

### 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. The Exchange reiterates that the proposed rule change is being proposed in the context of the technology integration of the BGM Affiliated Exchanges and that the changes are entirely non-substantive. The proposed changes are not designed to have any impact on competition. Rather, they are intended to provide greater harmonization between Exchange, BYX, and BZX fee schedules and make the Fee Schedule clearer and less confusing for investors. As stated above, 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 structures to be unreasonable or excessive.

### 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 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 Act<sup>15</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>16</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-EDGX-2015-04 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 EDGX-2015-04. 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 EDGX-2015-04, and should be submitted on or before February 24, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>17</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

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**BILLING CODE 8011-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-74166; File No. SR-EDGA-2015-04]

### Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Make Non-Substantive Amendments and Clarifications to the Fee Schedule

January 28, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 16, 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, 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<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> 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 Substance of the Proposed Rule Change

The Exchange filed a proposal to amend its fees and rebates applicable to Members<sup>5</sup> of the Exchange pursuant to EDGA Rule 15.1(a) and (c) ("Fee Schedule") to make several non-substantive amendments and clarifications as part of its migration onto the same technology platform as its affiliated exchanges, BATS Exchange, Inc. ("BZX") and BATS Y-Exchange, Inc. ("BYX", collectively with BZX, "BATS"). The proposed rule change does not amend any existing fees or rebates, nor do they alter the manner in which the Exchange assesses fees or calculates rebates.

The text of the proposed rule change is available at the Exchange's Web site at <http://www.batstrading.com>, at the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> 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).

<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f).

<sup>17</sup> 17 CFR 200.30-3(a)(12).

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 the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

Earlier this year, the Exchange and its affiliate, EDGX Exchange, Inc. ("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 BATS (together with BATS, EDGA and EDGX, the "BGM Affiliated Exchanges").<sup>6</sup> In the context of the Merger, the BGM Affiliated Exchanges are working to migrate EDGX and EDGA onto the BATS technology platform, and align certain system functionality and rules, retaining only intended differences between the BGM Affiliated Exchanges. As a result of these efforts, the Exchange proposes to make several non-substantive amendments and clarifications to its Fee Schedule as part of its migration onto the BATS technology platform. The Exchange notes that none of these changes substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. Specifically, the Exchange is proposing the following:

- To eliminate the lead-in text that reads, "Download in pdf format. Rebates & Charges for Adding, Removing or Routing Liquidity per share for Tape A, B, & C securities"<sup>7</sup> and replace it with the heading, "Transaction Fees."

- Replace references to the term "liquidity flag" or "flag" with the term "fee code" throughout the Fee Schedule.

- Amend the bullets under the renamed section, Transactions to: (i)

Clarify that the rates apply to a Member's transactions by adding the term "transactions"; and (ii) add a statement to clarify that, unless otherwise noted, all routing fees and rebates are for removing liquidity from the destination venue.

- Rename the section entitled, "Liquidity Flags" as "Fee Codes and Associated Fees." The Exchange also proposes to: (i) Clarify under this section which fee codes apply to removing or adding liquidity on EDGA; (ii) amend certain terminology to ensure consistent phrasing and to align with similar language included in the BATS fee schedules; and (iii) amend: (a) Fee code O to clarify that it applies to orders routed to the listing market opening or re-opening cross; (b) fee codes T, and Z to clarify that the order must be routed to a non-exchange destination;<sup>7</sup> (c) fee code R to clarify that the order is re-routed by the New York Stock Exchange, Inc. ("NYSE");<sup>8</sup> (d) amend fee code RP to reflect a change to the name of the Route Peg order to the Supplemental Peg order;<sup>9</sup> and (e) fee codes BY, RR, and SW to reflect the routing strategies that are to be added or removed upon migration of the Exchange onto BATS technology.<sup>10</sup>

- Amend the definitions of Average Daily Volume ("ADV") and Total Consolidated Volume ("TCV") to be substantially similar to the definitions for these terms in the BATS fee schedules. The only differences in the definitions are that the Exchange includes routed volume in its calculation of ADV and will exclude from its calculation of ADV and TCV shares added, removed, or routed on each trading day from January 12, 2015 up to and including January 16, 2015.<sup>11</sup>

<sup>7</sup> The Exchange notes that the routing strategies listed in the description of fee codes T and Z route orders to both exchange and non-exchange destinations. The proposed rule change is intended to clarify that fee codes T and Z will only be appended to an order when routed to a non-exchange destination pursuant to one of the listed routing strategies. Orders routed to an exchange destination pursuant to one of the listed routing strategies will include a different fee code.

<sup>8</sup> Previously, the Exchange would route re-routable orders to other exchanges in addition to the NYSE. This change is designed to reflect that the Exchange currently routes re-routable orders only to the NYSE.

