summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Regulation G (17 CFR 244.100–244.102) under the Securities Exchange Act of 1934 (the ''Exchange Act'') (15 U.S.C. 78a *et seq.*) requires publicly reporting companies that disclose or releases financial information in a manner that is calculated or presented other than in accordance with generally accepted accounting principles (''GAAP'') to provide a reconciliation of the non-GAAP financial information to the most directly comparable GAAP financial measure. Regulation G implemented the requirements of Section 401 of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7261). We estimate that approximately 14,000 public companies must comply with Regulation G approximately six times a year for a total of 84,000 responses annually. We estimated that it takes approximately 0.5 hours per response (84,000 x 0.5 hours) for a total reporting burden of 42,000 hours annually.

Written comments are invited on: (a) Whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collections of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Please direct your written comments to Pamela Dyson, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549; or send an email to: *PRA_Mailbox@sec.gov.*

Dated: January 9, 2015.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2015–00534 Filed 1–14–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request Copies Available From: U.S. Securities and Exchange Commission, Office of FOIA Services, 100 F Street NE., Washington, DC 20549–2736.

Extension:
Regulation BTR;
OMB Control No. 3235–0579, SEC File No. 270–521.

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (''Commission'') is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (''OMB'') for extension and approval.

Regulation Blackout Trade Restriction (''Regulation BTR'') (17 CFR 245.100–245.104) clarifies the scope and application of Section 306(a) of the Sarbanes-Oxley Act of 2002 (''Act'') (15 U.S.C. 7244(a)). Section 306(a)(6) [15 U.S.C.7244(a)(6)] of the Act requires an issuer to provide timely notice to its directors and executive officers and to the Commission of the imposition of a blackout period that would trigger the statutory trading prohibition of Section 306(a)(1) [15 U.S.C. 7244(a)(1)]. Section 306(a) of the Act prohibits any director or executive officer of an issuer of any equity security, directly or indirectly, from purchasing, selling or otherwise acquiring or transferring any equity security of that issuer during any blackout period with respect to such equity security, if the director or executive officer acquired the equity security in connection with his or her service or employment. Approximately 1,230 issuers file Regulation BTR notices approximately 5 times a year for a total of 6,150 responses. We estimate that it takes approximately 2 hours to prepare the blackout notice for a total annual burden of 2,460 hours. The issuer prepares 75% of the 2,460 annual burden hours for a total reporting burden of (1,230 × 2 × 0.75) 1,845 hours. In addition, we estimate that an issuer distributes a notice to five directors and executive officers at an estimated 5 minutes per notice (1,230 blackout period × 5 notices × 5 minutes) for a total reporting burden of 512 hours. The combined annual reporting burden is (1,845 hours + 512 hours) 2,357 hours.

Written comments are invited on: (a) Whether this collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (b) the accuracy of the agency's estimate of the burden imposed by the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Please direct your written comment to Pamela Dyson, Acting Director/Chief Information Officer, Securities and Exchange Commission, c/o Remi Pavlik-Simon, 100 F Street NE., Washington, DC 20549 or send an email to: *PRA_Mailbox@sec.gov.*

Dated: January 9, 2015.

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2015–00533 Filed 1–14–15; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74028; File No. SR–EDGA–2015–03]

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Amend Certain Rules To Adopt or Align System Functionality With That Currently Offered by BATS Exchange, Inc. and BATS Y-Exchange, Inc.

January 9, 2015.

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 January 9, 2015, EDGA Exchange, Inc. (the ''Exchange'' or ''EDGA'') filed with the Securities and Exchange Commission (the ''Commission'') the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a ''non-controversial'' proposed rule change pursuant to Section 19(b)(3)(A) of the

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

[2] 17 CFR 240.19b–4.

Act [3] and Rule 19b–4(f)(6)(iii) thereunder,[4] which renders it 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 certain rules to adopt or align system functionality with that currently offered by BATS Exchange, Inc. (''BZX'') and BATS Y-Exchange, Inc. (''BYX'', collectively with BZX, ''BATS'') in order to provide a consistent technology offering amongst the Exchange and its affiliates. These changes are described in detail below and include amending: (i) Rule 11.1 regarding the Exchange's trading sessions and hours of operation; (ii) Rule 11.6, Definitions; (iii) Rule 11.7, Opening Process; (iv) Rule 11.8, Order Types; (v) Rule 11.9, Priority of Orders; (vi) Rule 11.10, Order Execution; and (vii) Rule 11.11, Routing to Away Trading Centers.

The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BATS. The Exchange notes that the proposed rule text is based on the rules and is different only to the extent necessary to conform to the Exchange's current rules.

The Exchange does not believe that the proposed rule change will have any direct or significant indirect effect on any other Exchange rule in effect at the time of this filing.

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

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

[4] 17 CFR 240.19b–4(f)(6)(iii).

A. Self-Regulatory Organization's Statement of the Purpose of, and 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'').[5] 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, retaining only intended differences between the BGM Affiliated Exchanges. As a result of these efforts, the Exchange proposes to amend: (i) Rule 11.1 regarding the Exchange's trading sessions and hours of operation; (ii) Rule 11.6, Definitions; (iii) Rule 11.7, Opening Process; (iv) Rule 11.8, Order Types; (v) Rule 11.9, Priority of Orders; (vi) Rule 11.10, Order Execution; and (vii) Rule 11.11, Routing to Away Trading Centers.

The proposed amendments are intended to align certain system functionality with that currently offered by BATS in order to provide a consistent technology offering for Users [6] of the BGM Affiliated Exchanges. The Exchange notes that the proposed rule text is based on the BATS Rule and is different only to the extent necessary to conform to the Exchange's current rules.[7] The proposed amendments do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX or BYX.

Rule 11.1, Hours of Trading and Trading Days

Current Functionality. Rule 11.1 sets forth when orders may be entered into the System [8] and outlines a User's ability to select the trading sessions for which an order may be eligible for execution. Proposed Rule 11.1(a)(1), Session Indicator, describes each of the Exchange's existing trading sessions. A User may select the particular trading sessions for which their order(s) may be eligible for execution. Specifically, orders designated as: ''Pre-Opening Session'' are eligible for execution between 8:00 a.m. Eastern Time and 4:00 p.m. Eastern Time; ''Regular Session'' are eligible for execution between the completion of the Opening Process or a Contingent Open as defined in proposed Rule 11.7 (described below), whichever occurs first, and 4:00 p.m. Eastern Time, unless otherwise noted; [9] ''Post-Closing Session'' are eligible for execution between the start of the Regular Session and 8:00 p.m. Eastern Time; and ''All Sessions'' are eligible for execution between 8:00 a.m. and 8:00 p.m. Eastern Time.

Under Rule 11.1(a)(1), orders may be entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time, but orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the session selected by the User. All orders are eligible for execution during the Regular Session. A User may designate that their order to be eligible for the Pre-Opening and/or Post-Closing Sessions. If the User does not select a particular session or sessions, the order will default to the Regular Session only.

Proposed Functionality. To align with BATS functionality, the Exchange proposes to amend Rule 11.1(a)(1) to allow Users to designate when their order is eligible for execution by selecting the desired Time-In-Force (''TIF'') instruction under Exchange Rule 11.6(q) [10] and not by selecting a particular trading session, as is currently required. Therefore, the Exchange proposes to delete references to the Pre-Opening Session, Regular Session, Post-Closing Session, and All Sessions indicators set forth under Rule 11.1(a)(1)(A)–(D). These session indicators will no longer be available upon completion of the technology integration and Users will designate the session(s) during which their order is eligible for execution by selecting the

[5] *See* Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR–EDGX–2013–43; SR–EDGA–2013–34).

[6] The term ''User'' is defined as ''any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.'' *See* Exchange Rule 1.5(ee).

[7] To the extent a proposed rule change is based on an existing BATS Rule, the language of the BATS and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange Rules but not currently included in BATS rules based on the current structure of such rules.

[8] Exchange Rule 1.5(cc) defines ''System'' as ''the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.''

[9] Beginning at 9:30:00 a.m. Eastern Time, the System will accept: (i) Incoming orders designated as Intermarket Sweep Orders (''ISOs''), and (ii) orders with a time-in-force instruction other than Regular Hours Only. This is to assist Members' compliance with Rule 611 of Regulation NMS.

