).

pursuant to the Display-Price Sliding instruction except that such orders will not have a displayed price.

Aggressive (Rule 11.6(n)(1))

Aggressive is an order instruction that directs the System to route the order if an away Trading Center crosses the limit price of the order resting on the EDGX Book. Based on BZX Rule 11.13(a)(4)(A), the Exchange proposes to also amend Rule 11.6(n)(1) to state that any routable order with a Non-Displayed instruction that is resting on the EDGX Book and is crossed by an away Trading Center will be automatically routed to the Trading Center displaying the Crossing Quotation. To the extent the amended text of Exchange Rule 11.6(n)(1) differs from BZX Rule 11.13(a)(4)(A), such differences are necessary to conform the rule with existing rule text.

Super Aggressive (Rule 11.6(n)(2))

Super Aggressive is an order instruction that directs the System to route an order when an away Trading Center locks or crosses the limit price of the order resting on the EDGX Book. A User may designate an order as Super Aggressive solely to routable orders posted to the EDGX Book with remaining size of an Odd Lot. Based on BZX Rule 11.13(b)(4)(C),[36] the Exchange proposes to amend Rule 11.6(n)(2) to state that when any order with a Super Aggressive instruction is locked by an incoming order with a Post Only instruction that does not remove liquidity pursuant to Rule 11.6(n)(4),[37] the order with a Super Aggressive instruction would be converted to an executable order and will remove liquidity against such incoming order. Rule 11.6(n)(2) would further state that notwithstanding the foregoing, if an order that does not contain a Super Aggressive instruction maintains higher priority than one or more Super Aggressive eligible orders, the Super Aggressive eligible order(s) with lower priority will not be converted, as described above, and the incoming order with a Post Only instruction will be posted or cancelled in accordance with Rule 11.6(n)(4). To the extent the amended text of Exchange Rule 11.6(n)(2) differs from BZX Rule 11.13(b)(4)(C), such differences are necessary to conform the rule with existing rule text.

The Exchange proposes to apply this logic in order to facilitate executions that would otherwise not occur due to the Post Only instruction requirement to not remove liquidity. Because a Super Aggressive Re-Route eligible order is willing to route to an away Trading Center and remove liquidity (*i.e.,* pay a fee at such Trading Center) when it becomes either a Locking Quotation or Crossing Quotation, the Exchange believes it is reasonable and consistent with the instruction to force an execution between an incoming order with a Post Only instruction and an order that has been posted to the EDGX Book with the Super Aggressive instruction. The Exchange notes that the determination of whether an order should execute on entry against resting interest, including against resting orders with a Super Aggressive instruction, is made prior to determining whether the price of such an incoming order should be adjusted pursuant to the Exchange's re-pricing instructions under Rule 11.6(l). Like BZX Rule 11.13(b)(4)(C), the Exchange has limited the proposed language to orders with a Post Only instruction that would lock the price of an order with a Super Aggressive instruction because orders with a Post Only instruction that cross resting orders will always remove liquidity because it is in their economic best interest to do so.[38] Also like BZX Rule 11.13(b)(4)(C), the Exchange proposes to make clear that although it will execute an order with a Super Aggressive instruction against an order with a Post Only instruction that would create a Locking Quotation, if an order that does not contain a Super Aggressive instruction maintains higher priority than one or more Super Aggressive eligible orders, the Super Aggressive eligible order(s) with lower priority will not be converted, as described above, and the incoming order with a Post Only instruction will be posted or cancelled in accordance with Rule 11.6(n)(4). The Exchange believes it is necessary to avoid applying the Super Aggressive functionality to routable orders that are resting behind orders that are not eligible for routing to avoid violating the Exchange's priority rule, Rule 11.9.

Example—Super Aggressive Re-Route and Orders With a Post Only Instruction

Assume that the Exchange receives an order to buy 300 shares of a security at $10.10 per share designated with a Super Aggressive instruction. Assume further that the NBBO is $10.09 by $10.10 when the order is received, and the Exchange's lowest offer is priced at $10.11. The Exchange will route the order away from the Exchange as a bid to buy 300 shares at $10.10. Assume that the order obtains one 100 share execution through the routing process and then returns to the Exchange. The Exchange will post the order as a bid to buy 200 shares at $10.10. If the Exchange subsequently receives an order with a Post Only instruction to sell priced at $10.09 per share, such order will execute against the posted order to buy with an execution price of $10.10. The posted buy order will be treated as the liquidity provider and the incoming order with a Post Only instruction to sell will be treated as the liquidity remover, based on Exchange Rule 11.6(n)(4) that executes orders with a Post Only instruction upon entry if such execution is in their economic interest.

However, assuming the same facts as above, if the incoming order with a Post Only instruction to sell is priced at $10.10 and thus does not remove liquidity pursuant to the economic best interest functionality, the posted order with a Super Aggressive instruction will execute against such order at $10.10. In this scenario, the posted order to buy will be treated as the liquidity remover and the incoming order with a Post Only instruction to sell will be treated as the liquidity provider.

Finally, assume that the NBBO is $10.10 by $10.11 and that the Exchange has a displayed bid to buy 100 shares of a security at $10.10 and a displayed offer to sell 100 shares of a security at $10.11. Assume that the displayed bid has not been designated with the Super Aggressive instruction. Assume next that the Exchange receives a second displayable bid to buy 100 shares of the same security at $10.10 that has been designated as routable and subject to the Super Aggressive instruction. Because there is no liquidity to which the Exchange can route the order, the second order will post to the EDGX Book as a bid to buy at $10.10 behind the original displayed bid to buy at $10.10. If the Exchange then received an order with a Post Only instruction to sell 100 shares at $10.10 then no execution would occur because the incoming order with a Post Only instruction cannot remove liquidity at $10.10 based on the economic best interest analysis, the first order with priority to buy at $10.10 was not designated with the Super Aggressive instruction and the second booked order to buy at $10.10 is not permitted to bypass the first order as this would

[36] *See supra* note 11.

[37] As noted above, the Exchange will execute an order with a Post Only instruction in certain circumstances where the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided. *See supra* note 14.

[38] *See id.*

result in a violation of the Exchange's priority rule, Rule 11.9.

