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 10:00 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–NYSEMKT–2013–82 and should be submitted on or before November 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–24684 Filed 10–21–13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70664; File No. SR–BATS–2013–054]

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Exchange, Inc.

October 11, 2013.

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 October 1, 2013, BATS Exchange, Inc. (the ''Exchange'' or ''BATS'') 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 has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b–4(f)(2) thereunder,[4] which renders the proposed rule change 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 filed a proposal to amend the fee schedule applicable to Members[5] and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal will be effective upon filing.

The text of the proposed rule change is available at the Exchange's Web site at *http://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

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective October 1, 2013, in order to: (1) Increase the fee to remove liquidity from the Exchange's order book in all securities; (2) modify the tiered rebate structure applicable to adding liquidity to the Exchange's order book in securities priced $1.00 or above; (3) adopt an additional rebate incentive (subject to average daily volume requirements) for orders that join the national best bid or national best offer (the ''NBBO'') when the Exchange is not already at the NBBO (''NBBO Joiner'' orders); and (4) make various formatting changes to enhance and simplify the fee schedule.

Increase to Fee To Remove Liquidity From the Exchange

The Exchange currently charges $0.0029 per share for all orders executed on the Exchange that remove liquidity from the Exchange in securities priced $1.00 per share or above. The Exchange proposes to increase this standard fee to remove liquidity from the Exchange to $0.0030 per share.

Consistent with the current fee to remove liquidity, the $0.0030 charge per share for executions that remove liquidity from the Exchange will not apply to executions that remove liquidity in securities priced under $1.00 per share. The Exchange proposes to increase the fee for such executions from 0.10% of the total dollar value of the execution to 0.30% of the total dollar value of the execution.

Modifications to Tiered Rebate Structure for Securities Priced $1.00 or Above

The Exchange currently operates a tiered pricing structure through which Members can realize higher rebates for adding displayed liquidity. Specifically, the Exchange provides a standard rebate of $0.0025 per share for orders that add displayed liquidity for Members that do not qualify for a higher rebate based on their volume. The Exchange then provides a rebate of $0.0027 per share for orders that add displayed liquidity to the Exchange's order book where the Member has an average daily volume (''ADV''), as defined below, equal to or greater than 0.5% but less than 1.0% of average of total consolidated volume (''TCV''), as also defined below. Finally, the Exchange provides a rebate of $0.0029 per share for orders that add displayed liquidity to the Exchange's order book for any Member that has an ADV equal to or greater than 1.0% of TCV. The Exchange proposes to expand the number of tiers available and to modify the rebates associated with such tiers, as well as the rebates provided to Members not qualifying for tiered pricing.

For purposes of the fee schedule, the definition of ADV is average daily volume calculated as the number of shares added or removed, combined, per day on a monthly basis (excluding routed volume).[6] Rather than basing its

[16] 17 CFR 200.30–3(a)(12).

[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).

[5] A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

[6] The Exchange allows affiliated entities to aggregate their order flow for purposes of the Exchange's determination of ADV with respect to

pricing structure on a static number of shares executed by a Member each day, the Exchange operates its tiered pricing structure such that it is based on total consolidated volume, or TCV, and is thus variable based on overall volumes in the securities industry. TCV is defined as total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.[7]

In connection with the proposed changes described below, the Exchange proposes to add a definition of ''ADAV'' to the fee schedule, which term will mean average daily volume calculated as the number of shares added per day on a monthly basis (excluding routed volume). Accordingly, ADAV measures a Member's average daily added volume only, and Member's will be able to qualify for applicable tiers with a lower ADAV than ADV.[8]

The Exchange proposes to replace the two existing tiers with six tiers, each of which, in turn, can be reached through either a Member's ADAV (added liquidity only) or a Member's ADV (added and removed volume combined). In part to fund such expansion, the Exchange proposes to reduce its standard rebate for Members that do not qualify for a tiered rebate from $0.0025 per share to $0.0020 per share. Further, the Exchange proposes to adopt the following tiers and rebates.