[10] The Exchange also proposes to and its TIF instructions under Rule 11.6(q) to align with BATS Rule 11.9(b). The changes are described in more detail below.

desired TIF instruction under Exchange Rule 11.6(q). The Exchange also proposes to no longer default orders to the Regular Session where another session indicator is not selected by the User. Thus, Users will be required to select a TIF instruction. Pre-Opening Session [11] and Post-Closing Session [12] will continue to be defined under Exchange Rule 1.5. The Exchange also proposes to retain but relocate the definition of Regular Session to Rule 1.5 as new paragraph (hh).

The Exchange also proposes to amend Rule 11.1(a)(1) to align with recent rule changes filed with the Commission by BATS.[13] As proposed, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the Pre-Opening Session or Regular Trading Hours, depending on the time-in-force selected by the User. The Exchange proposes to further amend Rule 11.1(a)(1) to state that the following orders will not be accepted prior to 8:00 a.m. Eastern Time: orders with a Post Only instruction, ISOs, Market Orders with a TIF instruction other than Regular Hours Only (''RHO''), orders with a Minimum Execution Quantity instruction that also include a TIF instruction of RHO, and all orders with a TIF instruction of Immediate or Cancel (''IOC'') or Fill Or Kill (''FOK''). At the commencement of the Pre-Opening Session, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time orders will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the EDGA Book, routed, cancelled, or executed in accordance with the terms of the order.

Rule 11.6, Definitions

Rule 11.6, Definitions, sets forth in one rule current defined terms and order instructions that are utilized in Chapter XI. Rule 11.6 also includes additional defined terms and instructions to aid in describing System functionality and the operation of the Exchange's order types. The Exchange proposes to amend Rule 11.6 to align certain sections with BATS functionality and rules as part of the technology integration. These changes are described below and include: (i) Amending subparagraph (a) regarding Attribution; (ii) amending paragraph (d) regarding Discretionary Range; (iii) amending paragraph (h) regarding Minimum Execution Quantity; (iv) amending subparagraph (j) regarding the Pegged order instruction; (v) amending subparagraph (k) regarding the definition of Permitted Price; (vi) amending subparagraph (l)(1)(A) regarding the Price Adjust Re-Pricing instruction to allow for multiple re-pricing; (vii) renaming the Hide Not Slide re-pricing instruction under Rule 11.8(l)(1)(B) as Displayed Price Sliding and amending the rule to allow for multiple re-pricing; (viii) deleting subparagraph (l)(1)(B)(i) to decommission the Routed and Returned Re-Pricing instruction; (ix) amending subparagraph (l)(2) to decommission Short Sale Price Adjust and Short Sale Price Sliding, and adopt the BATS short sale re-pricing process; (x) amending subparagraph (l)(3) regarding the re-pricing of Non-Displayed Orders; (xi) amending subparagraph (m)(1) regarding Replenishment Amounts; (xii) amending subparagraph (m)(2) regarding the Super Aggressive order instruction; and (xiii) amending subparagraph (q) regarding TIF instructions. As stated above, the proposed amendments to Rule 11.6 do not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BZX or BYX.[14] Each of these amendments are described in more detail below.

Attribution (Rule 11.6(a))

Pursuant to Rule 11.6(a), where a User includes an Attributable instruction with an order, the User's Market Participant Identifier (''MPID'') is visible via the Exchange's Book Feed.[15] Conversely, if an order is to be Non-Attributable,[16] the User's MPID is not visible via the Exchange's Book Feed. Under Exchange Rule 11.6(a)(1), unless the User elects otherwise, all orders are automatically defaulted by the System to Non-Attributable. Further, under Rule 11.6(a)(2), a User may elect an order to be Attributable on an order-by-order basis or instruct the Exchange to default all of its orders as Attributable on a port-by-port basis. However, pursuant to Rule 11.6(a), if a User instructs the Exchange to default all its orders as Attributable on a particular port, such User would not be able to designate any order from that port as Non-Attributable.

The Exchange proposes to amend Rule 11.6(a)(2) to provide Users with additional flexibility when designating all of its orders as Attributable on a particular port consistent with BATS functionality. As amended, Rule 11.6(a)(2) would provide a User that instructs the Exchange to default all of its orders as Attributable on a particular port the ability to override that setting and designate an individual order from that port as Non-Attributable. This proposed rule change is representative of additional detail with regard to the operation of orders with an Attributable instruction in the Exchange's rules. While the proposed rule change is not directly based on an existing BATS Rule, as BATS rules do not currently address port level settings with respect to attribution, the Exchange believes that amending its current rule text to accurately describe how a Member may designate their orders as Attributable or Non-Attributable will provide them with increased transparency regarding how the System operates.

Cancel Back (Rule 11.6(b))

Cancel Back is an instruction a User may attach to an order instructing the System to cancel an order, when, if displayed by the System on the EDGA Book [17] at the time of entry, the order would create a violation of Rule 610(d) of Regulation NMS, Rule 201 of Regulation SHO, or the order cannot otherwise be executed or posted by the System to the EDGA Book at its limit price.

The Exchange proposes to amend the definition of Cancel Back to remove the requirement that the order only be cancelled where it creates a violation of Rule 610(d) of Regulation NMS, Rule 201 of Regulation SHO, or cannot otherwise be executed or posted by the System to the EDGA Book at its limit price upon entry. Removal of the phrase ''upon entry'' from Rule 11.6(b) would enable an order with a Cancel Back instruction that is posted to the EDGA Book to be cancelled if it subsequently creates a violation of Rule 610(d) of Regulation NMS, Rule 201 of Regulation SHO, or the cannot otherwise be executed or continue to be posted by the System to the EDGA Book at its limit price. The proposed amendment would align the operation of the Exchange's

[11] Pre-Opening Session is defined as ''the time between 8:00 a.m. and 9:30 a.m. Eastern Time.'' *See* Exchange Rule 1.5(s).

[12] Post-Closing Session is defined as ''the time between 4:00 p.m. and 8:00 p.m. Eastern Time.'' *See* Exchange Rule 1.5(r).

[13] *See* Securities Exchange Act Release Nos. 73745 (December 4, 2014), 79 FR 73359 (December 10, 2014) (SR–BATS–2014–062); 73744 (December 4, 2014), 79 FR 73369 (December 10, 2014) (SR–BYX–2014–036).

[14] *See supra* note 7.

[15] *See* EDGA Rule 11.6(a). The EDGA Book Feed is a data feed that contains all displayed orders for listed securities trading on EDGA, order executions, order cancellations, order modifications, order identification numbers, and administrative messages. *See* Exchange Rule 13.8(a).

[16] *See* Exchange Rule 11.6(a)(1).

[17] The term ''EDGA Book'' is defined as ''the System's electronic file of orders.'' *See* EDGA Rule 1.5(d).

Cancel Back instruction with current BATS Rule 11.13.[18]

Discretionary Range (Rule 11.6(d))

Discretionary Range is an instruction the User may attach to an order to buy (sell) a stated amount of a security at a specified, displayed price with discretion to execute up (down) to a specified, non-displayed price. The Exchange proposes to remove the prohibition that the Discretionary Range of an order to buy (sell) cannot be more than $0.99 higher (lower) than the order's displayed price because, upon migration of the Exchange onto BATS technology, the Discretionary Range of an order will not be limited to $0.99. This proposed rule change is representative of additional detail with regard to the operation of orders with Discretionary Range in the Exchange's rules. In addition, no such limitation is included in BATS or BYX Rules 11.9(c)(10) regarding Discretionary Orders and the BATS systems effectively do not incorporate such a limitation.

Minimum Execution Quantity (Rule 11.6(h))

Minimum Execution Quantity is an instruction a User may attach to an order with a Non-Displayed[19] instruction requiring the System to execute the order only to the extent that a minimum quantity can be satisfied by execution against a single order or multiple aggregated orders simultaneously. Unless the User elects otherwise, any shares remaining after a partial execution will be executed at a size that is equal to or exceeds the Minimum Execution Quantity. Thus, under current Exchange Rules and functionality a User can elect that a Minimum Execution Quantity only apply to an initial execution but not any remaining shares after such execution. The Exchange proposes to amend Minimum Execution Quantity to reflect that, upon migration of the Exchange onto BATS technology, any shares remaining after a partial execution will continue to be executed at a size that is equal to or exceeds the Minimum Execution Quantity, regardless of the Users instructions. A User who wishes otherwise may cancel and resubmit their order without a Minimum Execution Quantity. In addition, currently the Minimum Execution Quantity instruction will not apply where the number of shares remaining after a partial execution are less than the quantity provided in the instruction. As amended, in such case, the Minimum Execution Quantity will equal the number of remaining shares, which is similar to current Exchange functionality. Like above, a User who wishes otherwise may cancel and resubmit their order with a new Minimum Execution Quantity. As amended, the Minimum Execution Quantity instruction will operate similarly to the BATS Minimum Quantity Order under BATS Rule 11.9(c)(5).[20]

Pegged (Rule 11.6(j))

Current Functionality. An order with a Pegged instruction enables a User to specify that the order's price will peg to a price a certain amount away from the NBB or NBO (offset). If an order with a Pegged instruction displayed on the Exchange would lock the market, the price of the order will be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers). A new time stamp is created for the order each time it is automatically adjusted and orders with a Pegged instruction are not eligible for routing pursuant to Rule 11.11. For purposes of the Pegged instruction, the System's calculation of the NBBO does not take into account any orders with Pegged instructions that are resting on the EDGA Book. An order with a Pegged instruction is cancelled if an NBB or NBO, as applicable, is no longer available.

