<NOTICE>
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SECURITIES AND EXCHANGE COMMISSION
[Release No. 34-74221; File No. SR-BOX-2015-11]

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Fee Schedule on the BOX Market LLC Options Facility
February 6, 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 January 30, 2015, BOX Options Exchange LLC (the "Exchange") 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 Exchange. The Exchange filed the proposed rule change pursuant to Section 19(b)(3)(A)(ii) of the Act,[3] and Rule 19b-4(f)(2) thereunder,[4] which renders the proposal 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 the Substance of the Proposed Rule Change

The Exchange is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the Fee Schedule on the BOX Market LLC ("BOX") options facility. The text of the proposed rule change is available from the principal office of the

1 15 U.S.C. 78s(b)(1).
2 17 CFR 240.19b-4.
3 15 U.S.C. 78s(b)(3)(A)(ii).
4 17 CFR 240.19b-4(f)(2).

Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet website at http://boxexchange.com.

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 proposes to amend the Fee Schedule for trading on BOX. Specifically, the Exchange proposes to amend the BOX Volume Rebate ("BVR") in Section I.B.2 of the Fee Schedule (Auction Transactions).

Under the current BVR, the Exchange offers a tiered per contract rebate for all PIP Orders and COPIP Orders of 250 contracts and under. PIP and COPIP executions of 250 contracts and under are awarded a per contract rebate according to the Participant's Monthly Average Daily Volume ("ADV") in PIP and COPIP transactions. Each Participant's monthly ADV is based on PIP and COPIP quantity submitted and calculated at the end of each month.[5]

The current per contract rebate for Participants in PIP and COPIP Transactions under the BVR is:

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5 For purposes of calculating monthly ADV, BOX will count as a half day any day that the market closes early for a holiday observance.

| Monthly ADV in PIP and COPIP Transactions | Per Contract Rebate (All Account Types) | |
|---|---|---|
| | ***PIP*** | ***COPIP*** |
| 100,001 contracts and greater | ($0.17) | ($0.08) |
| 40,001 contracts to 100,000 contracts | ($0.14) | ($0.06) |
| 20,001 contracts to 40,000 contracts | ($0.07) | ($0.04) |
| 1 contract to 20,000 contracts | ($0.00) | ($0.00) |

The Exchange proposes to adjust the BVR contract threshold and now offer the tiered per contract rebate for all PIP Orders and COPIP Orders of 100 contracts and under. The quantity submitted will remain based on a Participant's monthly ADV as calculated at the end of each month.

Additionally, the Exchange proposes to lower the rebates associated with each volume tier. The new BVR set forth in Section I.B.2 of the BOX Fee Schedule will be as follows:

| Monthly ADV in PIP and COPIP Transactions | Per Contract Rebate (All Account Types) | |
|---|---|---|
| | ***PIP*** | ***COPIP*** |
| 100,001 contracts and greater | ($0.14) | ($0.06) |
| 40,001 contracts to 100,000 contracts | ($0.11) | ($0.04) |
| 20,001 contracts to 40,000 contracts | ($0.04) | ($0.02) |
| 1 contract to 20,000 contracts | ($0.00) | ($0.00) |

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act, in general, and Section 6(b)(4) and 6(b)(5) of the Act,[6] in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among BOX Participants and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

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[6] 15 U.S.C. 78f(b)(4) and (5).

The Exchange believes the proposed amendments to the BVR in Section I.B.2 are reasonable, equitable and non-discriminatory. The BVR was adopted to attract Public Customer order flow to the Exchange by offering these Participants incentives to submit their PIP and COPIP Orders to the Exchange. Other Exchange [sic] employ similar incentive programs. [7] The Exchange believes it is reasonable and appropriate to continue to provide incentives for Public Customers, which will result in greater liquidity and ultimately benefit all Participants trading on the Exchange. The Exchange believes providing a rebate to Participants that reach a certain volume threshold is equitable and non-discriminatory as the rebate will apply to all Participants uniformly.

The Exchange believes it is reasonable, equitable and non-discriminatory to restrict the BVR to PIP and COPIP Orders of 100 contracts and under. The BVR is intended to incentivize Participants to direct Customer order flow to the Exchange, which is typically comprised of small order sizes. The Exchange has found that orders of more than 100 contracts are typically larger institutional orders. Further, these larger orders are encouraged to use the Facilitation and Solicitation Auction mechanisms.[8] The Exchange believes restricting the BVR to PIP and COPIP Orders of 100 contracts and under is equitable and non-discriminatory as this will apply to all Participants uniformly.

The Exchange believes that lowering the rebates associated with each volume tier is

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7 See Section B of the Phlx Pricing Schedule entitled "Customer Rebate Program" and CBOE's Volume Incentive Program (VIP). CBOE's Volume Incentive Program ("VIP") pays certain tiered rebates to Trading Permit Holders for electronically executed multiply-listed option orders which include AIM orders. Note that these exchanges base these rebate programs on the percentage of total national Public Customer volume traded on their respective exchanges, which the Exchange is not proposing to do.

8 The Faciliation [sic] Auction and Solicitation Auction were designed to give market participants mechanisms for large block orders. See Securities Exchange Act Release No. 65387 (September 23, 2011), 76 FR 60569 (September 29, 2011)(Order Approving Proposed Rule Change of SR-BX-2011-034).

reasonable and competitive when compared to rebate structures at other exchanges.[9] Once the volume threshold is met, the Exchange will continue [sic] pay the rebates on applicable PIP and COPIP Orders. The Exchange also believes the proposed rebates are equitable and not unfairly discriminatory because Participants are eligible to receive a rebate provided they meet both the volume and order type requirements. The Exchange believes that applying the rebate to PIP and COPIP Orders will continue to provide these Participants with an added incentive to transact a greater number of Public Customer Orders on the Exchange to the benefit of all market participants.

Finally, the Exchange believes that it is equitable and not unfairly discriminatory to continue to provide a higher rebate for PIP Orders than COPIP Orders. The rebate is intended to incentivize Participants to submit PIP and COPIP Orders to the Exchange and the Exchange believes that COPIP Orders do not need the same level of incentivization. The Exchange believes the lower COPIP rebate will still provide greater liquidity and trading opportunities for all market participants.

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 not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposed fee changes are reasonably designed to enhance competition in BOX transactions, particularly auction transactions.

The proposed rule change modifies the contract threshold and tiered rebates awarded to Participants based on their monthly ADV in PIP and COPIP. BOX notes that its market model and fees are generally intended to benefit retail customers by providing incentives for

[9] See supra, note 7.

Participants to submit their customer order flow to BOX, and to the PIP and COPIP in particular. The Exchange does not believe that the proposed fee change burdens competition and will instead help promote competition by continuing to providing [sic] incentives for market participants to submit customer order flow to BOX and thus, create a greater opportunity for retail customers to receive additional price improvement.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Exchange Act[10] and Rule 19b-4(f)(2) thereunder,[11] because it establishes or changes a due, or fee.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend the rule change if it appears to the Commission that the action is necessary or appropriate in the public interest, for the protection of investors, or would otherwise further 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:

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10 15 U.S.C. 78s(b)(3)(A)(ii).

11 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-BOX-2015-11 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-BOX-2015-11. 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, D.C. 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 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-BOX-2015-11, 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.[12]

Brent J. Fields,
Secretary.

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12 17 CFR 200.30-3(a)(12).