liquidity providers would be more apt to provide liquidity in alternative trading systems and other non-exchange market centers where the customization and segmentation experience may be less transparent and objective.

While non-routable orders would not be permitted to execute against Route Peg Orders, the Exchange does not believe that the proposed rule changes would be designed to permit unfair discrimination between customers, brokers, or dealers. First, the Exchange believes this limited exception is constructed narrowly enough, based on rational and legitimate grounds, so that the compelling policy objectives, which are wholly consistent with the Act, can be realized. Second, the Exchange is not proposing to limit the type of User that can place routable orders, or that can place Route Peg Orders. So any disadvantage resulting from the limitation to executing against routable orders would not target particular segments of market participants, per se, but rather a particular type of market behavior. Therefore, the Exchange believes that not only would the proposed rule changes not be designed to permit unfair discrimination between customers, brokers, or dealers, the differentiation between routable and non-routable orders is an important element for the Route Peg Order to be able to achieve the objectives of protecting investors and the public interest and promoting just and equitable principles of trade.

Finally, because the Route Peg Order would be functionally similar to the Supplemental Order that is currently offered by the NASDAQ Stock Market LLC (“NASDAQ”), the Route Peg Order would promote competition by enhancing EDGA’s ability to compete with NASDAQ as well as other non-exchange market centers.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization’s Statement on Comments on the Proposed Rule Changes 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 Changes and Timing for Commission Action

Within 45 days of the date of publication of this notice or within such longer period (i) as the Commission may designate up to 45 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(a) By order approve or disapprove such proposed rule changes; or

(b) Institute proceedings to determine whether the proposed rule changes should be 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 email to rule-comments@sec.gov. Please include File No. SR–EDGA–2012–28 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 No. SR–EDGA–2012–28. This file number should be included on the subject line if email 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 Web site (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 Web site 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 a.m. and 3 p.m. Copies of such filing also will be available for inspection and copying at the principal office of the Exchange.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.14

Kevin M. O’Neill,
Deputy Secretary.
[FR Doc. 2012–16403 Filed 7–3–12; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to New Simultaneous Routing Functionality

June 28, 2012.

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 June 19, 2012, EDGA Exchange, Inc. (“the Exchange”) 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 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

EDGA proposes to modify existing routing options contained in EDGA Rule 11.9(b)(3) to provide Users3 with new simultaneous routing functionality as a means by which Members’ orders may be routed to certain destinations on the System routing table. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange’s Web site at www.directedge.com.

17 As defined in Rule 1.5(ee).
Therefore, this amendment simply deletes the word "sequentially" from Rules 11.9(b)(3)(a), (b), (h), (m), and (t) so that the Exchange has the discretion to do simultaneous or sequential routing as to these strategies.

Simultaneous routing is an improvement on the current sequential manner in which orders are filled because it allows an order to be broken up into child orders to be sent to multiple destinations at one time instead of to one venue after another. Doing so has the potential to improve an order’s fill rate, as well as reduce latency. The Exchange believes that the proposed introduction of this functionality will provide Users with increased access to multiple sources of liquidity and greater flexibility in routing orders, without having to develop their own complicated routing strategies. The Exchange also believes the proposed modification will provide additional specificity to the Exchange’s rulebook regarding routing strategies and will further enhance transparency with respect to Exchange routing offerings.

The Exchange will notify its Members in an information circular of (a) the exact implementation date of this rule change, which will be no later than July 31, 2012; and (b) the manner in which certain routing options may function (i.e., sequentially or simultaneously), in an effort to afford Members with transparency regarding the same.

2. Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b)(5) of the Act, which requires the rules of an exchange 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. More specifically, the Exchange believes that the proposed rule change will improve an order’s fill rate as well as reduce latency. The proposed rule change will thus contribute to perfecting the mechanism of a free and open market and a national market system and is also consistent with the protection of investors and the public interest.

The proposed rule change and resulting information circulars that the Exchange will issue will afford Members transparency into how various routing options may function (whether simultaneous or sequential).

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.

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 if consistent with the protection of investors and the public interest; the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder.

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) 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, noting that similar functionality is already offered by other market centers. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest.


7 17 CFR 240.19b–4(f)(6). As required under Rule 19b–4(f)(6)(iii), the Exchange provided the Commission with written notice of its intent to file the proposed rule change along with a brief description and the 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.


10 See BATS Rule 11.13(a)(3)(B)–(D) (routing strategies listed in these rules may be routed simultaneously).
Therefore, the Commission designates the proposal operative upon filing.11
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.

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 email to rule-comments@sec.gov. Please include File Number SR–EDGA–2012–25 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–2012–25. This file number should be included on the subject line if email 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 Web site (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 Web site 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 a.m. and 3 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–2012–25 and should be submitted on or before July 26, 2012.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.12
Kevin M. O’Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION


Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend the Fee Schedule for Trading on BOX

June 28, 2012.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")1 and Rule 19b–4 thereunder,2 notice is hereby given that on June 25, 2012, 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)(i) of the Act,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 Substance of the Proposed Rule Change

BOX Options Exchange LLC (the "Exchange") proposes to amend its Fee Schedule for trading on its options facility, BOX Market LLC ("BOX"). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on July 1, 2012. The text of the proposed rule change is available from the principal office of the Exchange, at the Commission’s Public Reference Room and also on the Exchange’s Internet Web site 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 its Fee Schedule. While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on July 1, 2012.

The Exchange proposes to amend Market Maker Exchange Fees for Auction Transaction responses in Section I of its fee schedule to implement a tiered schedule to provide potentially discounted fees based upon a Market Maker’s monthly average daily volume ("ADV"). Market Makers will be assessed a per contract execution fee based on ADV considering all of their executed transactions on BOX as calculated at the end of each month. All executions for the month will be charged the same per contract fee according to the Market Maker’s ADV, according to the table below: 