Post Only (Rule 11.6(n)(4))

As discussed above, the Exchange proposes to replace the Hide Not Slide re-pricing instruction with Display-Price Sliding. Therefore, the Exchange also proposes to amend the definition of Post Only under Rule 11.6(n)(4) to replace a reference to the Hide Not Slide instruction with Display-Price Sliding. In sum, Post Only is an instruction that may be attached to an order that is to be ranked and executed on the Exchange pursuant to Rule 11.9 and Rule 11.10(a)(4) or cancelled, as appropriate, without routing away to another trading center except that the order will not remove liquidity from the EDGX Book, except as described below. As amended, an order with a Post Only instruction and a Display-Price Sliding, rather than Hide Not Slide, or Price Adjust instruction will remove contra-side liquidity from the EDGX Book if the order is an order to buy or sell a security priced below $1.00 or if the value of such execution when removing liquidity equals or exceeds the value of such execution if the order instead posted to the EDGX Book and subsequently provided liquidity, including the applicable fees charged or rebates provided.

Time-In-Force (''TIF'') (Rule 11.6(q))

The Exchange proposes to amend its TIF instructions to align with BZX Rule 11.9(b). To the extent the amended text of Exchange Rule 11.6(q) differs from BZX Rule 11.9(b), such differences are necessary to conform the rule with existing Exchange rule text.

First, the Exchange proposes to align the definition of Immediate-or-Cancel (''IOC'') under Rule 11.6(q)(1) with BZX Rule 11.9(b)(1) to make clear that an order with an IOC instruction that does not include a Book Only instruction and that cannot be executed in accordance with Rule 11.10(a)(4) on the System when reaching the Exchange will be eligible for routing away pursuant to Rule 11.11.[39] Under current rules, the TIF of IOC indicates that an order is to be executed in whole or in part as soon as such order is received and the portion not executed is to be cancelled. Based on BZX Rule 11.9(b)(1), the Exchange proposes to expand upon the description of IOC to specify that an order with such TIF may be routed away from the Exchange but that in no event will an order with such TIF be posted to the EDGX Book. Also like BZX, the Exchange notes that an order with an IOC instruction routed away from the Exchange are in turn routed with an IOC instruction.

Second, the Exchange proposes to amend the definition of the Fill-or-Kill (''FOK'') under Rule 11.6(q)(3) to align with BZX Rule 11.9(b)(6) to make clear that an order with a TIF instruction of FOK is not eligible for routing away pursuant to Rule 11.11.[40] Although orders with a TIF of FOK are generally treated the same as order with a TIF of IOC, the Exchange does not permit routing of orders with an order with a TIF of FOK because the Exchange is unable to ensure the instruction of FOK (*i.e.,* execution of an order in its entirety) through the routing process.

Rule 11.8, Order Types

The Exchange proposes to amend the description of Limit Orders under Rule 11.8(b) to align its operation with existing BZX Rules and functionality as well as to reflect the relevant proposed changes discussed above. In addition, the Exchange proposes to amend Rule 11.8(d) to replace the MidPoint Match (''MPM'') order type with Market Peg order type, which would operate in the same fashion as identical order types available on EDGA and BZX. Each of these changes are described in more detail below.

Limit Orders (Rule 11.8(b)). The Exchange proposes to amend Rules 11.8(b) to: (i) update the description of the inclusion of a Discretionary Range instruction on a Limit Order; (ii) replace references to Hide Not Slide with Display-Price Sliding under subparagraph (10); and (iii) amend subparagraph (12) to update the description of the re-pricing of orders with a Non-Displayed instruction, both of which are intended to reflect proposed changes to this functionality discussed above.

First, the Exchange proposes to re-locate within Rule 11.8(b) and re-word the statement regarding the inclusion of a Discretionary Range on a Limit Order. Current Rule 11.8(b)(8) currently states that a ''User may include a Discretionary Range instruction.'' This ability to include a Discretionary Range instruction on a Limit Order is currently grouped with other functionality that can be elected for Limit Orders that also include a Post Only or Book Only instruction as well as specified time-in-force instructions for orders that can be entered into the System and post to the EDGX Book. However, the System does not allow the combination of a Discretionary Range and a Post Only instruction. Accordingly, the Exchange proposes to re-locate the reference to the Discretionary Range instruction within Rule 11.8(b) so that it is no longer grouped with other orders that can be combined with a Post Only instruction. The Exchange also proposes to state in Rule 11.8(b) that: (i) a Limit Order with a Discretionary Range instruction may also include a Book Only instruction; and (ii) a Limit Order with a Discretionary Range instruction and a Post Only instruction will be rejected. Further, the Exchange proposes to refer to the ability of a Limit Order to include a Discretionary Range instruction, rather than a ''User'' that may include a Discretionary Range instruction.

Second, the Exchange proposes to amend Rule 11.8(b)(10) regarding the application of the re-pricing instructions to comply with Rule 610 of Regulation NMS to Limit Orders. In particular, to align with BZX Rule 11.9(g) and EDGA Rule 11.8(b)(10), the Exchange proposes to amend the default re-pricing option from Price Adjust to Display-Price Sliding, which is the default re-pricing option on BZX and EDGA. As amended, a Limit Order that, if displayed at its limit price at the time of entry into the System, would become a Locking Quotation or Crossing Quotation will be automatically defaulted by the System to the Display-Price Sliding instruction, unless the User affirmatively elects to have the order immediately Cancel Back or affirmatively elects the Price Adjust instruction, rather than the Hide Not Slide instruction, as the Hide Not Slide instruction would no longer be available. This proposed rule change is designed to update Rule 11.8(b)(10) to reflect the proposed replacement of Hide Not Slide with Display-Price Sliding under Rule 11.6(l)(1)(B) discussed above. Moreover, the change to default orders to the Display-Price Sliding instruction, rather than Price Adjust, will enable the Exchange to provide consistent default behavior across EDGX, EDGA and BZX.

Third, the Exchange proposes to amend Rule 11.8(b)(12) regarding the re-pricing of orders with a Non-Displayed instruction and orders of Odd Lot Size. These changes are intended to reflect the proposed amendments to Rule 11.6(l)(3) discussed above. The proposal would remove all references to orders of Odd Lot size within Rule 11.8(b)(12), as orders of Odd Lot size would be treated like orders of Round Lot or Mixed Lot size, as currently done on BZX. The proposal would also amend Rule 11.8(b)(12) to state that a Limit Order with a Non-Displayed instruction which crosses a Protected Quotation of an external market, rather than being priced better than the midpoint of the

[39] *See supra* note 11.