<sup>9</sup> See Securities Exchange Act Release Nos. 74023 (January 9, 2015), 80 FR 2163 (January 15, 2015) (SR-EDGX-2015-03); and 74028 (January 9, 2015), 80 FR 2125 (January 15, 2015) (SR-EDGA-2015-03).

<sup>10</sup> *Id.*

<sup>11</sup> After January 16, 2015, the Exchange intends to submit a rule filing to the Commission to remove the provision to exclude from its calculation of ADV and TCV shares added, removed, or routed on each trading day from January 12, 2015 up to and including January 16, 2015 from its definitions of TCV and ADV.

- Amend the section entitled General Notes to mirror a similar section within the BATS fee schedules by: (i) Deleting the first three bullets regarding added flags, removal flags, and routed flags because, it is redundant as the description of each fee code indicates whether is it for added, removed or routed orders; (ii) adding a bullet stating that rebates and charges for adding, removing or routing liquidity are listed as per share rebates and charges; and (iii) making certain non-substantive changes to the current fifth bullet.

- Amend footnotes 1, 2, and 3 to amend the description of the each tier's criteria to align with similar description in the BATS fee schedules.

- Amend footnote 4 entitled Add Volume Tiers to amend the description of the each tier's criteria to align with similar description in the BATS fee schedules. The Exchange also proposes to amend Step-Up Tiers 1 and 2 to clarify that a Member's added ADV must be more than the Member's added ADV as a percentage of TCV during the month indicated in the tier. The Exchange also proposes to amend Step-Up Tier 2 to correctly refer to [sic] second requirement of the tier's criteria as a percentage and not a *ratio* as this portion of the criteria is incorrectly categorized as a ratio.

- Amend footnotes 8 and 12 to reflect the routing strategies that are to be added or removed upon migration of the Exchange onto BATS technology.<sup>12</sup>

#### Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on January 16, 2015.<sup>13</sup>

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>14</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>15</sup> 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 also 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 Exchange believes that the proposed rates are equitable and

<sup>12</sup> See *supra* note 9.

<sup>13</sup> The Exchange notes that the date of the Fee Schedule was amended to January 16, 2015 in a previously filed proposed rule change. See SR-EDGA-2015-01 (filed January 16, 2015).

<sup>14</sup> 15 U.S.C. 78f.

<sup>15</sup> 15 U.S.C. 78f(b)(4).

<sup>6</sup> See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-43; SR-EDGA-2013-34).

non-discriminatory in that they apply uniformly to all Members.

The Exchange believes that the non-substantive clarifying changes to its Fee Schedule are reasonable because they are designed to provide greater transparency to Members with regard to how the Exchange assesses fees and provides rebates. The Exchange notes that none of the proposed non-substantive clarifying changes are designed to amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. In particular, the proposed amendments to Step-Up Tiers 1 and 2 are reasonable and equitable because they conform to existing practice and do not modify the fees that the Exchange charges its Members that satisfy the tier's criteria. The Exchange has historically in practice and will continue to require a Member's added ADV be more than the Member's added ADV as a percentage of TCV during the month indicated in the tier when determining the Member satisfied the tier's criteria. The Exchange believes that Members would benefit from clear guidance in its Fee Schedule that describes the manner in which the Exchange would assess fees and calculate rebates. The proposed rule change is also designed, in part, to align terminology and definitions with that included in the current BATS fee schedules in order to use consistent fee schedules across the BGM Affiliated Exchanges. These changes to the Fee Schedule are intended to provide greater harmonization between Exchange, BYX, and BZX fee schedules and make the Fee Schedule clearer and less confusing for investors, thereby eliminating potential investor confusion. As such, the proposed rule change would 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.

#### *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. The Exchange reiterates that the proposed rule change is being proposed in the context of the technology integration of the BGM Affiliated Exchanges and that the changes are entirely non-substantive. The proposed changes are not designed to have any impact on competition. Rather, they are intended to provide greater harmonization between Exchange, BYX, and BZX fee schedules and make the

Fee Schedule clearer and less confusing for investors. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the deem fee structures to be unreasonable or excessive.

#### *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 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 Act<sup>16</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>17</sup> 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](mailto:rule-comments@sec.gov). Please include File Number SR-EDGA-2015-04 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-EDGA-2015-04. 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-EDGA-2015-04, and should be submitted on or before February 24, 2015.

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

**Jill M. Peterson,**  
*Assistant Secretary.*

[FR Doc. 2015-02016 Filed 2-2-15; 8:45 am]

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-74164; File No. SR-BYX-2015-04]**

### **Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Chapter IX of Its Rulebook To Incorporate Certain Rules of NASDAQ and FINRA Relating to Arbitration and Mediation**

January 28, 2015.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 14, 2015, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been substantially prepared by the Exchange.

<sup>18</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 CFR 240.19b-4(f).