An order with a Pegged instruction may be a Market Peg or Primary Peg. An order that includes a Primary Peg instruction will have its price pegged by the System to the NBB, for a buy order, or the NBO for a sell order. A User may, but is not required to, select an offset equal to or greater than one Minimum Price Variation[21] above or below the NBB or NBO that the order is pegged to. An order with a Primary Peg instruction is currently eligible to join the Exchange's Best Bid or Offer (''Exchange BBO'') when the EDGA Book has been locked or crossed by another market. If an order with a Primary Peg instruction creates a Locking Quotation[22] or Crossing Quotation,[23] the price of the order is automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers).

An order that includes a Market Peg instruction will have its price pegged by the System to the NBB, for a sell order, or the NBO, for a buy order. An order with a Market Peg instruction that is to be displayed by the System on the EDGA Book must include an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. If a User does not select an offset, the System will automatically include an offset on an order to buy (sell) that is equal to one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to. For an order with a Non-Displayed instruction, a User may, but is not required to, select an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to.

Proposed Functionality. The Exchange proposes to amend the Pegged instruction under Rule 11.6(j) to align

[18] Under BATS Rule 11.13, ''an order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.13(a)(2) below and cannot be posted to the BATS Book.'' The cancelling back of an order under Rule 11.13 is not limited to cancellation upon entry. *See also* BATS Rule 11.9(g)(1)(D).

[19] The term ''Non-Displayed'' is defined as ''[a]n instruction the User may attach to an order stating that the order is not to be displayed by the System on the EDGA Book.'' *See* Exchange Rule 1.5(e)(2).

[20] *See* Securities Exchange Act Release Nos. 72646 (July 21, 2014), 79 FR 43516 (July 25, 2014) (SR–BATS–2014–027) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 11.9, 11.12, 11.18, 21.1 and 21.7 of BATS Exchange, Inc.); 72647 (July 21, 2014), 79 FR 43522 (July 25, 2014) (SR–BYX–2014–010) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 11.9, 11.12, and 11.18 of BATS Y–Exchange, Inc.). As amended, Exchange Rule 11.6(h) only differs from BATS Rule 11.9(c)(5) to extent necessary to conform with existing rule text or to account for details or descriptions currently included in the Exchange's Rule that are not included in BATS Rule 11.9(c)(5).

[21] The term ''Minimum Price Variation'' is defined as ''[b]ids, offers, or orders in securities traded on the Exchange shall not be made in an increment smaller than: (i) $0.01 If those bids, offers, or orders are priced equal to or greater than $1.00 per share; or (ii) $0.0001 if those bids, offers, or orders are priced less than $1.00 per share; or (iii) any other increment established by the Commission for any security which has been granted an exemption from the minimum price increments requirements of SEC Rule 612(a) or 612(b) of Regulation NMS.'' *See* Exchange Rule 11.6(i).

[22] The term ''Locking Quotation'' is defined as ''[t]he display of a bid for an NMS stock at a price that equals the price of an offer for such NMS stock previously disseminated pursuant to an effective national market system plan, or the display of an offer for an NMS stock at a price that equals the price of a bid for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.'' *See* Exchange Rule 11.6(g).

[23] The term ''Crossing Quotation'' is defined as ''[t]he display of a bid (offer) for an NMS stock at a price that is higher (lower) than the price of an offer (bid) for such NMS stock previously disseminated pursuant to an effective national market system plan in violation of Rule 610(d) of Regulation NMS.'' *See* Exchange Rule 11.6(c).

with BATS Rule 11.9(c)(8).[24] First, the Exchange proposes to no longer cancel an order with a Pegged instruction where the NBB or NBO, as applicable, is no longer available. In such case, instead of being cancelled, the order will not be eligible for execution. The order will receive a new time stamp and be eligible for execution where the NBB or NBO it is pegged to becomes available.

Second, the Exchange proposes to amend the Market Peg instruction under Rule 11.6(j)(1) to state that such orders are not eligible for display on the EDGA Book. As a result, the Exchange also proposes to delete the requirement that an order with a Market Peg instruction that is to be displayed on the EDGA Book must include an offset for an order to buy (sell) that is equal to or greater than one Minimum Price Variation below (above) the NBO (NBB) that the order is pegged to.

Third, the Exchange proposes to amend the Primary Peg instruction under Rule 11.6(j)(2) to define an offset equal to or greater than one Minimum Price Variation above or below the NBB or NBO that the order is pegged to as the ''Primary Offset Amount''. The Exchange also proposes to specify that the Primary Offset Amount for an order with a Primary Peg instruction that is to be displayed on the EDGA Book must result in the price of such order being inferior to or equal to the inside quote on the same side of the market.

Fourth, the Exchange proposes to amend the provisions governing the operation of an order with a Primary Peg instruction during a locked or crossed market. As proposed, an order with a Primary Peg instruction will no longer be able to join the Exchange BBO when the EDGX Book [sic] is locked or crossed by another market. When the EDGX Book [sic] is crossed by another market, the Exchange proposes to automatically adjust an order with a Primary Peg instruction to the current NBO (for bids) or the current NBB (for offers). For example, assume the NBBO is $10.08 x $10.09. An order with a Primary Peg instruction to buy with a limit price of $10.10 is entered and displayed by the System at $10.08, the current NBB. Assume the NBO updates to $10.07, resulting in a crossed market. The order with a Primary Peg instruction to buy would then be pegged and displayed at $10.07, the updated NBO.

Rule 11.6(j)(2) will continue to require that an order with a Primary Peg instruction that would otherwise be a Locking Quotation or Crossing Quotation be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers). For example, assume the NBBO is $10.09 × $10.08, resulting in a crossed market. An order with a Primary Peg instruction to buy with a limit price of $10.10 is entered and displayed by the System at $10.07, one Minimum Price Variation below the current NBB. Assume the NBBO is updated to $10.08 × $10.09, the order with a Primary Peg instruction to buy would then be pegged and displayed at $10.08, the updated NBB now that the market is no longer crossed. This proposed rule change is representative of additional detail with regard to the operation of orders with a Pegged instruction during locked or crossed markets that is currently included in Rule 11.6(j) and is consistent with Exchange's current re-pricing options under Rule 11.6(l), as well as Exchange Rule 11.10(f) and BATS Rule 11.20(a)(3), which outline the prohibition against displaying locking and crossing quotations under Rule 610 of Regulation NMS.

Permitted Price (Rule 11.6(k))

Permitted Price is currently defined as the price at which a sell order will be priced, ranked and displayed at one Minimum Price Variation above the NBB. As amended, the definition of Permitted Price will only state that it is the price that the order is displayed at one Minimum Price Variation above the NBBO.[25] This is to update the definition of Permitted Price to reflect the decommissioning of the Short Sale Price Adjust and Short Sale Price Sliding instructions and the proposed amendment that an order with both a Short Sale instruction and Hide Not Slide instruction will be ranked at the mid-point of the NBBO, but displayed at the Permitted Price discussed below. While the amended definition of Permitted Price is not identical to the definition of Permitted Price under BATS Rules, any differences are necessary to conform the proposed rule text with the other proposed rule changes described above.

Re-Pricing (Rule 11.6(l))

The Exchange currently offers re-pricing instructions which, in all cases, result in the ranking and/or display of an order at a price other than the order's limit price in order to comply with applicable securities laws and Exchange Rules. Specifically, the Exchange's re-pricing instructions are designed to permit Users to comply with Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO. Rule 11.6(l) sets forth the re-pricing instructions currently available to Users with regard to Regulation NMS compliance—Price Adjust, Hide Not Slide, and Routed and Returned Re-Pricing, and with regard to Regulation SHO compliance—Short Sale Price Adjust and Short Sale Price Sliding. The Exchange now proposes to amend its re-pricing instructions to streamline the re-pricing options available to Users in order to align Exchange functionality with that of BATS.