Volume tier	Member's ADAV is equal to or greater than average TCV of:		Member's ADV is equal to or greater than average TCV of:	Rebate per share
Tier 1	0.10%	or	0.25%	($0.0025)
Tier 2	0.20	or	0.50	(0.0028)
Tier 3	0.30	or	0.75	(0.0029)
Tier 4	0.50	or	1.00	(0.0030)
Tier 5	0.75	or	1.40	(0.0031)
Tier 6	1.00	or	1.75	(0.0032)

Accordingly, the Exchange proposes to offer the current standard rebate of $0.0025 per share to all Members that can achieve Tier 1, which is available to Members with ADAV of 0.10% or more of average TCV or ADV of 0.25% or more of average TCV. Members that do not currently qualify for any tiered rebates today may be able to qualify either under this tier, Tier 1, or if their ADAV (added liquidity only) qualifies for one of the Tiers. With respect to Members that qualify for tiered pricing today, with ADV of at least 0.5% of average TCV, all such Members will receive higher rebates than they do under the current pricing structure. For instance, Members qualifying for Tier 2 with between 0.5% and 0.75% of ADV and 0.75% and 1% of ADV will receive rebates of $0.0028 per share and $0.0029 per share (as compared to $0.0027 for Members with between 0.5% and 1.0% of ADV under the current rebate structure). Members will also be able to qualify for these two tiers at lower levels of ADAV, namely 0.2% and 0.3%, respectively. Further, the Exchange proposes to offer three tiers at which a higher rebate is available than is currently available for reaching the Exchange's current highest tier. Specifically, Members reaching Tier 4 will receive a rebate of $0.0030 per share, Members reaching Tier 5 will receive a rebate of $0.0031 per share and Members reaching the highest tier, Tier 6, will receive a rebate of $0.0032 per share.

Adoption of NBBO Joiner Rebates

Consistent with programs offered by the Exchange for orders that set the NBBO when received by the Exchange (''NBBO Setter'' orders), the Exchange proposes to adopt a program to attract aggressively priced displayed liquidity by providing an additional rebate for orders that join the NBBO when the Exchange is not already at the NBBO. To the extent such an order is displayed and executed on the Exchange, a NBBO Joiner order will receive an additional rebate of $0.0001 per share. This rebate is in addition to the rebate a Member would otherwise receive under the tiered pricing structure, as described above. Consistent with the current NBBO Setter program, the Exchange proposes to limit the ability to qualify for NBBO Joiner rebates to Members that have ADV equal to or greater than 0.5% of TCV. Because the Exchange has expanded the tiered pricing structure such that Members can qualify for rebates at the same level as those with ADV equal to or greater than 0.5% of TCV if they achieve ADAV of 0.2% or higher, the Exchange proposes to use this tier level as the eligibility requirement. Accordingly, the Exchange proposes to provide NBBO Setter and NBBO Joiner rebates to all qualifying orders entered by Members qualifying for Tier 2 or higher.

Additional Formatting Changes

In order to adopt the new tiered pricing structure, the Exchange has proposed to add much of the new pricing as part of a chart format. The Exchange proposes to convert other portions of its ''Equities Pricing'' section to charts, even though the substance of such fees will not change. In this connection, the Exchange has also further differentiated between the liquidity rebates for displayed liquidity, as described above, and those for non-displayed liquidity, which the Exchange does not propose to substantively modify. The Exchange notes that it intends to further convert the remainder of the fee schedule to a chart format in the near future. In order to reduce text later in the fee schedule, the Exchange also proposes to make clear up-front that all references on the fee schedule to ''adding'' and ''removing'' liquidity mean adding liquidity or removing liquidity from the Exchange's order book.

pricing tiers if such entities provide prior notice to the Exchange. Specifically, to the extent two or more affiliated companies maintain separate memberships with the Exchange and can demonstrate their affiliation by showing they control, are controlled by, or are under common control with each other, the Exchange permits such Members to count overall volume of the affiliates in calculating ADV. The Exchange verifies such affiliation using a Member's Form BD, which lists control affiliates.