[40] *Id.*

NBBO, will be re-priced in accordance with the Re-Pricing of orders with a Non-Displayed instruction process under Rule 11.6(l)(3). Lastly, the Exchange proposes to state that under Rule 11.6(l)(3), a User may affirmatively elect that a buy (sell) order with a Non-Displayed instruction Cancel Back when the order's limit price would cross a Protected Quotation of an external market, rather than when the order's limit price is greater (less) than the NBO (NBB). These proposed changes are designed to update Rule 11.8(b)(12) to reflect the proposed amendment to the re-pricing of orders with a Non-Displayed instruction under Rule 11.6(l)(3) discussed above.

Replacing MPM Orders With MidPoint Peg Order Type (Rule 11.8(d)).

The Exchange proposes amend Rule 11.8(d) to replace MPM Orders with MidPoint Peg Orders to further align the Exchange's System with BZX functionality. The operation of the proposed MidPoint Peg Order will be identical to the operation of Midpoint Peg Orders on BZX [41] and EDGA.[42] In sum, an MPM Order is a non-displayed Market Order or Limit Order with an instruction to execute only at the midpoint of the NBBO. An MPM Order that is entered with a limit price will have its ability to execute at the mid-point of the NBBO bound by such limit price. An MPM Order will not be eligible for execution when an NBBO is not available. In such case, an MPM Order would rest on the EDGX Book and would not be eligible for execution in the System until an NBBO is available. The MPM Order will receive a new time stamp when an NBBO becomes available and a new midpoint of the NBBO is established. In such case, pursuant to Rule 11.9, all MPM Orders that are ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System.

The Exchange proposes to amend Rule 11.8(d) by replacing MPM Orders with MidPoint Peg Orders, the operation of which will be identical to the operation of Midpoint Peg Orders on BZX [43] and EDGA.[44] In addition, the proposed rule text for Rule 11.8(d) would be identical to EDGA Rule 11.8(d). The main differences between the operation of MPM Orders and MidPoint Peg Orders are as follows: (i) Midpoint Peg Order will be able to execute at prices equal to or better than the midpoint of the NBBO, and not just at the midpoint of the NBBO as is currently the case with MPM Orders; and (ii) unlike MPM Orders, MidPoint Peg Orders may be coupled with a Post Only instruction. The Exchange believes replacing MPM Orders with MidPoint Peg Orders would increase liquidity at the midpoint of the NBBO on EDGX, thereby increasing the potential for price improvement and improving execution quality on the Exchange.

Exchange Rule 11.8(d) would define a MidPoint Peg Order as a non-displayed Market Order or Limit Order with an instruction to execute at the midpoint of the NBBO, or, alternatively, pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order. A MidPoint Peg Order will be ranked at the midpoint of the NBBO where its limit price is equal to or more aggressive than the midpoint of the NBBO. Like an MPM Order, a MidPoint Peg Order will not be eligible for execution when an NBBO is not available. In such case, a MidPoint Peg Order would rest on the EDGX Book and would not be eligible for execution in the System until an NBBO is available. The MidPoint Peg Order will receive a new time stamp when an NBBO becomes available and a new midpoint of the NBBO is established. In such case, pursuant to Rule 11.9, all MidPoint Peg Orders that are ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System. A MidPoint Peg Order will be ranked at its limit price where its limit price is less aggressive than the midpoint of the NBBO. A MidPoint Peg Limit Order may contain the following TIF instructions: Day, FOK, IOC, RHO, GTX, or GTD. Any unexecuted portion of a MidPoint Peg Limit Order with a TIF instruction of Day, GTX, or GTD that is resting on the EDGX Book will receive a new time stamp each time it is re-priced in response to changes in the midpoint of the NBBO.

As proposed, a MidPoint Peg Order may include a limit price that would specify the highest or lowest prices at which the MidPoint Peg Order to buy or sell would be eligible to be executed. Specifically, a MidPoint Peg Order with a limit price that is more aggressive than the midpoint of the NBBO will execute at the midpoint of the NBBO or better subject to its limit price.[45] For example, assume the NBBO is $10.10 by $10.18, resulting in a midpoint of $10.14, and there are no orders resting on the EDGX Book. An order with a Non-Displayed instruction to sell is entered with a limit price of $10.12 and is posted non-displayed on the EDGX Book. A MidPoint Peg Order to buy with a limit price of $10.15 is then entered and executes against the order to sell at $10.12, a price better than the midpoint of the NBBO because the MidPoint Peg Order is able to receive price improvement subject to its limit price. A MidPoint Peg Order will be ranked at the midpoint of the NBBO where its limit price is equal to or more aggressive than the midpoint of the NBBO.

A MidPoint Peg Order may execute at its limit price or better where its limit price is less aggressive than the midpoint of the NBBO. For example, assume the NBBO is $10.01 by $10.02, resulting in a midpoint of $10.015, and there are no orders resting on the EDGX Book. A MidPoint Peg Order to buy is entered with a limit price of $10.01 and posted non-displayed on the EDGX Book at $10.01, its limit price, because its limit price precludes it from being posted at $10.015, the midpoint of the NBBO. An order to sell at $10.01 is then entered and executes against the MidPoint Peg Order to buy at $10.01. A MidPoint Peg Order will be ranked at its limit price where its limit price is less aggressive than the midpoint of the NBBO.

Like an MPM Order, Proposed Rule 11.8(d) would also state that a MidPoint Peg Order may only be entered as an Odd Lot, Round Lot or a Mixed Lot. A User may include a Minimum Execution Quantity instruction on a MidPoint Peg Order. However, a Minimum Execution Quantity instruction will be ignored by the System during Opening Process.[46] MidPoint Peg Orders are not eligible for routing pursuant to Rule 11.11, unless routed utilizing the RMPT routing strategy as defined in proposed renumbered Rule 11.11(g)(13). Unlike MPM Orders, MidPoint Peg Orders may be coupled with a Post Only instruction,[47] in addition to a Book Only instruction.

Unless otherwise instructed by the User, a MidPoint Peg Order is not eligible for execution when a Locking Quotation exists. All Midpoint Peg Orders are not eligible for execution when a Crossing Quotation exists. In such cases, a MidPoint Peg Order would

[41] *See* BZX Rule 11.9(c)(9).

