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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-68168; File No. SR-EDGA-2012-46)

November 6, 2012

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

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 November 1, 2012, EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its fees and rebates applicable to Members³ of the Exchange pursuant to EDGA Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGA Members. The text of the proposed rule change is available on the Exchange's Internet website at www.directedge.com, at the Exchange's principal office, and at the Public Reference Room of the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ As defined in Exchange Rule 1.5(n).

it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

1. Purpose

In Footnote 8 of the fee schedule that is appended to Flag SW, the Exchange proposes to assess a fee of \$0.0025 per share in lieu of the current fee of \$0.0023 per share for Members' orders that are routed using the SWPA, SWPB or SWPC routing strategies⁴ and remove liquidity from the New York Stock Exchange ("NYSE"), yielding Flag D. This proposed change represents a pass-through of the rate that Direct Edge ECN LLC d/b/a DE Route ("DE Route"), the Exchange's affiliated routing broker dealer, is charged for routing orders to NYSE, in response to the pricing changes in NYSE's filing with the Securities and Exchange Commission ("SEC").⁵ Accordingly, the Exchange proposes to delete the reference to the fee of \$0.0023 per share in Footnote 8 because the rate for Flag D is \$0.0025 per share. Therefore, the Exchange will assess a charge of \$0.0025 for Members' orders that are routed using the SWPA, SWPB or SWPC routing strategies and remove liquidity from NYSE, yielding Flag D.

In Footnote 3 of the fee schedule that is appended to Flags C, D, J, L and 2, the Exchange proposes to assess a fee of 0.30% of the dollar value of the transaction in lieu of the current fee of \$0.0023 per share for stocks priced below \$1.00 that are routed or re-routed to NYSE and

⁴ As defined in Exchange Rules 11.9(b)(3)(o), (p) and (q).

⁵ See Securities Exchange Release No. 68021 (October 9, 2012), 77 FR 63406 (October 16, 2012) (SR-NYSE-2012-50).

remove liquidity, yielding Flag D.⁶ This proposed change now represents a pass-through of the rate that DE Route is charged for routing orders to NYSE that remove liquidity.⁷

On Flag RS, the Exchange proposes to offer a rebate of \$0.0026 per share⁸ in lieu of the current rebate of \$0.0016 per share for orders that are routed to the Nasdaq OMX PSX (“PSX”) and add liquidity. This proposed change represents a pass-through of the rebate that DE Route receives for routing orders to PSX, in response to recent pricing changes in PSX’s filing with the SEC.⁹

Currently, the Exchange charges Members a rate of \$0.0027 per share for orders that are routed to PSX using the ROUC or ROUE routing strategies,¹⁰ yielding Flag K. The Exchange proposes to increase the rate to \$0.0028 per share for orders that yield Flag K in response to recent pricing changes in PSX’s filing with the SEC.¹¹

⁶ The Exchange does not propose to amend the rates for stocks priced below \$1.00 that are routed to Nasdaq OMX BX (“BX”) or NASDAQ, yielding Flags C, J, L and 2, as described in Footnote 3 of the fee schedule.

⁷ Prior to March 1, 2012, the NYSE Price List generally specified that the applicable rate was the lesser of (i) 0.30% of the total dollar value of the transaction and (ii) \$0.0023 per share. See Securities Exchange Act Release No. 66600, (March 14, 2012), 77 FR 16298 (March 20, 2012) (SR-NYSE-2012-07). Effective March 1, 2012, the rate for these transactions with a per-share price of less than \$1.00 is now 0.3% of the total dollar value of the transaction.

⁸ The Exchange notes that it is passing through the standard rebate of \$0.0026 per share even though it possibly can achieve a tiered rebate of \$0.0028 per share if it meets certain criteria.

⁹ See Securities Exchange Release No. 68052 (October 12, 2012), 77 FR 64170 (October 18, 2012) (SR-PHLX-2012-119).

¹⁰ As defined in Exchange Rules 11.9(b)(3)(a) and (c).

¹¹ See Securities Exchange Release No. 68052 (October 12, 2012), 77 FR 64170 (October 18, 2012) (SR-PHLX-2012-119).

The Exchange proposes adding the title “EdgeBook Depth Fees” to the fee schedule describing the fees for the EdgeBook Depth A to increase the transparency of the fee schedule for Members.

The Exchange proposes to implement these amendments to its fee schedule on November 1, 2012.

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,¹² in general, and furthers the objectives of Section 6(b)(4),¹³ in particular, as the proposed rule changes are designed to provide for the equitable allocation of reasonable dues, fees and other charges among the Exchange’s Members and other persons using its facilities.

The proposed rate change in Footnote 8 associated with routing orders to NYSE through DE Route on the Exchange’s fee schedule is a pass-through rate from DE Route to the Exchange and from the Exchange, in turn, to its Members. The Exchange’s proposal represents an equitable allocation of reasonable dues, fees, and other charges among Members of the Exchange and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to NYSE through DE Route. The Exchange notes that routing through DE Route is voluntary. Currently, in Footnote 8, for orders yielding Flag D that use the SWPA, SWPB, or SWPC routing strategies and remove liquidity from NYSE, NYSE charged DE Route a fee of \$0.0023 per share, which, in turn, was passed through to the Exchange. The Exchange, in turn, charged its Members a fee of \$0.0023 per share as a pass-through. On October 1, 2012, NYSE increased the rate it charges its customers, such as DE

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(4).

