

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75478; File No. SR-EDGX-2015-34]

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

July 17, 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 July 14, 2015, EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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 schedule of fees and rebates applicable to Members<sup>5</sup> and non-Members of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (“Fee Schedule”) to correct a typographical error on the Fee Schedule and to make additional changes intended to improve the Fee Schedule.

The text of the proposed rule change is available at the Exchange’s Web site at [www.batstrading.com](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 submitted a proposed rule change with the Commission, for effectiveness on July 6, 2015, to modify the Exchange’s Fee Schedule.<sup>6</sup> Pursuant to the filing, the Exchange removed various footnotes, including footnotes 11 and 12 from the prior Fee Schedule, and also added back in a new footnote 11. In connection with this change, the Exchange erroneously appended footnote 12 to a new fee code, fee code HI, even though there is no longer a footnote 12. The Exchange proposes to eliminate the reference to footnote 12 with respect to fee code HI.

In addition to deleting the reference to footnote 12, the Exchange proposes to append footnote 11 to fee code HA. Fee code HA is appended to orders with a Non-Displayed<sup>7</sup> instruction that add liquidity. New footnote 11 that was added as of July 6, 2015, provides additional information to readers of the Fee Schedule regarding the application of the liquidity code to the Reserve Quantity<sup>8</sup> of orders as well as orders with a Discretionary Range<sup>9</sup> instruction, making clear that pricing applicable to added non-displayed liquidity does not apply to such orders. The Exchange proposes to also append this new footnote to fee code HA, which also relates to orders with a Non-Displayed instruction.

The Exchange also proposes to modify footnote 11, which, as noted above, was recently added by the Exchange. The current footnote states that the “fee” for adding non-displayed liquidity does not apply to the Reserve Quantity of an order or an order with a Discretionary Range instruction. In this case, the Exchange intended the term “fee” to mean “pricing.” However, to avoid confusion, given that the current pricing for adding non-displayed liquidity yielding either fee code HA or HI is

either without fee or results in a rebate, the Exchange proposes to amend the footnote to read that the “fee or rebate” for adding non-displayed liquidity does not apply to the Reserve Quantity of an order or an order with a Discretionary Range instruction.

Finally, the Exchange notes that each of the above proposed changes do not amend the amount or application of any fee or rebate.

###### Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule immediately.

###### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>11</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. Specifically, the Exchange believes it is equitable, reasonable and non-discriminatory to delete fee reference to footnote 12, append footnote 11 to fee code HA, and modify footnote 11 as described above because each of these changes are designed to avoid investor confusion and improve the Exchange’s Fee Schedule.

##### (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. The proposed rule change corrects a typographical error recently introduced to the Fee Schedule and also provides additional information to readers of the Fee Schedule by appending footnote 11 to fee code HA and modifying footnote 11 as described above. The proposed changes do not amend the amount or application of any fee or rebate.

##### (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.

<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 that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

<sup>6</sup> See Securities Exchange Act Release No. 75435 (July 13, 2015) (SR-EDGX-2015-32).

<sup>7</sup> See Exchange Rule 11.6(e)(2).

<sup>8</sup> See Exchange Rule 11.6(m).

<sup>9</sup> See Exchange Rule 11.6(d).

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(4).

### 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>12</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>13</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-2015-34 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-EDGX-2015-34. 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 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-EDGX-2015-34 and should be submitted on or before August 13, 2015.

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

Robert W. Errett,

Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75482; File No. SR-ISE-2015-23]

### Self-Regulatory Organizations; International Securities Exchange, LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Extend the Price Improvement Mechanism Pilot Program

July 17, 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 July 16, 2015, the International Securities Exchange, LLC (the "Exchange" or the "ISE") 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 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 ISE proposes to extend two pilot programs related to its Price Improvement Mechanism ("PIM"). The text of the proposed rule change is available on the Exchange's Web site [www.ise.com](http://www.ise.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

<sup>14</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.

#### 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 Statutory Basis for, the Proposed Rule Change

###### 1. Purpose

The Exchange currently has two pilot programs related to its PIM (collectively, the "PIM Pilot Programs" or "Pilot Programs").<sup>3</sup> The current Pilot Period provided in paragraphs .03 and .05 of the Supplementary Material to Rule 723 is set to expire on July 17, 2015.<sup>4</sup> Paragraph .03 provides that there is no minimum size requirement for orders to be eligible for the Price Improvement Mechanism. Paragraph .05 concerns the termination of the exposure period by unrelated orders. In accordance with the Approval Order, the Exchange has continually submitted certain data in support of extending the current Pilot Programs. The Exchange proposes to extend these Pilot Programs in their present form, through July 18, 2016, to give the Exchange and the Commission additional time to evaluate the effects of these Pilot Programs before the Exchange requests permanent approval of the rules. To aid the Commission in its evaluation of the PIM Functionality, ISE represents that it will provide

<sup>3</sup> See Securities Exchange Act Release Nos. 50819 (December 8, 2004), 69 FR 75093 (December 15, 2004) (SR-ISE-2003-06) (Approving the PIM pilot (the "Approval Order")); 52027 (July 13, 2005), 70 FR 41804 (July 20, 2005) (SR-ISE-2005-30); 54146 (July 14, 2006), 71 FR 41490 (July 21, 2006) (SR-ISE-2006-39); 56106 (July 19, 2007), 72 FR 40914 (July 25, 2007) (SR-ISE-2007-62); 56156 (July 27, 2007), 72 FR 43305 (August 3, 2007) (SR-ISE-2007-66); 58197 (July 18, 2008), 73 FR 43810 (July 28, 2008) (SR-ISE-2008-60); 60333 (July 17, 2009), 74 FR 36792 (July 24, 2009) (SR-ISE-2009-52); 62513 (July 16, 2010), 75 FR 43221 (July 23, 2010) (SR-ISE-2010-75); 64931 (July 20, 2011), 76 FR 44642 (July 26, 2011) (SR-ISE-2011-41); 67202 (June 14, 2012), 77 FR 36589 (June 19, 2012) (SR-ISE-2012-54); 69853 (June 25, 2013), 78 FR 39390 (July 1, 2013) (SR-ISE-2013-41); and 72467 (June 25, 2014), 79 FR 37377 (July 1, 2014) (SR-ISE-2014-33).

<sup>4</sup> See Securities Exchange Act Release No. 34-72467 (June 25, 2014), 79 FR 37377 (July 1, 2014) (SR-ISE-2014-33).

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>13</sup> 17 CFR 240.19b-4(f).