[42] *See* EDGA Rule 11.8(d).

[43] *See* BZX Rule 11.9(c)(9).

[44] *See* EDGA Rule 11.8(d).

[45] A MidPoint Peg Order will execute at prices better than the midpoint of the NBBO where it is able to receive price improvement subject to its limit price either upon entry or re-pricing.

[46] *See* Exchange Rule 11.7.

[47] The Exchange notes that the execution of an incoming MidPoint Peg order with a Post Only instruction will be subject to the economic best interest analysis set forth under Rule 11.6(n)(4).

rest on the EDGX Book and would not be eligible for execution in the System until a Locking Quotation or Crossing Quotation no longer exists. This behavior is consistent with operation of Mid-Point Peg on BZX under BZX Rule 11.9(c)(9).

MidPoint Peg orders are defaulted by the System to a Non-Displayed instruction. MidPoint Peg orders are not eligible to include a Displayed instruction. MidPoint Peg Orders may only be executed during the Pre-Opening Session, Regular Trading Hours, and the Post-Closing Session. Like MPM Orders, MidPoint Peg Orders will not trade with any other orders at a price above the Upper Price Band or below the Lower Price Band.

Rule 11.9, Priority of Orders

With respect to the Exchange's priority and execution algorithm, the Exchange is proposing various minor and structural to changes based on BZX Rule 11.12 that are intended to emphasize the processes by which orders are accepted, priced, ranked, displayed and executed, as well as a new provision related to the ability of orders to rest at the Locking Price and the Exchange's handling of orders in such a circumstance. In addition to the changes proposed with respect to Rule 11.9, discussed immediately below, these changes also relate to Rules 11.10 and 11.11.

The Exchange proposes modifications to Rule 11.9, Priority of Orders, to make clear that the ranking of orders described in such rule is in turn dependent on Exchange rules related to the execution of orders, primarily Rule 11.10. The Exchange believes that this has always been the case under Exchange rules but there was not previously a description of the cross-reference to Rule 11.10 within such rules. Accordingly, the Exchange proposes to add reference to the execution process in addition to the numeric cross-reference to Rule 11.10.[48] The Exchange also proposes to change certain references within Rule 11.9 to refer to ranking rather than executing equally priced trading interest, as the Rule as a whole is intended to describe the manner in which resting orders are ranked and maintained, specifically in price and time priority, while awaiting execution against incoming orders. The Exchange does not believe that the proposed modifications substantively modify the operation of the rules but the Exchange believes that it is important to make clear that the ranking of orders is a separate process from the execution of orders. The Exchange also proposes changes to Rule 11.9(a)(4) and (a)(5) to specify that orders retain and lose ''time'' priority under certain circumstances as opposed to priority generally because retaining or losing price priority does not require the same descriptions, as price priority will always be retained unless the price of an order changes. Each change proposed above was recently approved with respect to analogous rules of BZX and BYX, specifically amendments to Rule 11.12.[49]

As described below, the Exchange also proposes to amend Rule 11.9 to align with BZX functionality and BZX Rule 11.12 regarding how orders with certain instructions are to be ranked by the System: (i) At the midpoint of the NBBO under subparagraph (a)(2)(B); and (ii) where buy (sell) orders utilize instructions that cause them to be ranked by the System upon clearance of a Locking Quotation under subparagraph (a)(2)(C).[50] The Exchange does not propose to amend the ranking of orders at a price other than the midpoint of the NBBO under Rule 11.9(a)(2)(A).

At the Midpoint of the NBBO. Rule 11.9(a)(2)(B) currently states that the System will execute trading interest priced at the midpoint of the NBBO within the System in time priority in the following order: (i) Limit Orders to which the Hide Not Slide instruction has been applied; (ii) MPM Orders; (iii) Limit Orders with a Non-Displayed instruction; (iv) Orders with a Pegged instruction; (v) Reserve Quantity of Limit Orders; and (vi) Limit Orders executed within their Discretionary Range. As amended, the System will rank equally priced trading interest in such circumstances in the following order: (i) Limit Orders to which the Display-Price Sliding instruction has been applied; (ii) Limit Orders with a Non-Displayed instruction; (iii) Orders with a Pegged instruction; (iv) MidPoint Peg Orders; (v) Reserve Quantity of Limit Orders; and (vi) Limit Orders executed within their Discretionary Range.

Thus, orders will be substantially ranked in same order except that, as amended, the rule would be updated to reflect replacing of: (i) Hide Not Slide with Display-Price Sliding; and (ii) MPM Order with MidPoint Peg orders, which will be placed behind orders with a Pegged instruction. The proposed ranking of orders is identical to that set forth under BZX Rule 11.12(a)(2), which covers the ranking of orders generally, including at the midpoint of the NBBO. The Exchange notes that, pursuant to proposed Rule 11.10(a)(4)(D) governing the price at which non-displayed locking interest is executable and discussed in detail below, the Exchange will execute the incoming order to sell (buy) at one-half minimum price variation less (more) than the price of the order displayed on the EDGX Book. In such case, an order with a Display-Price Sliding instruction resting on the EDGX Book could execute against a contra-side order at the midpoint of NBBO and such order would be ranked ahead of all other orders ranked at the midpoint of the NBBO. The Exchange believes it is reasonable and appropriate to grant first priority to Limit Orders subject to the Display-Price Sliding instruction because they are displayed on the EDGX Book one Minimum Price Variation away from the Locking Price, while other orders at the mid-point of the NBBO remain non-displayed.[51] In equity markets generally, displayed orders are traditionally given first priority over non-displayed orders due to their contribution to the price discovery process.

In addition, the Exchange believes it is reasonable and appropriate to grant MidPoint Peg Orders priority behind Limit Orders with a Non-Displayed instruction and orders with a Pegged instruction because these order types can provide liquidity on the EDGX Book that is priced more aggressively than the NBBO. The Exchange notes that both Limit Orders with a Non-Displayed instruction and orders with a Pegged instruction are posted to the EDGX Book at a specified price (*i.e.,* a limit price or pegged price) that may be more aggressive than the NBBO, including bids at the same price as the NBO or offers at the same price as the NBB (*i.e.,* fully crossing the spread). Meanwhile, a MidPoint Peg Order is posted to the EDGX Book at a non-displayed price, and while providing price improving liquidity at the midpoint of the NBBO,

[48] The Exchange notes that it recently filed an immediately effective proposal containing marking errors with respect to the rule text proposed for sub-paragraphs (a)(2), (a)(2)(A) and (a)(2)(B). *See* Securities Exchange Act Release No. 74023 (January 9, 2015), 80 FR 2163 (January 15, 2015) (SR–EDGX–2015–03). Accordingly, the Exchange has correctly marked the change in connection with this proposal.