Re-Pricing Instructions To Comply With Rule 610(d) of Regulation NMS

The Exchange proposes to amend its re-pricing instructions to comply with Rule 610(d) of Regulation NMS as follows: (i) Amend the Price Adjust instruction to enable Users to elect that their order be adjusted multiple times in response to changes in the NBBO; rename the Hide Not Slide instruction as Displayed Price Sliding and amend it to allow for multiple re-pricing; and (iii) delete Routed and Returned Re-Pricing.

Routed and Returned Re-Pricing (Rule 11.6(l)(1)(B)(i)). The Exchange proposes to delete the Routed and Returned Re-Pricing instruction under Rule 11.6(l)(1)(B)(i). Pursuant to current Exchange Rules and Functionality, under the Routed and Returned Re-Pricing instruction, a Limit Order that is returned to the EDGA Book after being routed to an away Trading Center with a limit price that would cause the order to be a Locking Quotation or Crossing Quotation will be displayed by the System on the EDGA Book at a price that is one Minimum Price Variation lower (higher) than the Locking Price[26] for orders to buy (sell), will be ranked at the Locking Price with the ability to execute at the Locking Price. Each time the NBBO is updated, a buy (sell) order

[24] *See* Securities Exchange Act Release Nos. 73188 (September 23, 2014), 79 FR 58004 (September 26, 2014) (SR–BATS–2014–041) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.9 of BATS Exchange, Inc.); 73190 (September 23, 2014), 79 FR 58019 (September 26, 2014) (SR–BYX–2014–022) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.9 of BATS Y-Exchange, Inc.). As amended, Exchange Rule 11.6(j) only differs from BATS Rule 11.9(c)(8) to extent necessary to conform with existing rule text or to account for details or descriptions currently included in the Exchange's Rule that are not included in BATS Rule 11.9(c)(8).

[25] The proposed definition of Permitted Price is also similar to that of other exchange. *See e.g.,* Nasdaq Rule 4763(e); NYSE MKT Rule 440B(e); Rule 7016(f)(v)(C).

[26] The term ''Locking Price'' is defined as ''the price at which an order to buy (sell), that if displayed by the System on the EDGA Book, either upon entry into the System, or upon return to the System after being routed away, would be a Locking Quotation.'' *See* Exchange Rule 11.6(i).

subject to the Routed and Returned Re-Pricing instruction will be further adjusted so that it continues to be displayed by the System on the EDGA Book at one Minimum Price Variation below (above) the NBO (NBB) and will be ranked at the Locking Price with the ability to execute at the Locking Price until the price of such order reaches its limit price, at which point it will remain displayed by the System on the EDGA Book at that price and cease to be further adjusted pursuant to the Routed and Returned Re-Pricing instruction. The order will receive a new time stamp when it is returned to the EDGA Book and each time it is subsequently re-ranked.

Upon completion of the migration of the Exchange to BATS technology, Limit Orders that are returned to the EDGA Book after being routed to an away Trading Center with a limit price that would cause the order to be a Locking Quotation or Crossing Quotation will be subject to the Exchange's standard re-pricing instructions; *i.e.,* automatically defaulted by the System to the Price Adjust Re-Pricing instruction, unless the User affirmatively elects the Cancel Back instruction or the Hide Not Slide instruction. The Exchange also proposes to remove a reference to the Routed and Returned Re-Pricing instruction from Rule 11.6(l)(1)(B).

Price Adjust Re-Pricing (Rule 11.6(l)(1)(A)). Under the Price Adjust instruction, where a buy (sell) order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGA Book at the time of entry, the order will be displayed and ranked [27] at a price that is one Minimum Price Variation lower (higher) than the Locking Price. The order will be displayed and ranked by the System on the EDGA Book at the Locking Price if: (i) The NBBO changes such that the order, if displayed at the Locking Price, would not be a Locking Quotation or Crossing Quotation, including where an ISO with a TIF instruction of Day is entered into the System and displayed on the EDGA Book on the same side of the market as the order at a price that is equal to or more aggressive than the Locking Price.[28] An order re-priced as set forth above would not be subject to further re-ranking and will be displayed by the System on the EDGA Book at the Locking Price until executed or cancelled by the User. The order will receive a new time stamp at the time it is re-ranked.

The Exchange proposes to amend the Price Adjust instruction to provide Users with additional flexibility by enabling them to elect that their order be adjusted multiple times in response to changes in the NBBO. The ranked and displayed prices of an order subject to the Price Adjust instruction will only be adjusted once, unless the User elects that the order be adjusted multiple times in response to changes to the prevailing NBBO. Unless a User has elected the multiple re-pricing option, the order would not be subject to further re-ranking and will be displayed on the EDGA Book at the Locking Price until executed or cancelled by the User. An order subject to the multiple re-pricing option will be further re-ranked and re-displayed to the extent it can permissibly be ranked and displayed at a more aggressive price based on changes to the prevailing NBBO. Multiple re-pricing pursuant to Price Adjust would be optional and would have to be explicitly selected by a User before it will be applied. Orders subject to multiple re-pricing for Price Adjust will be permitted to move all the way back to their most aggressive price, whereas orders subject to Price Adjust may not be adjusted to their most aggressive price, depending upon market conditions and the limit price of the order upon entry. The Exchange notes that this functionality is identical to the operation of BATS Rule 11.9(g)(2).[29] The Exchange does not propose to amend any other aspect of the Price Adjust instruction.

As an example of multiple re-pricing for Price Adjust assume the Exchange has a posted and displayed bid to buy 100 shares of a security priced at $10.10 per share and a posted and displayed offer to sell 100 shares at $10.14 per share. Assume the NBBO is $10.10 by $10.12. If the Exchange receives a non-routable bid to buy 100 shares at $10.13 per share, the Exchange would rank and display the order to buy at $10.11 because displaying the bid at $10.13 would cross an external market's Protected Offer to sell for $10.12. If the NBO then moved to $10.13, the Exchange would un-slide the bid to buy and rank and display it at $10.12. Under existing Price Adjust functionality, the Exchange does not further adjust the ranked or displayed price following this un-slide. However, under multiple re-pricing for Price Adjust if the NBO then moved to $10.14, the Exchange would un-slide the bid to buy and rank and display it at its full limit price of $10.13.

Hide Not Slide Re-Pricing (Rule 11.6(l)(1)(B)). The Exchange proposes to rename the Hide Not Slide Re-Pricing instruction under Rule 11.6(l)(1)(B) as Displayed Price Sliding and to amend the rule to allow for multiple re-pricing.[30] Under the renamed Displayed Price Sliding instruction, where an order would be a Locking Quotation or Crossing Quotation if displayed by the System on the EDGA Book at the time of entry, the order will be displayed at a price that is one Minimum Price Variation lower (higher) than the Locking Price for orders to buy (sell), will be ranked at the Locking Price with the ability to execute at the Locking Price; provided, however, that if a contra-side order that equals the Locking Price is displayed by the System on the EDGA Book, the order's ability to execute at the Locking Price will be suspended unless and until there is no contra-side displayed order on the EDGA Book that equals the Locking Price. However, in such case, an order subject to the Displayed Price Sliding instruction may execute against other orders at its displayed price. Where the NBBO changes such that the order, if displayed by the System on the EDGA Book at the Locking Price, would not be a Locking Quotation or Crossing Quotation, the System will rank and display such orders at the Locking Price. The order will not be subject to further re-ranking and will be displayed on the EDGA Book at the Locking Price retaining its time stamp until executed or cancelled by the User. Currently, an order subject to the Displayed Price Sliding instruction will only receive a new time stamp when it is re-ranked by

[27] For purposes of the description of the re-pricing instructions under proposed Rule 11.6(l), the terms ''ranked'' and ''priced'' are synonymous and used interchangeably.

[28] *See* Division of Trading and Markets: Response to Frequently Asked Questions Concerning Rule 611 and Rule 610 of Regulation NMS, Question 5.02, *available at http://www.sec.gov/divisions/marketreg/nmsfaq610–11.htm* (last visited March 6, 2014).

[29] *See* Securities Exchange Act Release Nos. 73359 (October 15, 2014), 79 FR 63003 (October 21, 2014) (SR–BATS–2014–038) (Order Granting Approval of Proposed Rule Change to Rule 11.9 of the BATS Exchange, Inc. to Add Price Adjust Functionality); *and* 73366 (October 15, 2014), 79 FR 62993 (October 21, 2014) (SR–EDGA–2014–019) [sic] (Order Granting Approval of Proposed Rule Change to Rule 11.9 of the BATS Y-Exchange, Inc. to Add Price Adjust Functionality).