Route, from \$0.0023 per share to a charge of \$0.0025 per share for orders that are routed or re-routed to NYSE and remove liquidity. Therefore, the Exchange believes that the proposed change in Footnote 8 from a fee of \$0.0023 per share to a fee of \$0.0025 per share is equitable and reasonable because it accounts for the pricing changes on NYSE. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through rate for orders that are routed or re-routed to NYSE and remove liquidity using DE Route. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

The proposed rate change in Footnote 3 associated with routing orders to NYSE through DE Route now represents a pass-through rate from DE Route to the Exchange and from the Exchange, in turn, to its Members. The Exchange's proposal represents an equitable allocation of reasonable dues, fees, and other charges among Members of the Exchange and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to NYSE through DE Route. The Exchange notes that routing through DE Route is voluntary. For stocks priced below \$1.00 that are routed or re-routed to NYSE and remove liquidity, DE Route charged its Members a fee of \$0.0023 per share.¹⁴ NYSE modified the rate it charged its customers, such as DE Route, effective March 2012, to a charge of 0.30% of the dollar value of the transaction¹⁵ for stocks priced below \$1.00 that remove liquidity. Therefore, the Exchange believes that the proposed change in Footnote 3 from a fee of \$0.0023

¹⁴ Prior to March 1, 2012, the NYSE Price List generally specified that the applicable rate was the lesser of (i) 0.30% of the total dollar value of the transaction and (ii) \$0.0023 per share. See Securities Exchange Act Release No. 66600, (March 14, 2012), 77 FR 16298 (March 20, 2012) (SR-NYSE-2012-07). Effective March 1, 2012, the rate for these transactions with a per-share price of less than \$1.00 is now 0.3% of the total dollar value of the transaction.

¹⁵ Id.

per share to a fee of 0.30% of the dollar value of the transaction is equitable and reasonable because it allows the Exchange to now charge its Members a pass-through rate for orders that are routed or re-routed to NYSE and remove liquidity using DE Route. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

The proposed rate change for Flag RS associated with routing orders to PSX through DE Route on the Exchange's fee schedule is a pass-through rate from DE Route to the Exchange and from the Exchange, in turn, to its Members. The Exchange's proposal represents an equitable allocation of reasonable dues, fees, and other charges among Members of the Exchange and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to PSX through DE Route. The Exchange notes that routing through DE Route is voluntary. Currently, for orders yielding Flag RS, PSX offers DE Route a rebate of \$0.0016 per share, which, in turn, is passed through to the Exchange. The Exchange, in turn, offers its Members a rebate of \$0.0016 per share as a pass-through. On October 1, 2012, PSX increased the rebate it offers its customers, such as DE Route, from \$0.0016 per share to a rebate of \$0.0026 per share¹⁶ for orders that are routed to PSX and add liquidity. Therefore, the Exchange believes that the proposed change for Flag RS from a rebate of \$0.0016 per share to a rebate of \$0.0026 per share is equitable and reasonable because it accounts for the pricing changes on PSX. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through of the standard rebate¹⁷ for orders that are routed

¹⁶ The Exchange notes that it is passing through the standard rebate of \$0.0026 per share even though it possibly can achieve a tiered rebate of \$0.0028 per share if it meets certain criteria.

¹⁷ Id.

to PSX and add liquidity using DE Route. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

The Exchange believes that its proposal to amend the rate for Flag K represents an equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. DE Route is charged either a fee of \$0.0028 per share or \$0.0030 per share depending on the routing strategy employed.¹⁸ Because the Exchange does not distinguish between ROUC and ROUE when yielding Flag K, the Exchange proposes to assess a charge of \$0.0028 per share for Members orders that are routed to PSX using either ROUC or ROUE, which represents the more favorable of the two rates for its Members. The Exchange's proposal to offer its Members the more favorable of two rates is also equitable because it is similar to the rates associated with Flag C, where the Exchange offers Members the more favorable rebate of \$0.0014 per share for orders routed to BX that remove liquidity regardless of whether the Member achieves the tiered volume necessary to exceed the default rebate of \$0.0005 per share.¹⁹ In addition, the rate of \$0.0028 per share for Flag K is also reasonable because it is similar to the rates charged by PSX for orders routed to its exchange, where PSX assesses charges between \$0.0028 per share and \$0.0030 per share depending on the routing strategy employed.²⁰ Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

¹⁸ See NASDAQ OMX PSX, Price List – Trading and Connectivity, http://www.nasdaqtrader.com/Trader.aspx?id=PSX_pricing.

¹⁹ See Securities Exchange Release No. 67980 (October 4, 2012), 77 FR 61800 (October 11, 2012) (SR-EDGA-2012-45).

²⁰ See NASDAQ OMX PSX, Price List – Trading and Connectivity, http://www.nasdaqtrader.com/Trader.aspx?id=PSX_pricing.

The Exchange's proposal to add the title "EdgeBook Depth Fees" to the fee schedule increases transparency on the fee schedule for Members and does not represent any change in EdgeBook Depth fees.

The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act²¹ and Rule 19b-4(f)(2)²² thereunder. At any time within 60 days of the filing of such

²¹ 15 U.S.C. 78s(b)(3)(A).

²² 17 CFR 19b-4(f)(2).

proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-EDGA-2012-46 on the subject line.

Paper comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-EDGA-2012-46. This file number should be included on the subject line if e-mail 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 website (<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 website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m.

and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-EDGA-2012-46 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.²³

Kevin M. O'Neill
Deputy Secretary

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²³ 17 CFR 200.30-3(a)(12).