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SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-75685; File No. SR-EDGA-2015-30)

August 12, 2015

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend the Operation of MidPoint Peg Orders Under Rule 11.8(d)

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 August 7, 2015, EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it 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 Substance of the Proposed Rule Change

The Exchange filed a proposal to amend the operation of MidPoint Peg Orders under Rule 11.8(d) when a Locking Quotation exists.⁵ The proposed amendment is based on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ The term “Locking Quotation” is defined as “[t]he display of a bid for an NMS stock at a price that equals the price of an offer for such NMS stock previously disseminated

operation of Mid-Point Peg Orders on EDGX, Exchange, Inc. (“EDGX”), BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”).⁶ The Exchange has designated the proposed rule change as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁷

The text of the proposed rule change is available at the Exchange’s website at www.batstrading.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 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 parts of such statements.

(A) Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

In early 2014, the Exchange and its affiliate, EDGX, received approval to effect a merger (the “Merger”) of the Exchange’s parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and BYX (together with BZX, EDGA and EDGX, the

pursuant to an effective national market system plan, or the display of an offer for an NMS stock at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.” See Exchange Rule 11.6(g).

⁶ See EDGX Rule 11.8(d)(6); BZX and BYX Rule 11.9(c)(9).

⁷ 17 CFR 240.19b-4(f)(6)(iii).

“BGM Affiliated Exchanges”).⁸ In order to provide consistent rules and system functionality amongst the BGM Affiliated Exchanges, the Exchange proposes to amend the operation of MidPoint Peg Orders under EDGA Rule 11.8(d) when a Locking Quotation exists to align with the operation of Mid-Point Peg orders on EDGX, BZX and BYX.⁹

In sum, a MidPoint Peg Order is a non-displayed Market Order or Limit Order with an instruction to execute at the midpoint of the NBBO, or, alternatively, be pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order.¹⁰ Currently, a MidPoint Peg Order is not eligible for execution when a Locking Quotation or Crossing Quotation¹¹ exists. In such cases, a MidPoint Peg Order rests on the EDGX Book and is not be eligible for execution in the System until the Locking Quotation or Crossing Quotation is cleared.

The Exchange now proposes to amend the operation of MidPoint Peg Orders to provide Users¹² the ability to elect that their MidPoint Peg Orders be eligible for execution when a Locking Quotation exists. As amended, Rule 11.8(d)(6) would state that, unless otherwise instructed by the User, a MidPoint Peg Order would not be eligible for execution when a Locking Quotation exists. Where a User does not instruct the Exchange to execute its MidPoint

⁸ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

⁹ See EDGX Rule 11.8(d); BZX and BYX Rule 11.9(c)(9).

¹⁰ See Exchange Rule 11.8(d) for a complete description of the MidPoint Peg Orders.

¹¹ The term “Crossing Quotation” is defined as “[t]he display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.” See Exchange Rule 11.6(c).

¹² The term “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.” See Exchange Rule 1.5(ee).

Peg Order in such cases, the order would be treated as it is today, and would rest on the EDGA Book and not be eligible for execution until the Locking Quotation is cleared.¹³ Like the operation of MidPoint Peg Orders when a Crossing Quotation exists, once the Locking Quotation is cleared, a new midpoint of the NBBO is established, and the MidPoint Peg Order becomes eligible for execution receiving a new time stamp. In such case, pursuant to Exchange Rule 11.9, all MidPoint Peg Orders that are ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System,¹⁴ including MidPoint Peg Order received when a Locking Quotation exists. This behavior is consistent with operation of Mid-Point Peg orders under EDGX Rule 11.8(d)(6) and BYX and BZX Rules 11.9(c)(9). The Exchange is not proposing to amend the operation of Midpoint Peg Orders when a Crossing Quotation exists.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act¹⁵ and furthers the objectives of Section 6(b)(5) of the Act¹⁶ because 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, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support

¹³ Under Rule 11.8(d), a MidPoint Peg Order will receive a new time stamp when the Locking Quotation is cleared and a new midpoint of the NBBO is established.

¹⁴ The term “System” is defined as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.” See Exchange Rule 1.5(cc).

¹⁵ 15 U.S.C. 78f(b).

¹⁶ 15 U.S.C. 78f(b)(5).

the principles of Section 11A(a)(1)¹⁷ of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule change is intended to align the operation of MidPoint Peg Orders when a Locking Quotation exists with that of MidPoint Peg Orders under EDGX Rule 11.8(d) and BYX and BZX Rules 11.9(c)(9) in order to provide a consistent functionality across the BGM Affiliated Exchanges. Consistent functionality between the exchanges will reduce complexity and streamline functionality, thereby resulting in simpler technology implementation, changes and maintenance by Users of the Exchange that are also participants on EDGX, BZX and BYX. The Exchange also believes the proposed rule change would provide Users with increased flexibility over their MidPoint Peg Orders when a Locking Quotation exists. For the reasons set forth above, the Exchange believes the proposal would promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system.

(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. The Exchange notes that the proposal will provide consistent functionality across the BGM Affiliated Exchanges, thereby reducing complexity and streamlining duplicative functionality, resulting in simpler technology implementation, changes and maintenance by Users of the Exchange that are also participants on EDGX, BZX and BYX. Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. In addition, the Exchange believes the proposed rule change will benefit Exchange participants in that it is

¹⁷ 15 U.S.C. 78k-1(a)(1).

designed to achieve a consistent technology offering by the BGM Affiliated Exchanges.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

Because the proposed rule change does not (i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.¹⁸

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)(iii) permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. Waiver of the 30-day operative delay would allow the Exchange to harmonize its rules across BGM Affiliated Exchanges in a timely manner, thereby simplifying the rules available to Members of the Exchange that are also participants on EDGX, BZX and BYX. Based on the foregoing, the Commission believes the waiver of the operative delay is

¹⁸ In addition, Rule 19b-4(f)(6)(iii) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

consistent with the protection of investors and the public interest.¹⁹ The Commission hereby grants the waiver and designates the proposal operative upon filing.

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 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-EDGA-2015-30 on the subject line.

Paper Comments:

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

All submissions should refer to File Number SR-EDGA-2015-30. This file number should be included on the subject line if e-mail is used. To help the Commission process and

¹⁹ For purposes only of waiving the 30-day operative delay, the Commission has also considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

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 will also 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-2015-30 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.²⁰

Brent J. Fields
Secretary

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²⁰ 17 CFR 200.30-3(a)(12).