[30] The Exchange notes that it is proposing to rename the Hide Not Slide Re-Pricing instruction to the Displayed Price Sliding instruction, which is the same name used to describe analogous functionality on BATS. The Exchange understands that, its affiliate, EDGX, will retain the current name with respect to the Hide Not Slide Re-Pricing instruction because such functionality is distinguishable from Displayed Price Sliding functionality. The primary difference between Hide Not Slide functionality and Displayed Price Sliding functionality is that an order with a Hide Not Slide re-pricing instruction will be ranked at the mid-point of the NBBO with discretion to execute at the Locking Price whereas an order with a Displayed Price Sliding instruction (including an analogous order on BZX or BYX) is ranked at the Locking Price.

the System upon clearance of a Locking Quotation due to the receipt of an ISO with a TIF instruction of Day that establishes a new NBBO at the Locked Price in accordance with Rule 11.9(a)(2)(B).

Like as proposed for the Price Adjust instruction described above, the Exchange proposes to amend the Displayed Price Sliding instruction to provide Users with additional flexibility by enabling them to elect that their order be adjusted multiple times in response to changes in the NBBO. The ranked and displayed prices of an order subject to the Displayed Price Sliding instruction will only be adjusted once, unless the User elects that the order be adjusted multiple times in response to changes to the prevailing NBBO. Unless a User has elected the multiple re-pricing option, the order would not be subject to further re-ranking and will be displayed on the EDGA Book at the Locking Price until executed or cancelled by the User. An order subject to the multiple re-pricing option will be further re-ranked and re-displayed to the extent it can permissibly be ranked and displayed at a more aggressive price based on changes to the prevailing NBBO. Multiple re-pricing pursuant to Displayed Price Sliding would be optional and would have to be explicitly selected by a User before it will be applied. Orders subject to multiple re-pricing for Displayed Price Sliding will be permitted to move all the way back to their most aggressive price, whereas orders subject to Price Adjust may not be adjusted to their most aggressive price, depending upon market conditions and the limit price of the order upon entry. The Exchange notes that this functionality is identical to the operation of BATS Rule 11.9(g)(1).[31] To account for option multiple price sliding, the Exchange proposes to state that an order subject to the Displayed Price Sliding instruction will receive a new time stamp each time is re-ranked, which will include when the order is re-ranked by the System upon clearance of a Locking Quotation due to the receipt of an ISO with a TIF instruction of Day that establishes a new NBBO at the Locked Price in accordance with Rule 11.9(a)(2)(B).The Exchange does not propose to amend any other aspect of the Displayed Price Sliding instruction.

As an example of multiple Displayed Price Sliding, assume the Exchange has a posted and displayed bid to buy 100 shares of a security priced at $10.10 per share and a posted and displayed offer to sell 100 shares at $10.13 per share. Assume the NBBO is $10.10 by $10.12. If the Exchange receives a non-routable bid to buy 100 shares at $10.12 per share the Exchange will rank the order to buy at $10.12 and display the order at $10.11 because displaying the bid at $10.12 would lock an external market's Protected Offer to sell for $10.12. If the NBO then moved to $10.13, the Exchange would un-slide the bid to buy and display it at its ranked price (and limit price) of $10.12.

Re-Pricing Instructions To Comply With Rule 201 of Regulation SHO

The Exchange proposes to amend its Re-Pricing instructions to comply with Rule 201 of Regulation SHO by deleting Short Sale Price Adjust and Short Sale Price Sliding and adopting a new, streamlined rule to align with BATS Rule 11.9(g)(5).

Current Functionality. The Exchange currently offers two re-pricing instructions to comply with Rule 201 of Regulation SHO—Short Sale Price Adjust and Short Sale Price Sliding. Under the Short Sale Price Adjust instruction, an order to sell with a Short Sale instruction will be ranked and displayed by the System on the EDGA Book at the Permitted Price. Following the initial ranking, the order will, to the extent the NBB declines, continue to be re-ranked and displayed by the System on the EDGA Book at the Permitted Price down to the order's limit price. The Short Sale Price Sliding instruction operates similarly to the Short Sale Price Adjust instruction; except that after its initial ranking, the order will, to the extent the NBB declines, be re-ranked and displayed by the System on the EDGA Book one additional time at a price that is equal to the NBB at the time the order was received by the System. In both cases, the order to sell with a Short Sale instruction will receive a new time stamp each time it is re-ranked.

Proposed Functionality. The Exchange proposes to delete the Short Sale Price Adjust and Short Sale Price Sliding and adopt a new, streamlined rule to align with BATS Rule 11.9(g)(5). Under the amended Rule 11.6(l)(2), an order to sell with a Short Sale instruction that, at the time of entry, could not be executed or displayed in compliance with Rule 201 of Regulation SHO will be re-priced by the System at the Permitted Price. Like BATS Rule 11.9(g)(5), proposed Exchange Rule 11.6(l)(2)(A) would state that the default short sale re-pricing process will only re-price an order upon entry.

As proposed, depending upon the instructions of a User, to reflect declines in the NBB the System will continue to re-price and re-display a short sale order at the Permitted Price down to the order's limit price. In the event the NBB changes such that the price of an order with a Non-Displayed instruction subject to Rule 201 of Regulation SHO would be a Locking Quotation or Crossing Quotation, the order will receive a new time stamp, and will be re-priced by the System to the Permitted Price. Like the Short Sale Price Adjust process that is to be decommissioned, an order to sell with a Short Sale instruction that is re-priced will be ranked at the Permitted Price.

Like BATS Rule 11.9(g)(5), amended Rule 11.6(l)(2) would state that: (i) When a Short Sale Circuit Breaker is in effect, the System will execute a sell order with a Displayed and Short Sale instruction at the price of the NBB if, at the time of initial display of the sell order with a Short Sale instruction, the order was at a price above the then current NBB; (ii) orders with a Short Exempt instruction will not be subject to re-pricing under amended Rule 11.6(l)(2); and (iii) the re-pricing instructions to comply with Rule 610(d) of Regulation NMS will be continue to be ignored for an order to sell with a Short Sale instruction when a Short Sale Circuit Breaker is in effect and the re-pricing instructions to comply with Rule 201 of Regulation SHO under this Rule will apply.

Re-Pricing of Orders With a Non-Displayed Instruction (Rule 11.6(l)(3))

Rule 11.6(l)(3) currently sets forth the re-pricing process for orders with a Non-Displayed instruction to avoid potentially trading through Protected Quotations of external markets. Currently, under Rule 11.6(l)(3), a non-routable order with a Non-Displayed instruction that would be a Crossing Quotation of an external market will be ranked at the Locking Price, unless the User affirmatively elects that the order Cancel Back. Rule 11.6(l)(3) states that to avoid potentially trading through Protected Quotations of external markets, a non-routable order with a Non-Displayed instruction that would be a Crossing Quotation of an external market will be ranked at the Locking Price, unless the User affirmatively elects that the order Cancel Back. Each time the NBBO is updated and the order continues to be a Locking Quotation or

[31] *See* Securities Exchange Act Release Nos. 67657 (August 14, 2012), 77 FR 50199 (August 20, 2012) (SR–BATS–2012–035) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the BATS Exchange, Inc. to Amend BATS Rules Related to Price Sliding Functionality); *and* 67656 (August 14, 2012), 77 FR 50193 (August 20, 2012) (SR–BYX–2012–018) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the BATS Y-Exchange, Inc. to Amend BYX Rules Related to Price Sliding Functionality).

Crossing Quotation of an external market, the order will be adjusted so that it continues to be ranked at the current Locking Price. Once an order with a Non-Displayed instruction has been ranked at its limit price it will only be adjusted in the event the NBBO is updated and the order would again be a Crossing Quotation of an external market. The order will receive a new time stamp each time it is subsequently re-ranked. For example, assume the NBBO is $24.00 × $26.00 and there are no orders resting on the EDGA Book. If an incoming order with a Non-Displayed instruction is entered into the System to buy at $27.00, it will be ranked by the System at $26.00, the Locking Price. Assume the NBBO changes to $24.00 × $25.00. The buy order with a Non-Displayed instruction will be re-ranked at $25.00, the new Locking Price, and be given a new time stamp.