[49] *See supra* note 11.

[50] For purposes of priority under proposed Rule 11.9(a)(2)(A), (B) and (C), the Exchange notes that orders of Odd Lot, Round Lot, or Mixed Lot size are treated equally.

[51] Under the proposed amendment to Rule 11.6(l)(1)(B), buy (sell) orders subject to the Display-Price Sliding instruction will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price, will be ranked at the Locking Price.

may not be posted to the EDGX Book at a price level that is more aggressive than the NBBO. Thus, MidPoint Peg Orders are guaranteed to execute at prices equal to or less aggressive than the midpoint of the NBBO. In contrast, Limit Orders with a Non-Displayed instruction and orders with a Pegged instruction do not have this same guarantee. Therefore, the Exchange believes it is reasonable and appropriate to grant MidPoint Peg Orders priority behind Limit Orders with a Non-Displayed instruction and orders with a Pegged instruction.

Orders Re-Ranked upon Clearance of a Locking Quotation. The Exchange does not propose to make any changes to the ranking of orders that are re-ranked upon clearance of a Locking Quotation other than to replace a reference to Hide Not Slide with Display-Price Sliding to reflect the Exchange proposal to amend Rule 11.6(l)(1)(B) by replacing the Hide Not Slide re-pricing instruction with the Display-Price Sliding instruction, as described above. The Exchange believes that granting second priority to Limit Orders subject to the Display-Price Sliding instruction, as is currently provided for orders with a Hide Not Slide instruction, is appropriate because prior to the Locking Quotation or Crossing Quotation existing, these orders were eligible to be executed, Non-Displayed, at the Locking Price. In addition, like Hide Not Slide, Limit Orders subject to the Display-Price Sliding instruction are more aggressively priced when a Locking Quotation or Crossing Quotation does not exist than orders subject to the Price Adjust instruction.

Rule 11.10, Order Execution

The Exchange proposes to adopt paragraph (C) of Rule 11.10(a)(4), which would be identical to BZX Rule 11.13(a)(4)(C).[52] Proposed paragraph (C) would provide further clarity regarding the situations where orders are not executable, which although covered in other rules proposed above and in current rules,[53] would focus on the incoming order on the same side of an order displayed on the EDGX Book rather than the resting order that is rendered not executable at a specified price because it is opposite such order displayed on the EDGX Book. Proposed paragraph (C) would state that, subject to proposed paragraph (D), described below, if an incoming order is on the same side of the market as an order displayed on the EDGX Book and upon entry would execute against contra-side interest at the same price as such displayed order, such incoming order will be cancelled or posted to the EDGX Book and ranked in accordance with Rule 11.9. The Exchange notes that pursuant to the Exchange's current rules, the Exchange suspends the discretion of an order subject to the Hide Not Slide instruction for so long as a contra-side order that equals the Locking Price is displayed by the System on the EDGX Book. The Exchange suspends this discretion to avoid an apparent priority issue. In particular, in such a situation the Exchange believes a User representing an order that is displayed on the Exchange might believe that an incoming order was received by the Exchange and then bypassed such displayed order, removing some other non-displayed liquidity on the same side of the market as such displayed order. Although the Exchange has proposed to eliminate the Hide Not Slide instruction and replace it with the Display-Price Sliding instruction, as described above, the Exchange will continue to suspend the ability of any order to execute at the price of a contra-side order with a Displayed instruction, as described above.

The Exchange also proposes to adopt Rule 11.10(a)(4)(D), which would be identical to BZX Rule 11.13(a)(4)(D).[54] Proposed Rule 11.10(a)(4)(D) would govern the price at which an order is executable when it is not displayed on the Exchange and there is a contra-side displayed order at such price. Specifically, for bids or offers equal to or greater than $1.00 per share, in the event that an incoming order is a Market Order or is a Limit Order priced more aggressively than an order displayed on the Exchange, the Exchange will execute the incoming order at, in the case of an incoming sell order, one-half minimum price variation less than the price of the displayed order, and, in the case of an incoming buy order, at one-half minimum price variation more than the price of the displayed order. As is true under existing functionality, this order handling is inapplicable for bids or offers under $1.00 per share.

To demonstrate the operation of this provision, again assume the NBBO is $10.10 by $10.11. Assume the Exchange has a posted and displayed bid to buy 100 shares of a security priced at $10.10 per share and a resting non-displayed bid to buy 100 shares of a security priced at $10.11 per share.

- Assume that the next order received by the Exchange is an order with a Post Only instruction to sell 100 shares of the security priced at $10.11 per share. The order with a Post Only instruction would not remove any liquidity upon entry pursuant to the Exchange's economic best interest functionality, would post to the EDGX Book and would be displayed at $10.11. The display of this order would, in turn, make the resting non-displayed bid not executable at $10.11.
- If an incoming offer to sell 100 shares at $10.10 is entered into the EDGX Book, the resting non-displayed bid originally priced at $10.11 will be executed at $10.105 per share, thus providing a half-penny of price improvement as compared to the order's limit price of $10.11. The execution at $10.105 per share also provides the incoming offer with a half-penny of price improvement as compared to its limit price of $10.10. The result would be the same for an incoming market order to sell or any other incoming limit order offer priced at $10.10 or below, which would execute against the non-displayed bid at a price of $10.105 per share. As above, an offer at the full price of the resting and displayed $10.11 offer would not execute against the resting non-displayed bid, but would instead either cancel or post to the EDGX Book behind the original $10.11 offer in priority.