[7] The Exchange notes that it also excludes the last Friday of June from the calculation of ADV and average daily TCV. The last day of June is the day that Russell Investments reconstitutes its family of indexes (''Russell Reconstitution''), resulting in particularly high trading volumes, much of which the Exchange believes derives from market participants who are not generally as active entering the market to rebalance their holdings in-line with the Russell Reconstitution.

[8] The Exchange proposes to calculate ADAV in the same way that it calculates ADV, including permitting aggregation amongst affiliated entities and the exclusion of Russell Reconstitution day. *See supra* notes 6 and 7.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.[9] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[10] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The changes to Exchange execution fees and rebates proposed by this filing are intended to attract order flow to the Exchange by continuing to offer competitive pricing while also creating additional incentives to providing aggressively priced displayed liquidity. While Members that remove liquidity from the Exchange will be paying higher fees due to the proposal, the increased revenue received by the Exchange will be used to fund programs that the Exchange believes will attract additional liquidity and thus improve the depth of liquidity available on the Exchange. Accordingly, the Exchange believes that the higher access fees for both securities priced $1.00 and above and securities priced below $1.00 will benefit Members' results in trading on the Exchange to the extent the tiered rebate structure maintained by the Exchange for adding displayed liquidity, the continued offering of the NBBO Setter rebate, and the adoption of the NBBO Joiner rebate incentivize liquidity providers to provide more aggressively priced liquidity. Thus, the Exchange believes that the slight increases to the fees to remove liquidity from the Exchange are reasonable and equitably allocated. Further, the Exchange does not believe that the proposed increases to the fees to remove liquidity from the Exchange are unfairly discriminatory as they will be uniformly applied to all Members.

The Exchange believes that continuing to base its tiered rebate structure on overall TCV, rather than a static number irrespective of overall volume in the securities industry, is a fair and equitable approach to pricing. Volume-based tiers such as the expanded liquidity rebate tiers proposed in this filing have been widely adopted in the equities markets, and are equitable and not unreasonably discriminatory because they are open to all members on an equal basis and provide rebates that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery process. Accordingly, the Exchange believes that the proposal is not unreasonably discriminatory because it is consistent with the overall goals of enhancing market quality.

The proposed modification to the Exchange's rebate structure will have variable affects on Members of the Exchange, dependent on the volume of transaction activity they conduct on the Exchange. The Exchange notes that Members currently qualifying for tiered rebates will receive higher rebates in all cases. The Exchange also notes that additional Members will be able to qualify for tiered rebates based on a lower threshold of ADV (i.e., Tier 1 at ADV of 0.25% of TCV) or based on the new classification of ADAV, which measures added volume only but allows Members to qualify at lower percentages of TCV (e.g., ADAV of 0.1%, 0.2%, or 0.3% of TCV, respectively, for Tiers 1, 2, and 3). Those Members qualifying for volume Tier 1 will not be impacted by any decrease in rebates, but will continue to receive the same rebates that they do today. Despite the decrease in rebate for all Members that do not qualify for the lowest tier, the Exchange believes that its proposed fee structure is fair and equitable for the reasons described above related to market quality. The Exchange reiterates that the volume tiers are open to all Members on an equal basis, and are therefore equitable and not unreasonably discriminatory.

The proposed addition of the definition of ADAV and, in turn, the ability to qualify for volume-based enhanced rebate based on ADAV is reasonable as it is another method of measuring a Member's contribution to the overall market quality on the Exchange. While all order flow contributing to the Exchange is important, the Exchange has consistently offered programs to incentivize the addition of aggressively priced displayed liquidity to the Exchange due to the value of such liquidity. Accordingly, the Exchange believes that its proposed policy to measure ADAV and permit tier qualification at lower levels than ADV is fair and equitable, and not unreasonably discriminatory.