The Exchange proposes to amend Rule 11.6(l)(3) to align with BATS Rule 11.9(g)(4).[32] As amended, an order with a Non-Displayed instruction that has been re-ranked by the System in accordance with Rule 11.6(l)(3) will not be re-ranked by the System each time the NBBO is adjusted. Rather, such order will only be re-ranked by the System should it is again be Crossing Quotation of an external market upon the NBBO being updated. Assume the same facts as the above example. Assume the NBBO again changes to $24.00 × $27.00. The buy order with a Non-Displayed instruction will be remain ranked at $25.00 because it is not a Crossing Quotation upon the NBBO changing. However, assume the NBBO changed to $23.00 × $24.00. The buy order with a Non-Displayed instruction will be remain ranked at $24.00, and be given a new time stamp, because it would be a Crossing Quotation if it remained ranked at $25.00.

Reserve Quantity and Replenishment Amounts (Rule 11.6(m))

Current Functionality. If the portion of the order with a Displayed instruction is reduced to less than a Round Lot, the System will, in accordance with the User's instruction, replenish the displayed quantity from the Reserve Quantity by at least a single Round-Lot using either the Random or Fixed Replenishment instructions. A new time stamp is created for the displayed quantity of the order each time it is replenished from the Reserve Quantity, while the Reserve Quantity retains the time stamp of its original entry. Where the combined amount of the displayed quantity and Reserve Quantity of an order are reduced to less than one Round Lot, the order converts to an order with a Displayed instruction and be treated as Displayed for purposes of execution priority under Rule 11.9.

Proposed Functionality. The Exchange proposes to amend Rule 11.6(m) to align with BATS Rule 11.9(c)(1).[33] First, the Exchange proposes to no longer require that the displayed quantity from the Reserve Quantity be replenished by at least a single Round-Lot. Instead, the displayed quantity will be replenished in accordance with the replenishment instruction the User selects. Specifically, like on BATS, Users will be required to designate the original display quantity of an order, which is also the amount to which an order is replenished (unless the remainder of an order is smaller than the original displayed quantity) under the current replenishment functionality. The Exchange refers to this quantity as ''max floor'' in its specifications. The Exchange proposes to add a defined term of ''Max Floor'' to Rule 11.6(m), which would be a mandatory value entered by a User that will determine the quantity of the order to be initially displayed by the System and will also be used to determine the replenishment amount under both replenishment options described below. If the remainder of an order is less than the replenishment amount, the Exchange will replenish and display the entire remainder of the order.

Second, the Exchange proposes to amend the time stamp functionality of an order with a Reserve Quantity. Currently, when an order is replenished from Reserve Quantity, the displayed quantity receives a new time stamp while the Reserve Quantity retains the time stamp of its original entry. As amended, a new time stamp will be created for the displayed quantity and Reserve Quantity of the order each time it is replenished from the Reserve Quantity. This functionality is identical to functionality set forth in BATS Rule 11.12(a)(5).[34]

Random Replenishment is an instruction that a User may attach to an order with Reserve Quantity where replenishment quantities for the order are randomly determined by the System within a replenishment range established by the User. The Exchange proposes to minor amendments to the operation of Random Replenishment to align with BATS Rule 11.9(c)(1).[35] Currently, both the actual quantity of the order that will be initially displayed by the System on the EDGA Book and subsequent displayed replenishment quantities are randomly determined by the System within a replenishment range established by the User. As amended, only the replenishment quantities for the order will be randomly determined by the System within a replenishment range established by the User. A User will be required to select a replenishment value and Max Floor. The Max Floor will be the initial quantity to be displayed. The displayed replenishment quantities will then be determined by the System by randomly selecting a number of shares within a replenishment range that is between: (i) The Max Floor minus the replenishment value; and (ii) the Max Floor plus the replenishment value. The displayed replenishment quantities randomly determined by the System will no longer be limited to Round Lots. Nor will the replenishment quantity be within a replenishment range that is between the quantity around which the replenishment range is established plus or minus the replenishment value. In addition, the Exchange will no longer prohibit the displayed replenishment quantity from: (i) Exceeding the remaining Reserve Quantity of the order; (ii) from being less than a single Round Lot or greater than the remaining unexecuted shares in the order.

In addition to the changes set forth above, the Exchange proposes to modify Rule 11.10(e)(3) to state that the Max Floor set for an order can be modified through the use of a replace message rather than requiring a User to cancel and re-enter an order. The Exchange also proposes to modify Rule 11.9(a)(4) to align with BATS Rule 11.12(a)(3)[36] to make clear that a modification to the Max Floor of an order with a Reserve Quantity will not cause such order to lose priority. When a replenishment occurs (based on the new Max Floor), the order will receive a new timestamp, and thus, will have a new priority.

Under Fixed Replenishment, the displayed quantity of an order is replenished for a Fixed Replenishment quantity designated by the User. The Fixed Replenishment quantity for the order equals the initial displayed quantity designated by the User. The Exchange proposes to amend Rule 11.6(m) to specify that the Fixed Replenishment quantity will be the Max Floor designated by the User. In addition, Rule 11.6(m) will also specify

[32] *Id.*

[33] *See supra* note 20.

[34] *Id.*

[35] *Id.*

[36] *Id.*

that Fixed Replenishment will apply to any order for which Random Replenishment has not been selected. Lastly, like proposed for Random Replenishment discussed above, the Exchange will no longer prohibit the displayed replenishment quantity from being less than a single Round Lot or greater than the remaining unexecuted shares in the order. As amended, Fixed Replenishment will be identical to BATS Rule 11.9(c)(1)(B).[37]

Super Aggressive (Rule 11.6(n)(2))

Super Aggressive is an order instruction that directs the System to route the order if an away Trading Center locks or crosses the limit price of the order resting on the EDGA Book. Like BATS Rule 11.13(a)(4)(B), the Exchange proposes to also permit a User to designate an order as Super Aggressive solely to routable orders posted to the EDGA Book with remaining size of an Odd Lot.[38] To the extent the amended text of Exchange Rule 11.6(n)(2) differs from BATS Rule 11.13(a)(4)(B), such differences are necessary to conform the rule with existing rule text, and in this case, to account for details or descriptions currently included in BATS Rule 11.9(d) [sic] that are not necessary under the structure of the Exchange's Rules.

Time-In-Force (Rule 11.6(q))

The Exchange proposes to amend its TIF instructions to align with BATS Rule 11.9(b). To the extent the amended text of Exchange Rule 11.6(q) differs from BATS Rule 11.9(b), such differences are necessary to conform the rule with existing Exchange rule text or to account for details or descriptions currently included in the Exchange's Rule but not included in BATS Rule 11.9(b). Where necessary, the Exchange has proposed rule changes consistent with the Exchange's operation on BATS technology, which the Exchange also believes are consistent with User expectations of how the System operates.

First, the Exchange proposes minor modifications to align the definition of IOC with BATS Rule 11.9(b)(1), the most notable of which is to specify that an order with a TIF instruction of IOC is eligible for routing. BATS rules do not restrict an order with an IOC instruction from being eligible for routing. In addition, permitting orders with an IOC instruction to be eligible for routing is consistent with BATS technology as well as with Users' expectations to use orders with an IOC instruction in combination with available routing functionality and strategies. As amended, an IOC would be an instruction the User may attach to an order stating the order is to be executed in whole or in part as soon as such order is received. The portion not executed immediately on the Exchange or another trading center is treated as cancelled and is not posted to the EDGA Book.

Second, the Exchange proposes to amend the definition of the Day TIF instruction to state that an order with a TIF instruction of Day, if not executed, expires at the end of Regular Trading Hours and not at the end of the specified trading session. In addition, orders with a Day TIF instruction will be eligible for execution as soon as received by the Exchange. Therefore, the Exchange proposes to no longer require that any order with a Day instruction entered into the System before the start of the specified trading session will be placed by the System in a pending state and activated for potential execution upon the start of that trading session. Lastly, any Day Order entered into the System before the opening for business on the Exchange as determined pursuant to Rule 11.1 (which is currently 6:00 a.m.), or after the closing of Regular Trading Hours, will be rejected.

Third, Good-'til Time will be renamed as Good-'til Day (''GTD''). GTD will continue to be defined as an instruction the User may attach to an order specifying the time of day at which the order expires. Any unexecuted portion of an order with a TIF instruction of GTD will be continue to be cancelled at the expiration of the User's specified time, which can be no later than the close of the Post-Market Session. A User will no longer be able to designate that an order with a GTD instruction be cancelled at the end of a specified trading session(s).

