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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-69505; File No. SR-EDGA-2013-12)

May 3, 2013

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 May 1, 2013, EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend its fees and rebates applicable to 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 securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.0002 per share for Members' orders that yield Flag BY, which routes to BATS BYX ("BYX") and removes liquidity using routing strategies ROUC, ROUE, ROBY, ROBB or ROCO.⁴ The Exchange proposes to amend its fee schedule to increase the rebate it provides Members from \$0.0002 per share to \$0.0005 per share for Flag BY. The 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 rebated for adding an average volume of 50,000 shares per day on BYX.⁵ DE Route passes through the rebate to the Exchange and the Exchange, in turn, passes through the rebate to its Members. The Exchange notes that the proposed change is in response to BYX's April 2013 fee filing with the Commission, wherein BYX increased the rate it rebates its customers, such as DE Route, from \$0.0002 per share to a rebate of \$0.0005 per share for orders that are routed to BYX and add a daily volume of at least 50,000 shares and remove liquidity.⁶

⁴ As defined in Exchange Rule 11.9(b)(2).

⁵ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered rebate on BYX, its rate for Flag BY will not change.

⁶ See Securities Exchange Act Release No. 69317 (April 5, 2013), 78 FR 21651 (April 11, 2013) (SR-BYX-2013-012) (amending the rebate BYX provides for removing liquidity from the BYX order book for executions by members that add a daily average volume of at least 50,000 shares from \$0.0002 per share to \$0.0005 per share).

In securities priced at \$1.00 or above, the Exchange currently assesses a charge of \$0.0005 per share for Members' orders that yield Flag RY, which routes to BYX and adds liquidity. The Exchange proposes to amend its fee schedule to increase the rate it charges Members from \$0.0005 per share to \$0.0007 per share for Flag RY. The proposed change represents a pass through of the rate that DE Route is charged for routing orders to BYX that do not qualify for additional volume tiered discounts.⁷ DE Route passes through the charge to the Exchange and the Exchange, in turn, passes through the charge to its Members. The Exchange notes that the proposed change is in response to BYX's April 2013 fee filing with the Commission, wherein BYX increased the rate it charges its customers, such as DE Route, from a charge of \$0.0005 per share to a charge of \$0.0007 per share for orders that are routed to BYX and add liquidity.⁸

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

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁹ in general, and furthers the objectives of Section 6(b)(4),¹⁰ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

⁷ The Exchange notes that to the extent DE Route does or does not achieve any volume tiered rebate on BYX, its rate for Flag RY will not change.

⁸ See Securities Exchange Act Release No. 69317 (April 5, 2013), 78 FR 21651 (April 11, 2013) (SR-BYX-2013-012) (amending the rate BYX charges for adding displayed liquidity to the BYX order book for executions by members that do not qualify for a reduced charge from \$0.0005 per share to \$0.0007 per share).

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(4).

The Exchange believes that its proposal to pass through the increased rebate of \$0.0005 per share for Members' orders that yield Flag BY represents an equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities because the Exchange does not levy additional fees or offer additional rebates for orders that it routes to BYX through DE Route. Prior to BYX's April 2013 fee filing, BYX provided DE Route a rebate of \$ 0.0002 per share for orders yielding Flag BY, which DE Route passed through to the Exchange and the Exchange passed through to its Members. In BYX's April 2013 fee filing, BYX increased the rebate it provides its customers, such as DE Route, from \$0.0002 per share to a rebate of \$0.0005 per share for orders that are routed to BYX and remove liquidity.¹¹ Therefore, the Exchange's proposal allows the Exchange to continue to provide its Members a pass-through rate for orders that are routed to BYX and remove liquidity through DE Route. The Exchange notes that routing through DE Route is voluntary. 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 pass through a charge of \$0.0007 for Members' orders that yield Flag RY 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 BYX through DE Route. Prior to BYX's April 2013 fee filing, BYX charged DE Route a fee of \$ 0.0005 per share for orders yielding Flag RY, which DE Route passed through to the Exchange and the Exchange passed through to its Members. In BYX's April 2013 fee filing, BYX

¹¹ See Securities Exchange Act Release No. 69317 (April 5, 2013), 78 FR 21651 (April 11, 2013) (SR-BYX-2013-012) (amending the rebate BYX provides for removing liquidity from the BYX order book for executions by members that add a daily average volume of at least 50,000 shares from \$0.0002 per share to \$0.0005 per share).

increased the rate it charges its customers, such as DE Route, from \$0.0005 per share to a charge of \$0.0007 per share for orders that are routed to BYX and add liquidity. Therefore, the Exchange believes that the proposed change in Flag RY from a fee of \$0.0005 per share to a fee of \$0.0007 per share is equitable and reasonable because it accounts for the pricing changes on BYX. In addition, the proposal allows the Exchange to continue to charge its Members a pass-through rate for orders that are routed to BYX and add liquidity using DE Route. The Exchange notes that routing through DE Route is voluntary. Lastly, the Exchange also believes that the proposed amendment is non-discriminatory because it applies uniformly to all Members.

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

These proposed rule changes do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange believes that the proposed changes would not impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

The Exchange believes that its proposal to pass through a rebate of \$0.0005 per share for Members' orders that yield Flag BY would increase intermarket competition because it offers customers an alternative means to route to BYX and remove liquidity for the same price as entering orders on BYX directly. The Exchange believes its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

The Exchange believes that its proposal to pass through a charge of \$0.0007 per share for Members' orders that yield Flag RY would increase intermarket competition because it offers

customers an alternative means to route to BYX and add liquidity for the same price as entering orders on BYX directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rate would apply uniformly to all Members.

The Exchange believes that its proposal would increase competition for routing services because the market for order execution is competitive and the Exchange's proposal provides customers with another alternative to route their orders. The Exchange notes that routing through DE Route is voluntary.

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 Act¹² and Rule 19b-4(f)(2)¹³ thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(2).

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-2013-12 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-2013-12. 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-2013-12 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.¹⁴

Kevin M. O'Neill
Deputy Secretary

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¹⁴ 17 CFR 200.30-3(a)(12).