

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68783; File No. SR-EDGA-2013-02]

### Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendment to EDGA Rule 13.9

January 31, 2013.

#### Correction

In notice document 2013-02624, appearing on pages 8657-8659 in the issue of Wednesday, February 6, 2013, make the following correction:

On page 8657, in the third column, the Release No. and File No., which were inadvertently omitted from the document heading, are added to read as set forth above.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-68909; File No. SR-BX-2013-011]

### Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify BX's Fee Schedule Governing Order Execution

February 12, 2013.

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 31, 2013, NASDAQ OMX BX, Inc. ("BX" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a 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 the Substance of the Proposed Rule Change

BX proposes to modify BX's fee schedule governing order execution. BX will implement the proposed change on February 1, 2013. The text of the proposed rule change is available at <http://nasdaqomxbx.cchwallstreet.com/>, at BX's principal office, and at the Commission's Public Reference Room.

<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 those statements may be examined at the places specified in Item III [sic] 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

BX is amending its fee schedule governing order execution. All of the changes pertain to securities priced at \$1 or more per share. Currently, BX pays no credit with respect to orders that execute against a midpoint pegged order; a credit of \$0.0014 per share executed for routable orders that access liquidity in BX (other than orders that execute against a midpoint pegged order); a credit of \$0.0014 per share executed for orders that access liquidity if entered through a BX MPID through which the member (i) accesses an average daily volume of 3.5 million or more shares of liquidity during the month, or (ii) provides an average daily volume of 25,000 or more shares of liquidity during the month (other than orders that execute against a midpoint pegged order); and a credit of \$0.0005 per share executed for all other orders that access liquidity in BX. BX is making the following changes to these fees:

- Modifying the pricing tier that currently requires providing an average daily volume of 25,000 or more shares of liquidity, such that providing an average daily volume of 1 million or more shares of liquidity would be required;

- Instituting a new pricing tier under which a member would receive a credit of \$0.0010 per share executed for an order (other than an order that executes against a midpoint pegged order) entered through an MPID through which the member provides an average daily volume of at least 25,000, but less than 1 million, shares of liquidity during the month;

- Decreasing the credit applicable to orders to which no special credit applies from \$0.0005 to \$0.0004 per share executed.

As a result of the changes, the requirements for one of the means by which a member may receive a credit of \$0.0014 per share executed will be increased. However, the remaining means of receiving this credit, including use of routable orders, will remain unchanged. Moreover, a new pricing tier is being created so that members that have received this credit due to their levels of liquidity provision but that do not qualify for the higher requirements will still receive a credit of \$0.0010 per share executed, a credit that is more than twice as high as the base credit of \$0.0004 per share executed.

Second, with respect to orders that provide liquidity, BX currently charges \$0.0015 per share executed for a displayed order entered by a Qualified Liquidity Provider through a Qualified MPID;<sup>3</sup> and \$0.0018 per share executed for all other orders. BX is making the following changes to these fees:

- For a midpoint pegged order that provides liquidity, BX will charge \$0.0015 per share executed. Midpoint pegged orders are non-displayed orders that execute at the midpoint between the national best bid and offer ("NBBO"), thereby providing price improvement to orders that execute against them.
- For other types of non-displayed orders, BX will charge \$0.0025 per share executed.

This change is similar in structure to pricing on The NASDAQ Stock Market, where members that provide liquidity using midpoint pegged orders receive a higher credit than with respect to other forms of non-displayed orders. This pricing approach reflects the view that although displayed orders are generally preferred to non-displayed orders because they assist in price discovery, the use of midpoint orders should also be encouraged through pricing incentives because they provide price improvement.

###### 2. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and with Sections 6(b)(4) and (5) of the Act,<sup>5</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which BX operates or

<sup>3</sup> A Qualified Liquidity Provider is required to meet certain standards with regard to volumes of liquidity accessed and provided. A Qualified MPID is an MPID through which a Qualified Liquidity Provider achieves certain requirements with respect to quoting at the NBBO. See Rule 7018(a)(1) and (2).

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

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (5).