Lastly, the Exchange proposes to adopt two new TIF instructions which are currently available on BATS: [39] Good 'til Extended Day (''GTX'') and RHO. GTX will be defined as an instruction the User may attach to an order to buy or sell which, if not executed, will be cancelled by the close of the Post-Market Session. RHO will be defined as an instruction a User may attach to an order designating it for execution only during Regular Trading Hours, which includes the Opening Process and Re-Opening Process following a halt suspension or pause. The proposed definition of RHO under Exchange Rule 11.6(q)(6) is substantially similar to BYX Rule 11.9(b)(7) and any differences are necessary to conform the rule with existing Exchange rule text or to account for details or descriptions currently included in the Exchange's rules but not in BYX Rule 11.9(b)(7). The Exchange notes that the proposed definition of RHO is also similar to BZX Rule 11.9(b)(7) but such rule includes additional detail not necessary in the proposed rule because the Exchange does not have any listed securities or a separate process for handling such listed securities whereas BZX does.

Rule 11.7, Opening Process

The Exchange proposes to amend Rule 11.7 regarding the Opening Process to align with BATS Rule 11.24 and BYX Rule 11.23.[40] The Exchange proposes to modify paragraph (a) to specify that buy or sell orders that wish to participate in the Opening Process are to include a TIF instruction of RHO and that any order that does not include a TIF instruction of RHO will not be eligible for participation in the Opening Process. Paragraph (a)(1) would be amended to make clear that only orders without a TIF instruction of RHO and ISOs designated RHO may execute against eligible Pre-Opening Session contra-side interest resting in the EDGA Book in the time period between the start of 9:30 a.m. Eastern Time and the Exchange's Opening Process or a Contingent Open, as described in paragraph (b) and (d).[41] Orders with a TIF instruction of IOC or FOK will continue to be eligible for execution during this time period as they would be considered orders without a TIF instruction of RHO. Paragraph (a)(1) would also state that

[37] *See supra* note 20.

[38] *See* Securities Exchange Act Release Nos. 73295 (October 3, 2014), 79 FR 61117 (October 9, 2014) (SR–BATS–2014–044) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rules 11.13 and 21.9 of the BATS Exchange, Inc.); *and* 73296 (October 3, 2014), 79 FR 61121 (October 9, 2014) (SR–BYX–2014–026) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Rule 11.13 of the BATS Y-Exchange, Inc.). As amended, Exchange Rule 11.6(n)(2) only differs from BATS Rule 11.13(a)(4)(B) to extent necessary to conform the rule with existing Exchange rule text or to account for details or descriptions currently included in the Exchange's Rule but not included in BATS Rule 11.13(a)(4)(B). An ''Odd Lot' is defined as ''any amount less than a Round Lot. *See* Exchange Rule 11.8(s)(2).

[39] *See supra* note 20.

[40] *See* Securities Exchange Act Release Nos. 73473 (October 30, 2014), 79 FR 65744 (November 5, 2014) (SR–BATS–2014–037) (Order Granting Approval of Proposed Rule Change to Establish an Opening Process for Non-BATS-Listed Securities); *and* 73472 (November 5, 2014), 79 FR 65735 (October 9, 2014) (SR–BYX–2014–018) (Order Granting Approval of Proposed Rule Change to Establish an Opening Process). As amended, Exchange Rule 11.7 only differs from BZX Rule 11.24 and BYX Rule 11.23 to extent necessary to conform the rule with existing Exchange rule text or to account for details or descriptions currently included in the Exchange's Rule but not contained in BZX or BYX rules.

[41] *See supra* note 9.

any unexecuted portion of an ISO that is designated RHO will be converted into a non-ISO and be queued for participation in the Opening Process.

Paragraph (a)(2) would be amended to state that all orders that include a TIF instruction of RHO may participate in the Opening Process except: Limit Orders with a Post Only instruction, the Discretionary Range of Limit Orders, and ISOs not modified by Rule 11.7(a)(1), and orders with a Minimum Execution Quantity instruction. Limit Orders with a Discretionary Range may participate up to their ranked limit price for buy orders or down to their ranked limit price for sell orders, rather than up or down to their discretionary price, as is currently allowed. Orders with a TIF instruction of IOC or FOK will continue to be ineligible for execution in the Opening Process as they would not be able to also include a TIF instruction of RHO. Orders with a Stop Price or Stop Limit Price instruction will be eligible to participate in the Opening Process where their stop prices have been trigged.

Paragraph (b) defines the process by which the System will attempt to match buy and sell orders that are executable at the midpoint of the NBBO. The Exchange does not propose to alter this process other than to define it as the Opening Match. In addition, the Exchange propose to include in paragraph (b) that all ERSTP modifiers, as defined in Rule 11.10(d), will be ignored as it relates to executions occurring during the Opening Match.

Paragraph (d) sets forth the Exchange's Contingent Open process that occurs when the conditions to establish the price of the Opening Process set forth under Rule 11.7(c) do not occur by 9:45:00 a.m. Eastern Time. In such case, orders will be placed on the EDGA Book, routed, cancelled, or executed in accordance with the terms of the order. The Exchange proposes to state under paragraph (d) that the orders will be handled in time sequence, beginning with the order with the oldest times [sic] stamp.

Paragraph (e) or Exchange Rule 11.7 states that re-openings after a halt, suspension or pause will occur at the midpoint of the: (i) First NBBO subsequent to the first reported trade on the listing exchange following the resumption of trading after a halt, suspension, or pause; or (ii) then prevailing NBBO when the first two-sided quotation published by the listing exchange following the resumption of trading after a halt, suspension, or pause if no first trade is reported by the listing exchange within one second of publication of the first two-sided quotation by the listing exchange. The Exchange proposes to add additional language to paragraph (e) to align with BATS Rule 11.24 and BYX Rule 11.23. First, the Exchange proposes to specify that while a security is subject to a halt, suspension, or pause in trading, the Exchange will accept orders eligible pursuant to paragraph (a)(2) described above for queuing prior to the resumption of trading in the security for participation in the Re-Opening Process. In addition, proposed paragraph (e)(2) would specify that the Re-Opening Process will occur in the same manner described in paragraphs (a)(2) and (b) of Rule 11.7, with the following exceptions: (1) Orders without a TIF instruction of RHO will be eligible for participation in the Re-Opening Process, but orders that include a TIF instruction of IOC or FOK, a Post Only instruction or Minimum Execution Quantity instruction will be cancelled or rejected, as applicable, and any ISO that does not include a TIF instruction of IOC or FOK will be converted into a non-ISO and be queued for participation in the Re-Opening Process. Proposed paragraph (e)(2) would state that where neither of the conditions required to establish the price of the Re-Opening Process in paragraph (1) above have occurred, the security may be opened for trading at the discretion of the Exchange. Where the security is opened by the Exchange subject to this discretion, orders will be handled in the same manner described in paragraph (d) regarding a Contingent Open. Proposed paragraphs (e)(1)–(2) would be substantially similar to the functionality set forth in BATS Rule 11.24(e)(1)–(2) and BYX Rule 11.23(e)(1)–(2).

Rule 11.8, Order Types

The Exchange proposes to amend the order types set forth under Rule 11.8 to align their operation with existing BATS Rule and functionality.

Market Orders (Rule 11.8(a)). The Exchange proposes to amend paragraph (a)(2) to state that Market Orders may also include a TIF instruction of RHO and any portion of a Market Order with a TIF instruction of RHO will be cancelled immediately following the Opening or Re-Opening Process in which it is not executed, unless it is eligible to be displayed on the EDGA Book pursuant to Rule 11.8(a)(4). A Market Order being canceled immediately following the Opening or Re-Opening Process if not executed is a natural extension of the Opening Process. Exchange Rule 11.7(b) states that upon conclusion of the Opening Process, any remaining orders will be placed on the EDGA Book, cancelled, executed, or routed to an away in accordance with Rule 11.11. As a result, the Market Order will be cancelled unless it is eligible to be displayed on the EDGA Book pursuant to Rule 11.8(a)(4).

Under current Rule 11.10(a)(3)(A), where a non-routable buy (sell) Market Order is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, such order will be posted by the System to the EDGA Book and priced at the Upper (Lower) Price Band, unless (i) the order includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User entered a Cancel Back instruction. The Exchange proposes to specify, consistent with BATS Rule 11.9(a)(2),[42] that a Market Order to buy (sell) that is posted by the System to the EDGA Book and displayed at the Upper (Lower) Price Band will be re-priced and displayed at the Upper (Lower) Price Band if Price Bands move such that the price of the resting Market Order to buy (sell) would be above (below) the Upper (Lower) Price Band or if the Price Bands move such that the order is no longer posted and displayed at the most aggressive permissible price. The System shall re-price such displayed interest to the most aggressive permissible price until the order is executed in its entirety or cancelled. In addition, the amended rule would state that a Market Order that includes both a TIF instruction of RHO and a Short Sale instruction that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted and displayed by the System to the EDGA Book and priced in accordance with the Short Sale Re-Price instruction described in Rule 11.6(l)(2).