The Exchange notes that, in addition to the changes described above, it is proposing to add descriptive titles to paragraphs (A) and (B) of Rule 11.10(a)(4), which describe the process by which executable orders are matched within the System. Specifically, so long as it is otherwise executable, an incoming order to buy will be automatically executed to the extent that it is priced at an amount that equals or exceeds any order to sell in the EDGX Book and an incoming order to sell will be automatically executed to the extent that it is priced at an amount that equals or is less than any other order to buy in the EDGX Book. These rules further state that an order to buy shall be executed at the price(s) of the lowest order(s) to sell having priority in the EDGX Book and an order to sell shall be executed at the price(s) of the highest order(s) to buy having priority in the EDGX Book. The Exchange emphasizes these current rules only insofar as to highlight the interconnected nature of the priority rule. The Exchange also proposes to move language contained

[52] *See supra* note 11.

[53] The Exchange notes that consistent with the proposed changes to Rules 11.6 and 11.8 described above, based on User instructions certain orders are permitted to post and rest on the EDGX Book at prices that lock contra-side liquidity, provided, however, that the System will never display a Locking Quotation. Similar behavior is also in place with respect to the Hide Not Slide instruction under current rules, which the Exchange is proposing to replace with the Display Price Sliding instruction.

[54] *See supra* note 11.

within Rule 11.10(a)(2) to paragraph (a) of the rule such that the language is more generally applicable to the rules governing execution contained in Rule 11.10(a)(1) through (5). Specifically, the Exchange proposes to relocate language stating that any order falling within the parameters of the paragraph shall be referred to as ''executable'' and that an order will be cancelled back to the User, if based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.11 or cannot be posted to the EDGX Book. Each change proposed above was recently approved with respect to analogous rules of BZX, specifically amendments to Rule 11.13.[55]

Rule 11.11, Routing to Away Trading Centers

The Exchange also proposes to modify paragraph (h) of Rule 11.11 to clarify the Exchange's rule regarding the priority of routed orders. Paragraph (h) currently sets forth the proposition that a routed order does not retain priority on the Exchange while it is being routed to other markets. The Exchange believes that its proposed clarification to paragraph (h) is appropriate because it more clearly states that a routed order is not ranked and maintained in the EDGX Book pursuant to Rule 11.9(a), and therefore is not available to execute against incoming orders pursuant to Rule 11.10. The change proposed above was recently approved with respect to the analogous rule of BZX, specifically Rule 11.13, as amended.[56]

Implementation Date

The Exchange intends to implement the proposed rule change immediately.[57]

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act [58] and further the objectives of Section 6(b)(5) of the Act [59] because they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1) [60] of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule changes are generally intended to better align certain Exchange rules and system functionality with that currently offered by BZX in order to provide a consistent functionality across the Exchange and BZX. Consistent functionality between the Exchange and BZX will reduce complexity and streamline duplicative functionality, thereby resulting in simpler technology implementation, changes and maintenance by Users of the Exchange that are also participants on BZX. The proposed rule changes do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX. The Exchange notes that the proposed rule text is based on applicable BZX or EDGA rules; the proposed language of the Exchange's Rules differs only to extent necessary to conform to existing Exchange rule text or to account for details or descriptions included in the Exchange's Rules but not in the applicable BZX rule. The Exchange believes it is consistent with the Act to maintain its current structure and such detail, rather than removing such details simply to conform to the structure or format of BZX rules, again because the Exchange believes this will increase the understanding of the Exchange's operations for all Members of the Exchange. Where possible, the Exchange has mirrored BZX rules, because consistent rules will simplify the regulatory requirements and increase the understanding of the Exchange's operations for Members of the Exchange that are also participants on BZX. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

In addition to the specific rules discussed below, the Exchange also believes that the proposed amendments to clarify and re-structure the Exchange's priority, execution and routing rules will contribute to the protection of investors and the public interest by making the Exchange's rules easier to understand.

Definitions (Rule 11.6). The modifications related to Discretionary Range, Pegged instructions, Re-Pricing, Aggressive, Super Aggressive, Post Only, as well as TIFs of IOC and FOK, are each designed to better align certain Exchange rules and system functionality with that currently offered by BZX in order to provide a consistent functionality across the Exchange and BZX. Specifically, the Exchange believes that the proposed rule changes will provide additional clarity and specificity regarding the functionality of the System and provide Users with consistent rules across the Exchange and BZX, and thus would promote just and equitable principles of trade and remove impediments to a free and open market.

In particular, the Exchange believes it is consistent with the Act to execute orders with a Discretionary Range instruction and orders with a Super Aggressive instruction against marketable liquidity (*i.e.,* order with a Post Only instruction) when an execution would not otherwise occur is consistent with both: (i) the Act, by facilitating executions, removing impediments and perfecting the mechanism of a free and open market and national market system; and (ii) a User's instructions, which have evidenced a willingness by the User to pay applicable execution fees and/or execute at more aggressive prices than they are currently ranked in favor of an execution.

The Exchange also believes that the proposed changes to Rule 11.6(l) are consistent with Section 6(b)(5) of the Act,[61] as well as Rule 610 of Regulation NMS [62] and Rule 201 of Regulation SHO.[63] Rule 610(d) requires exchanges to establish, maintain, and enforce rules that require members reasonably to avoid ''[d]isplaying quotations that lock or cross any protected quotation in an NMS stock.'' [64] Such rules must be ''reasonably designed to assure the reconciliation of locked or crossed quotations in an NMS stock,'' and must ''prohibit . . . members from engaging in a pattern or practice of displaying quotations that lock or cross any quotation in an NMS stock.'' [65] This change will provide additional specificity within the Exchange's rules regarding the availability of the Price Adjust instruction as well as align the description with BZX's Price Adjust process described under BZX Rule

[55] *See supra* note 11.

[56] *Id.*

[57] Implementation of the proposed rule change immediately is contingent upon the Commission granting a waiver of the 30-day operative delay. 17 CFR 240.19b–4(f)(6)(iii).

[58] 15 U.S.C. 78f(b).

[59] 15 U.S.C. 78f(b)(5).

[60] 15 U.S.C. 78k–1(a)(1).

[61] 15 U.S.C. 78f(b)(5).

[62] 17 CFR 242.610.

[63] 17 CFR 242.201.

[64] 17 CFR 242.610(d).

[65] *Id.*

11.9(g)(2) and display price sliding process described under BZX Rule 11.9(g)(1).

In addition, Rule 201 of Regulation SHO [66] requires trading centers to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order at a price at or below the current NBB under certain circumstances. The proposed amendments to the Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO are similar to approved BZX rules and will provide Users with a consistent handling of their orders in such circumstances across the Exchange and BZX.

