

all securities traded on the Exchange are traded pursuant to unlisted trading privileges and that the Exchange will not list any securities before first filing and obtaining Commission approval of rules that incorporate qualitative listing criteria and comply with Rule 10A-3 under the Act.¹¹ To make clear the Exchange's intention to comply with the requirements of Rule 10C-1, the Exchange proposes to amend Rule 14.1 to state that no equity securities will be listed on the Exchange until Exchange Rules have been amended to also comply with Rule 10C-1. Because the Exchange does not presently list any equity securities, the Exchange does not believe it is necessary to make any further amendments in response Section 952 of the Dodd-Frank Act at this time.

2. Statutory Basis

The Exchange believes that its proposal 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(b) of the Act.¹² Specifically, the proposal is consistent with Section 6(b)(5) of the Act,¹³ which requires exchange rules to 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, and, in general, protect investors and the public interest. The Exchange believes the proposed rule change fulfills these requirements because it will add language to Rule 14.1 that clarifies the fact that the Exchange will not list equity securities without first ensuring that its rules comply with Rule 10C-1, which implements Section 10C of the Act.¹⁴

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

BYX believes the proposal is consistent with Section 6(b)(8) of the Act¹⁵ in that it does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange notes that the proposed rule change will merely clarify the fact that Exchange Rules must comply with Rule 10C-1 under the Act before any listing of equity securities on the Exchange becomes effective. Thus, the rule change

will not impose any burden on intermarket or intramarket competition.

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 foregoing 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act¹⁶ and Rule 19b-4(f)(6)(iii) thereunder.¹⁷

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 email to rule-comments@sec.gov. Please include File Number SR-BYX-2013-037 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-BYX-2013-037. 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 20549-1090, 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-BYX-2013-037, and should be submitted on or before November 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁸

Kevin M. O'Neill,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70669; File No. SR-EDGX-2013-38]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

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 2, 2013, EDGX Exchange, Inc. (the "Exchange" or "EDGX") filed with the Securities and Exchange Commission ("Commission") the proposed rule

¹¹ 17 CFR 240.10A-3.

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ 15 U.S.C. 78j-3.

¹⁵ 15 U.S.C. 78f(b)(8).

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6).

¹⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

change as described in Items I, II and III below, which items have been prepared by the self-regulatory organization. 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 its fees and rebates applicable to Members³ of the Exchange pursuant to EDGX Rule 15.1(a) and (c) ("Fee Schedule") to add orders yielding Flag AA to the calculation of the average daily trading ("ADV") threshold required to meet the MidPoint Match Volume Tier. The text of the proposed rule change is available on the Exchange's Internet Web site at www.directedge.com, at the Exchange's principal office, and at the Public Reference Room of the Commission.

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 self-regulatory organization 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 self-regulatory organization 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its Fee Schedule to add orders yielding Flag AA to the calculation of the ADV threshold required to meet the MidPoint Match Volume Tier. Footnote 3 of the Fee Schedule currently provides that Members may qualify for the MidPoint Match Volume Tier and not be charged a fee for orders that yield Flag MM on EDGX if they add and/or remove an ADV of at least 2,500,000 shares on a daily basis, measured monthly, on EDGX, yielding flags MM (adds liquidity to MidPoint Match using the

Midpoint Match order type⁴) and/or MT (removes liquidity from MidPoint Match using MidPoint Match order type). The Exchange proposes to add orders yielding Flag AA (MidPoint Match Cross (same MPID)) to the calculation of the ADV threshold required to meet the MidPoint Match Volume Tier. The Exchange appends Flag AA to buy and sell MidPoint Match Orders that inadvertently match against each other and share the same MPID (Member shares both sides of the trade). MidPoint Match Orders yielding Flag AA would continue to be charged a rate of \$0.0012 per share. The remainder of the criteria required to meet the tier as well as the rate offered by the tier would remain unchanged.

The Exchange proposes to implement these amendments to its Fee Schedule on October 2, 2013.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,⁵ in general, and furthers the objectives of Section 6(b)(4),⁶ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities.

