



8011-01p
SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-73452; File No. SR-BX-2014-054)

October 28, 2014

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Billing Policy

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 October 24, 2014, 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 Exchange Rule 7011, and re-title it “Collection of Exchange Fees and Other Claims and Billing Policy,” and to require BX members to submit billing disputes within a certain time period.

The text of the proposed rule change is 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.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 purpose of the proposed rule change is to amend Rule 7011, which was recently filed,³ to require all pricing disputes to be submitted to the Exchange in writing⁴ and accompanied by supporting documentation within sixty days of receipt of an invoice. The Exchange believes that this practice will conserve Exchange resources which are expended when untimely billing disputes require staff to research applicable fees and order information beyond two months after the transaction occurred.

The sixty days would first apply to invoices related to transactional billing in December 2014 and would apply thereafter.⁵ The Exchange proposes to apply the billing policy in Rule 7011 to the following 7000 series Rules: 7001 (Membership Fees), 7015 (Access Services), 7016 (BX Pre-Trade Risk Management), 7018 (NASDAQ OMX BX Equities System Order Execution and Routing), 7021 (BX Trading and Compliance Data Package Fee), 7027 (Aggregation of Activity of Affiliated Members), 7029 (Installation, Removal or Relocation), 7030 (Other Services), 7034 (Co-Location Services), 7051 (Direct Connectivity to BX), 7055 (Short Sale Monitor), 7058 (QView).

³ See SR-BX-2014-050.

⁴ The Exchange invoice specifies the Exchange contact persons with whom to dispute the invoice.

⁵ This proposal would not apply to invoices related to November 2014 billing.

Further, this proposal would provide a cost savings to the Exchange in that it would alleviate administrative processes related to the untimely review of billing disputes which divert staff resources away from the Exchange's regulatory and business purposes.

In addition, the Exchange proposes to amend the title of Exchange Rule 7011 from "Collection of Exchange Fees and Other Claims" to "Collection of Exchange Fees and Other Claims and Billing Policy." The Exchange believes that the proposed title provides a more specific description of Rule 7011.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁶ in general, and furthers the objectives of Section 6(b)(5) of the Act⁷ in particular, in that it is 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, and, in general to protect investors and the public interest, by providing a uniform practice for disputing fees.

The Exchange believes the requirement that all pricing disputes, for certain specified fees and rebates, must be submitted to the Exchange within sixty days from receipt of the invoice will provide its members with guidance on disputing pricing. The proposal equally applies to all BX members. Also, the Exchange's administrative costs would be lowered as a result of this policy because staff resources would not be diverted to review untimely requests regarding billing.

The Exchange believes that sixty days is ample time to review an invoice and dispute any pricing related to the transactions for that time period. This policy applies today with respect to

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

BX Options billing.⁸ The Exchange is seeking to apply this policy to all BX members alike in the same manner.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The billing policy would apply uniformly to all BX equity members as it does today with all Options Participants. All BX members would be subject to this policy.

Further, this proposal would provide a cost savings to the Exchange in that it would alleviate administrative processes related to the untimely review of billing disputes which divert staff resources away from the Exchange's regulatory and business purposes.

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.

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

Because the foregoing proposed rule change does not significantly affect the protection of investors or the public interest; does not impose any significant burden on competition; and by its terms does not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)⁹ of the Act and Rule 19b-4(f)(6) thereunder.¹⁰

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

⁸ See Chapter XV, Section 7 in the BX Rules.

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4(f)(6).

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 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-2014-054 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-BX-2014-054. 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 such filing also will be available for inspection and copying at the principal offices 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-2014-054, 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.¹¹

Kevin M. O' Neill,
Deputy Secretary.

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¹¹ 17 CFR 200.30-3(a)(12).