The Exchange believes that the proposed replacement of the Hide Not Slide instruction with the Display-Price Sliding instruction is consistent with Section 6(b)(5) of the Act,[67] as well as Rule 610 of Regulation NMS.[68] The proposed Display-Price Sliding instruction would operate in an identical fashion to the Display-Price Sliding process currently available on BZX and described under BZX Rule 11.9(g)(1).[69] As mentioned above, Rule 610(d) of Regulation NMS requires exchanges to establish, maintain, and enforce rules that require members reasonably to avoid ''[d]isplaying quotations that lock or cross any protected quotation in an NMS stock.'' [70] Such rules must be ''reasonably designed to assure the reconciliation of locked or crossed quotations in an NMS stock,'' and must ''prohibit . . . members from engaging in a pattern or practice of displaying quotations that lock or cross any quotation in an NMS stock.'' [71] Thus, the Display-Price Sliding instruction proposed to be offered by the Exchange will assists Users by displaying orders at permissible prices, thereby promoting just and equitable principles of trade, removing impediments to, and perfects the mechanism of, a free and open market and a national market system.

The Exchange believes that the proposed changes to its re-pricing of orders with a Non-Displayed instruction or of Odd Lot size is consistent with Section 6(b)(5) of the Act.[72] The proposed changes to Rule 11.6(l)(3) are based on BZX Rule 11.9(g)(4) and will provide Users with consistent handing of their orders in such circumstances across the Exchange and BZX. The Exchange also believes it is reasonable to remove references to orders of Odd Lot size from the Exchange's Rules regarding re-pricing, as those orders would no longer be re-priced like orders with a Non-Displayed instruction and will be treated like orders of Round Lot or Mixed Lot size, as currently done on BZX. Therefore, the Exchange believes the proposed changes to the re-pricing of order with a Non-Displayed instruction will continue to promote just and equitable principles of trade, removes impediments to, and perfects the mechanism of, a free and open market and a national market system.

Order Types (Rule 11.8). The Exchange believes that the proposed changes to its order types under Rule 11.8 are consistent with Section 6(b)(5) of the Act,[73] because they are intended to align their operation with the operation of identical order types on BZX, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and removing impediments to and perfecting the mechanism of a free and open market and a national market system.

The Exchange believes its proposed amendments to the description of Limit Orders under Rule 11.8(b) is reasonable because it aligns their operation with existing BZX rules and functionality as well as to reflect the relevant proposed changes discussed above. The Exchange also believes it is reasonable to default orders to the Display-Price Sliding instruction, rather than Price Adjust, as it would enable the Exchange to provide consistent default behavior across EDGX, EDGA and BZX. On EDGA and BZX, orders also default to the respective display-price sliding processes, which operate in an identical manner as the proposed Display-Price Sliding instruction. Therefore, the proposed rule change promotes just and equitable principles of trade because it will avoid investor confusion by providing the identical default behavior across the Exchange, EDGA and BZX.

In addition, the Exchange believes its proposal to amend Rule 11.8(d) to replace the MPM order type with Market Peg order type is consistent with the Act because the MidPoint Peg Order would operate in the same fashion as identical order types available on EDGA and BZX, thereby further aligning functionality across the BGM Affiliated Exchanges. The Exchange believes replacing MPM Orders with MidPoint Peg Orders would increase liquidity at the midpoint of the NBBO on EDGX, thereby improving both the potential for price improvement and execution quality on the Exchange. For the reasons set forth above, the Exchange believes the proposal to replace MPM Order with MidPoint Peg Orders would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system.

Priority (Rule 11.9). The Exchange believes its proposed amendments to Rule 11.9 regarding the priority of orders promotes just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system by providing Members, Users, and the investing public with greater transparency regarding how the System operates. The Exchange proposes to amend Rule 11.9 to align with BZX functionality and BZX Rules 11.12 regarding how orders with certain instructions are to be ranked by the System: (i) At the midpoint of the NBBO; and (ii) where orders utilize instructions that cause them to be ranked by the System upon clearance of a Locking Quotation providing valuable, clear information to Members, Users, and the investing public on how their orders would be executed. As amended, orders will be substantially ranked in same order at the midpoint of the NBBO as under current rules except that the rule would be updated to reflect replacing of: (i) Hide Not Slide with Display-Price Sliding; and (ii) MPM Order with MidPoint Peg Orders, which will be placed behind orders with a Pegged instruction. The Exchange believes it is reasonable and appropriate to grant first priority to Limit Orders subject to the Display-Price Sliding instruction because they are displayed on the EDGX Book one Minimum Price Variation away from the Locking Price, while other orders at the mid-point of the NBBO remain non-displayed.[74] In equity markets generally, displayed orders are traditionally given first priority over non-displayed orders due to their contribution to the price discovery process.

The Exchange notes that it does not propose to make any changes to the ranking of orders that are re-ranked upon clearance of a Locking Quotation other than to replace a reference to Hide Not Slide with Display-Price Sliding. This change is necessary to reflect the

[66] 17 CFR 242.201.

[67] 15 U.S.C. 78f(b)(5).

[68] 17 CFR 242.610.

[69] *See* the BATS Display-Price Sliding Releases, *supra note* 27.

[70] 17 CFR 242.610(d).

[71] *Id.*

[72] 15 U.S.C. 78f(b)(5).

[73] 15 U.S.C. 78f(b)(5).

[74] Under the proposed amendment to Rule 11.6(l)(1)(B), buy (sell) orders subject to the Display-Price Sliding instruction will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price, will be ranked at the Locking Price.

Exchange's proposal to replace the Hide Not Slide re-pricing instruction with the Display-Price Sliding instruction under Rule 11.6(l)(1)(B), as described above. The Exchange believes that granting second priority to Limit Orders subject to the Display-Price Sliding instruction, like as is currently provided for orders with a Hide Not Slide instruction, is appropriate because prior to the Locking Quotation or Crossing Quotation existing, these orders were eligible to be executed, Non-Displayed, at the Locking Price. In addition, like Hide Not Slide, Limit Orders subject to the Display-Price Sliding instruction are more aggressively priced when a Locking Quotation or Crossing Quotation does not exist than orders subject to the Price Adjust instruction. These changes are made to align Exchange Rule 11.9 with the functionality set forth in BATS Rule 11.12, as described above. The Exchange believes that the proposed rule changes regarding order priority will continue to provide greater transparency and further clarity on how the various order types will be assigned priority under various scenarios, thereby assisting Members, Users and the investing public in understanding the manner in which the System may execute their orders.

