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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-70655; File No. SR-BX-2013-054)

October 10, 2013

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change to Amend the Fee Schedule under Exchange Rule 7018(a) with Respect to Transactions in Securities Priced at \$1 per Share or Greater

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹, and Rule 19b-4 thereunder,² notice is hereby given that on September 27, 2013, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange proposes to amend the fee schedule under Exchange Rule 7018(a) with respect to transactions in securities priced at \$1 per share or greater. The Exchange will implement the proposed rule change on October 1, 2013.

The text of the proposed rule change is also available on the Exchange’s Website at <http://nasdaqomxbx.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange is proposing to amend the credit it pays with respect to routable orders that access liquidity on the Exchange (either before or after routing to other venues). Currently, the Exchange pays a credit of \$0.0013 or \$0.0011 per share executed for orders that execute at BX if the member achieves certain volume tiers and a credit of \$0.0007 per share executed if such tiers are not reached. However, the Exchange pays a credit of \$0.0014 per share executed with respect to routable orders (specifically, orders using the Exchange's BSTG, BSCN, BMOP, BTFY, BCRT, BDRK, or BCST routing strategies) if such orders execute at the Exchange. The Exchange is reducing this credit to \$0.0011 per share executed, as a means of reducing costs in a period of persistent low trading volumes. The Exchange notes, however, that it is still providing an incentive for members to use the Exchange's routing functionality by paying a credit available to all members, regardless of their trading volumes, that exceeds the base credit of \$0.0007 per share executed otherwise available.³

³ The Exchange notes that the credits discussed above do not apply to orders that execute against midpoint pegged orders, since such orders receive price improvement in lieu of an Exchange-paid credit.

2. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,⁴ in general, and Sections 6(b)(4) and (b)(5) of the Act,⁵ in particular, because it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system that the Exchange operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers.

The proposed change is reasonable because it reflects a modest decrease of \$0.0003 per share executed in the credit paid to members with routable orders that execute at the Exchange. The resulting credit is comparable to the credit that members receive if they provide an average daily volume of at least 25,000, but less than 1 million, shares of liquidity during the month, which is a higher rate than the base rate of \$0.0007 per share executed. The change is consistent with an equitable allocation of fees and is not unfairly discriminatory because it makes the credits applicable to routable orders that execute at the Exchange more consistent with the credits paid with respect to other orders that execute at the Exchange. Although the credit exceeds the base rate of \$0.0007, the difference is not unfairly discriminatory because the credit offered with respect to routable orders is still available to all members, regardless of volume levels, and is intended to provide an incentive for BX members to make use of the Exchange's optional routing functionality.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as

⁴ 15 U.S.C. 78f.

⁵ 15 U.S.C. 78f(b)(4) and (b)(5).

amended.⁶ BX notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive, or rebate opportunities available at other venues to be more favorable. In such an environment, BX must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, BX believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this instance, the decreased credit is intended to reduce the Exchange's costs, while still continuing to provide an incentive for members to make use of its optional routing functionality. The reduced credit of \$0.0011 per share executed continues to reflect a higher credit than the base credit of \$0.0007 per share executed, and is available to all members, regardless of volume levels. Thus, it is intended to maintain an incentive for members to use BX's optional routing functionality. However, because there are numerous competitive alternatives to the use of this functionality, it is likely that BX will lose market share as a result of the changes if they are unattractive to market participants. Accordingly, BX does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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

No written comments were either solicited or received.

⁶ 15 U.S.C. 78f(b)(8).

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.⁷ 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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BX-2013-054 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-BX-2013-054. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your

⁷ 15 U.S.C. 78s(b)(3)(A)(ii).

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-BX-2013-054 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.⁸

Kevin M. O'Neill
Deputy Secretary

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⁸ 17 CFR 200.30-3(a)(12).