Additionally, the Exchange believes that the proposed NBBO Joiner rebate, similar to rebates offered by the Exchange under the NBBO Setter program, will incentivize the entry on the Exchange of more aggressive orders that will maintain tight spreads, benefitting both Members and public investors. The Exchange further believes that conditioning a Member's ability to receive the NBBO Joiner rebate on reaching a volume tier of Tier 2 or higher is consistent with the Act for the reasons described above with respect to volume-based tiers generally. The Exchange notes that by proposing qualification at Tier 2 or higher it is maintaining the same volume requirement to qualify for the NBBO Setter rebate (i.e., ADV 0.5% or more of TCV) as it previously required, though Members may potentially also qualify based on ADAV of 0.2%, and thus, additional Members may qualify for NBBO Setter rebates or the new NBBO Joiner rebates.

Finally, the Exchange believes that the proposed changes to further simplify the fee schedule and to move towards a fee schedule that is in a chart format are fair and reasonable, and non-discriminatory in that they are designed to be more easily understood by Members.

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 amended. As noted above, the changes to Exchange execution fees and rebates proposed by this filing are intended to attract order flow to the Exchange by continuing to offer competitive pricing while also creating additional incentives to provide aggressively priced displayed liquidity. Thus, while the Exchange is slightly increasing the fees to remove liquidity from the Exchange, the Exchange is offsetting such increase with additional rebates designed to enhance the liquidity available on the Exchange. Similarly, while some Members will recognize a decrease rebate for liquidity added to the Exchange, the Exchange has offered a lower volume tier in order to maintain the current rebate level as well as additional ways to reach the various volume tiers (with lower volume levels) based on added liquidity only. The Exchange's proposed NBBO Joiner rebate will benefit competition by

[9] 15 U.S.C. 78f.

[10] 15 U.S.C. 78f(b)(4).

rewarding Members that help the Exchange to join other market centers at the NBBO. Promotion of displayed liquidity at the NBBO enhances market quality for all market participants and promotes competition amongst market centers. The Exchange believes that the proposed changes as a whole will contribute to additional displayed liquidity on the Exchange, which will, in turn, benefit competition due to the improvements to the overall market quality of the Exchange.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act [11] and paragraph (f) of Rule 19b–4 thereunder.[12] 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–BATS–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–BATS–2013–054. 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 10:00 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–BATS–2013–054 and should be submitted on or before November 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[13]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–24657 Filed 10–21–13; 8:45 am]

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[11] 15 U.S.C. 78s(b)(3)(A).

[12] 17 CFR 240.19b–4(f).

[13] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–70614; File No. SR–NASDAQ–2013–129]

Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Its Schedule of Fees and Credits Applicable to Execution and Routing of Orders in Securities Priced at $1 or More per Share Under Rule 7018

October 4, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 [2] thereunder, notice is hereby given that on September 27, 2013, The NASDAQ Stock Market LLC (''NASDAQ'' 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 NASDAQ. 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

NASDAQ is proposing amend its schedule of fees and credits applicable to execution and routing of orders in securities priced at $1 or more per share under Rule 7018. NASDAQ will implement the proposed rule change on October 1, 2013.

The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaq.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. 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

NASDAQ is proposing several changes to its schedule of fees and credits applicable to execution and routing of orders in securities priced at $1 or more per share under Rule 7018. First, NASDAQ currently offers a credit of $0.0020 per share executed for midpoint pegged and midpoint post-only orders (''midpoint orders'') that provide liquidity if a member provides an average daily volume of more than 5 million shares through midpoint orders during the month and the member's average daily volume of liquidity provided through midpoint orders during the month is at least 2 million shares more than in April 2013. NASDAQ is proposing to eliminate this pricing tier for midpoint orders, because no member has ever qualified for it. Accordingly, NASDAQ believes that the tier has been ineffective at encouraging

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.