Order Execution (Rule 11.10). Proposed Rule 11.10(a)(4)(C), which would be identical to BZX Rule 11.13(a)(4)(C),[75] is consistent with Rules 11.6 and 11.8, as proposed to be amended, and reflects the fact that the Exchange will suspend the ability of an order to execute at the Locking Price when there is a contra-side order with a Displayed instruction in order to avoid an apparent priority issue. In turn, the Exchange believes that adopting Rule 11.10(a)(4)(C) promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and removes impediments to, and perfects the mechanism of, a free and open market and a national market system, both with respect to the functionality that prevents executions in such a circumstance and with respect to the addition of the rule text, because it makes clear to Users the operation of the Exchange in conjunction with the proposed changes to the System. The Exchange also believes its proposal to adopt Rule 11.10(a)(4)(D), which would be identical to BZX Rule 11.13(a)(4)(D),[76] promotes just and equitable principles of trade, fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and removes impediments to, and perfects the mechanism of, a free and open market and a national market system. The proposed change is based on BZX Rule 11.13(a)(4)(D) and sets forth how marketable orders that would otherwise not be executed under specific scenarios will be executed, thereby improving execution quality for participants sending orders to the Exchange. Further, the proposed change will help to provide price improvement to market participants, again, in scenarios that at times, such participants would potentially not receive executions on the Exchange. Thus, the Exchange believes that its proposed order handling process in the scenario described in this filing will benefit market participants and their customers by allowing them greater flexibility in their efforts to fill orders and minimize trading costs. The proposed rule change will also provide consistent handling for orders in such scenarios across the Exchange and BZX, thereby avoiding investor confusion and promoting just and equitable principles of trade.

[75] *See supra* note 11.

[76] *Id.*

(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. The Exchange notes that the proposal will provide consistent functionality between the Exchange and BZX, thereby reducing complexity and streamlining duplicative functionality, resulting in simpler technology implementation, changes and maintenance by Users of the Exchange that are also participants on BZX. Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. In addition, the Exchange believes the proposed rule change will benefit Exchange participants in that it is designed to achieve a consistent technology offering by the BGM Affiliated Exchanges.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Because the proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.[77]

A proposed rule change filed pursuant to Rule 19b–4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b–4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of the 30-day operative delay would permit the Exchange to harmonize its rules across BZX and the Exchange in a timely manner, thereby simplifying the rules available to Members of the Exchange that are also participants on BZX. The Exchange has alerted Members of the technology changes as well as its anticipated time line so that Members may make the requisite system changes. In addition, the Exchange has conducted several testing opportunities for Members to ensure both the Member's and the Exchange's systems will operate in accordance with the proposed rule change. Based on the foregoing, the Commission believes the waiver of the operative delay is consistent with the protection of investors and the public interest.[78] The Commission hereby grants the waiver and designates the proposal operative upon filing.

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

[77] In addition, Rule 19b–4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[78] For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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–EDGX–2015–33 on the subject line.

Paper Comments

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–EDGX–2015–33. 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 will also 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–2015–33 and should be submitted on or before August 13, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[79]

Robert W. Errett.

Deputy Secretary.

[FR Doc. 2015–18034 Filed 7–22–15; 8:45 am]

BILLING CODE 8011–01–P

[79] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 31717; 812–14503]

Broms Asset Management NextShares Trust, et al.; Notice of Application

July 16, 2015.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 ("Act") for an exemption from sections 2(a)(32), 5(a)(1), 22(d) and 22(e) of the Act and rule 22c–1 under the Act, under sections 6(c) and 17(b) of the Act for an exemption from sections 17(a)(1) and (a)(2) of the Act, and under section 12(d)(1)(J) of the Act for an exemption from sections 12(d)(1)(A) and (B) of the Act.

Applicants: Broms Asset Management NextShares Trust ("Trust"), Broms Asset Management LLC ("Manager"), and Foreside Fund Services, LLC ("Distributor").

Summary of Application: Applicants request an order ("Order") that permits: (a) Actively managed series of certain open-end management investment companies to issue shares ("Shares") redeemable in large aggregations only ("Creation Units"); (b) secondary market transactions in Shares to occur at the next-determined net asset value plus or minus a market-determined premium or discount that may vary during the trading day; (c) certain series to pay redemption proceeds, under certain circumstances, more than seven days from the tender of Shares for redemption; (d) certain affiliated persons of the series to deposit securities into, and receive securities from, the series in connection with the purchase and redemption of Creation Units; (e) certain registered management investment companies and unit investment trusts outside of the same group of investment companies as the series to acquire Shares; and (f) certain series to create and redeem Shares in kind in a master-feeder structure. The Order would incorporate by reference terms and conditions of a previous order granting the same relief sought by applicants, as that order may be amended from time to time ("Reference Order").[1]

DATES: *Filing Dates:* The application was filed on June 30, 2015.

Hearing or Notification of Hearing: An order granting the requested relief will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 12, 2015, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to rule 0–5 under the Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: The Commission: Brent J. Fields, Secretary, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090. Applicants: Broms Asset Management NextShares Trust and Broms Asset Management LLC, 40 Wall Street, 35th Floor, New York, NY 10005 and Foreside Fund Services, LLC, Three Canal Plaza, Suite 100, Portland, ME 04101.

FOR FURTHER INFORMATION CONTACT: Jean E. Minarick, Senior Counsel, or Dalia Osman Blass, Assistant Chief Counsel, at (202) 551–6821 (Division of Investment Management, Chief Counsel's Office).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained via the Commission's Web site by searching for the file number, or for an applicant using the Company name box, at *http://www.sec.gov/search/search.htm* or by calling (202) 551–8090.

Applicants

1. The Trust will be registered as an open-end management investment company under the Act and is a statutory trust organized under the laws of Delaware. Applicants seek relief with respect to four Funds (as defined below, and those Funds, the "Initial Funds"). Each Fund's portfolio positions will

[1] Eaton Vance Management, *et al.,* Investment Company Act Rel. Nos. 31333 (Nov. 6, 2014) (notice) and 31361 (Dec. 2, 2014) (order).