The Exchange believes that adding orders yielding Flag AA to the calculation of the ADV threshold required to meet the MidPoint Match Volume Tier represents an equitable allocation of reasonable dues, fees, and other charges because adding orders yielding Flag AA, like Flags MM and MT, are designed to encourage Members to add liquidity at the midpoint of the national best bid or offer ("NBBO") to the EDGX Book⁷ each month. The Exchange appends Flag AA to buy and sell MidPoint Match Orders that inadvertently match against each other and share the same MPID (Member shares both sides of the trade). MidPoint Match Orders yielding Flag AA would continue to be charged a rate of \$0.0012 per share and only the liquidity added at the midpoint of the NBBO (Flag MM) in this tier is not charged a fee. Both added and removed liquidity in Flags AA, MM and MT would be counted towards achieving the tier's ADV threshold. The Exchange believes that Members utilizing MidPoint Match Orders that add liquidity at the

midpoint of the NBBO may receive the benefit of price improvement, and including orders that yield Flag AA to the calculation of the ADV threshold of the MidPoint Match Volume Tier would be a reasonable means by which to further encourage the use of such orders. In addition, the Exchange believes that by encouraging the use of MidPoint Match Orders, Members seeking price improvement would be more motivated to direct their orders to EDGX because they would have a heightened expectation of the availability of liquidity at the midpoint of the NBBO. In addition, the Exchange also believes that the proposed amendment to the MidPoint Match Volume Tier is non-discriminatory because it applies uniformly to all Members.

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

These proposed rule changes do not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of these changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor EDGX's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

The Exchange believes that adding orders yielding Flag AA to the calculation of the ADV threshold required to meet the MidPoint Match Volume Tier would increase intermarket competition because it would lead to more competition for orders that seek liquidity at the midpoint of the NBBO. The Exchange believes that its proposal would neither increase nor decrease intramarket competition because the MidPoint Match Volume Tier would continue to apply uniformly to all Members and the ability of some Members to meet the tier would only benefit other Members by contributing to increased liquidity at the midpoint of the NBBO and better market quality at the Exchange.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The

³ The term "Member" is defined as "any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act." See Exchange Rule 1.5(n).

⁴ As defined in Exchange Rule 11.5(c)(7), the Midpoint Match Order is an order with an instruction to execute it at the midpoint of the NBBO.

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(4).

⁷ The "EDGX Book" is defined as "the System's electronic file of orders." See Exchange Rule 1.5(d).

Exchange has not received any unsolicited written comments from Members or other interested parties.

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 Act⁸ and Rule 19b-4(f)(2)⁹ thereunder. At any time within 60 days of the filing of such 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-EDGX-2013-38 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-EDGX-2013-38. 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 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-EDGX-2013-38 and should be submitted on or before November 12, 2013.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁰

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70617; File No. SR-MSRB-2013-06]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Withdrawal of Proposed Rule Change to Amend MSRB Rule A-3, on Membership on the Board, To Modify the Standard of Independence for Public Board Members

October 7, 2013.

On July 3, 2013, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² a proposed rule change consisting of amendments to MSRB Rule A-3 to modify the standard of independence for public Board members. The proposed rule change was published for comment in the *Federal Register* on July 24, 2013.³ The Commission received nine comment letters on the proposal.⁴ On September

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 70004 (July 18, 2013), 78 FR 44607.

⁴ See letters to Elizabeth M. Murphy, Secretary, Commission, from Jeanine Rodgers Caruso, CIPFA, President, National Association of Independent Public Finance Advisors, dated August 14, 2013; Barbara Roper, Director of Investor Protection, Consumer Federation of America, dated August 14, 2013; Kerry Korpi, Director of Research and Collective Bargaining, American Federation of State, County and Municipal Employees, dated August 14, 2013; Dustin T. McDonald, Director,

6, 2013, pursuant to Section 19(b)(2) of the Act,⁵ the MSRB granted an extension of time for the Commission to act on the filing until October 22, 2013. The MSRB submitted a response to comments on September 6, 2013.⁶ On October 4, 2013, the Exchange withdrew the proposed rule change (SR-MSRB-2013-06).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.⁷

Kevin M. O'Neill,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-70673; File No. SR-Phlx-2013-99]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Clarifying Rule 1014 Regarding Daily Quoting Obligations

October 11, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4² thereunder, notice is hereby given that on October 2, 2013, NASDAQ OMX PHLX LLC ("Phlx" 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 is filing with the Commission a proposal to clarify that Rule 1014 (Obligations and Restrictions

Federal Liaison Center, Government Finance Officers Association, dated August 14, 2013; Americans for Financial Reform, dated August 14, 2013; Lisa S. Good, Executive Director, National Federation of Municipal Analysts, dated August 26, 2013; Gerald Gold, dated September 4, 2013; Jeanine Rodgers Caruso, CIPFA, President, National Association of Independent Public Finance Advisors, dated September 12, 2013; and Dorothy Donohue, Deputy General Counsel—Securities Regulation, Investment Company Institute, dated September 18, 2013.

⁵ 15 U.S.C. 78s(b)(2).

⁶ See letter to Elizabeth M. Murphy, Secretary, Commission, from Gary L. Goldsholle, General Counsel, MSRB, dated September 6, 2013.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4 (f)(2).