Currently, with the exception of a Market Order with a Destination-on-Open instruction, any portion of a Market Order that would execute at a price more than the greater of $0.50 or 5 percent worse than the consolidated last sale as published by the responsible single plan processor at the time the order is entered into the System will be cancelled. As amended, such order will be cancelled where they would execute at a price more than $0.50 or 5 percent worse than the NBBO at the time the order initially reaches the Exchange,

[42] *See* Securities Exchange Act Release Nos. 73875 (December 18, 2014) (SR–BATS–2014–068) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 11.0(a)(2) and 11.18(e) of the BATS Exchange, Inc.); and 73874 (December 18, 2014) (SR–BYX–2014–039) (Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 11.0(a)(2) and 11.18(e) of the BATS Y-Exchange, Inc.).

whichever is greater. This is identical to BATS Rule 11.9(a)(2).

Limit Orders (Rule 11.8(b)). The Exchange proposes to state that a Limit Order may also include a TIF instruction of RHO or GTX, in addition to IOC, FOK, Day or GTD. In addition, Limit Orders with a TIF instruction of IOC that do not include a Book Only [43] instruction and will be eligible for routing away pursuant to Rule 11.11, while Limit Orders with a TIF instruction of FOK will not. This is designed to provide additional detail regarding the operation of Limit Order and is consistent with BATS Rule 11.13(a)(2), which states, in sum, that ''[w]ith respect to an order that is eligible for routing, the System will designate orders as IOCs and will cause such orders to be routed to one or more Trading Centers.''

Rule 11.8(b)(11) describes the application of the re-pricing instruction to comply with Regulation SHO to Limit Orders. The Exchange proposes to amend this paragraph to reflect the decommissioning of Short Sale Price Adjust and Short Sale Price Sliding in order to align and streamline its short sale pricing functionality with BATS Rule 11.9(g)(5) with no substantive differences from existing BATS Rules or functionality. The Exchange proposes to replace the reference to the Hide Not Slide instruction in Rule 11.8(b)(11) with Displayed Price Sliding to reflect the name change discussed above. The Exchange also proposes to delete Rule 11.8(b)(12) regarding the re-pricing of Routed and Returned orders as this functionality will not be available upon the Exchange being migrated to BATS technology as discussed above. Lastly, the Exchange proposes to renumber Rule 11.8(b)(13) regarding the re-pricing of non-displayed orders as 11.8(b)(12).

ISOs (Rule 11.8(c)). The Exchange proposes to state that an ISO may also include a TIF instruction of RHO or GTX, in addition to IOC, Day or GTD. The Exchange also proposes to amend Rule 11.8(c) to reflect the ISO with a Post Only and TIF instruction of GTD, GTX, or Day will no longer be eligible for the Re-Pricing Instructions to Comply with Rule 610 of Regulation NMS or Rule 201 of Regulation SHO. Also, as amended, an ISO that includes a Post Only instruction and a TIF instruction of GTD, GTX, or Day will be cancelled if the System is displaying orders at the Locking Price at the time of entry unless such order removes liquidity pursuant to current Rule 11.6(n)(4), which governs the execution of orders with a Post Only instruction against resting liquidity on the EDGA Book. Such orders that also include a Short Sale instruction that cannot be executed or displayed at their limit price at the time of entry because of the existence of a Short Sale Circuit Breaker will also be cancelled. This proposed rule change is representative of additional detail with regard to the re-pricing of ISOs that, if displayed on the EDGA Book, would be a Locking or Crossing Quotation in the Exchange's rules. Cancelling ISOs in the above situations is reasonable because ISOs would no longer be eligible for the Re-Pricing Instructions to comply with Rule 610 of Regulation NMS or 201 of Regulation SHO, thereby ensuring the Exchange does not post an order that would lock or cross the market or violate Rule 201 of Regulation SHO consistent with BATS functionality. The Exchange notes, however, that absent a Short Sale Circuit Breaker being in effect, an ISO that includes a Post Only instruction and TIF instruction of GTD, GTX, or Day will remove liquidity when the System is displaying an order at the Locking price if the value of such execution equals or exceeds the value of such execution if the order instead posted to the EDGA Book and provided liquidity, including applicable fees and rebates, under current Rule 11.6(n)(4).

MidPoint Peg Orders (Rule 11.8(d)). The Exchange proposes amend Rule 11.8(d) to reflect the operation of MidPoint Peg Orders once the Exchange is migrated onto BATS technology. As amended, a MidPoint Peg Order maybe pegged to the less aggressive of the midpoint of the NBBO or one minimum price variation inside the same side of the NBBO as the order, in addition to the mid-point of the NBBO. This is identical to current BATS Rule 11.9(c)(9). In addition, the rule would specify that a MidPoint Peg Order will not be eligible for execution when an NBBO is not available. In such case, a MidPoint Peg Order would rest on the EDGA Book and would not be eligible for execution in the System until an NBBO is available. The Exchange believes MidPoint Peg Orders being ineligible for execution when no NBBO exists is reasonable and consistent with a User's intent and the purpose of the order type. A User entering an MidPoint Peg Order is doing so to receive an execution at the mid-point of the NBBO and a mid-point does not exist in the absence of an NBBO. The MidPoint Peg Order will receive a new time stamp when an NBBO becomes available and a new midpoint of the NBBO is established. In such case, all MidPoint Peg Orders that are ranked at the midpoint of the NBBO will retain their priority as compared to each other based upon the time such orders were initially received by the System.

The Exchange proposes to state that a MidPoint Peg Order may also include a TIF instruction of RHO or GTX, in addition to IOC, FOK, Day or GTD. In addition, Users will be able to enter MidPoint Peg Orders as an Odd Lot, in addition to a Round Lot or Mixed Lot. Currently, MidPoint Peg Orders may only be executed during Regular Trading Hours. Upon migration of the Exchange onto BATS technology, MidPoint Peg Orders will also be eligible for execution during the Pre-Opening Session, Regular Session and Post Closing Session. While MidPoint Peg Orders may be submitted to be executed during the Opening Process described in Rule 11.7(c), any Minimum Execution Quantity instruction on aMidPoint Peg Order will not be applied during the Opening Process. Lastly, the Exchange proposes to specify that MidPoint Peg Orders may include a Book Only or Post Only instruction.

MidPoint Discretionary Order (Rule 11.8(e)). In sum, a MidPoint Discretionary Order (''MDO'') is a limit order to buy that is displayed at and pegged to the NBB, with discretion to execute at prices up to and including the midpoint of the NBBO, and a limit order to sell that is displayed at and pegged to the NBO, with discretion to execute at prices down to and including the midpoint of the NBBO. The Exchange proposes to amend Rule 11.8(e)(1) to specify that an MDO may include a TIF instruction of RHO or GTX, in addition to GTD or Day. The Exchange also proposes to state that MDOs may be entered as Odd Lots, in addition to Round Lots and Mixed Lots. Currently, MDOs may only be executed during Regular Trading Hours. Upon migration of the Exchange onto BATS technology, MDOs will also be eligible for execution during the Pre-Opening Session and Post Closing Session. The Exchange does not proposes any other changes to MDO.

In addition, similar to the changes to orders with a Primary Peg instruction described above, the Exchange proposes to amend the provisions governing when an MDO is locked or crossed by another market and when an MDO would itself create a Locking or Crossing Quotation (*i.e.,* locking or crossing another market's quotation). As proposed, an MDO will no longer be able to join the Exchange BBO when the EDGA Book is locked by another

[43] Book Only is an order instruction stating that an order will be matched against an order on the EDGA Book or posted to the EDGA Book, but will not route to an away Trading Center. *See* EDGA Rule 11.6(n)(3).

market. When the EDGA Book is crossed by another market, the Exchange proposes to automatically adjust an MDO to the current NBO (for bids) or the current NBB (for offers). Rule 11.8(e)(7) will continue to require that an MDO that would otherwise be a Locking Quotation or Crossing Quotation be automatically adjusted by the System to one Minimum Price Variation below the current NBO (for bids) or to one Minimum Price Variation above the current NBB (for offers) with no discretion to execute to the midpoint of the NBBO. This proposed rule change is representative of additional detail with regard to the operation of MDOs during locked or crossed markets that is currently included in Rule 11.8(e)(7) and is consistent with Exchange's current re-pricing options under Rule 11.6(l), as well as Exchange Rule 11.10(f) and BATS Rule 11.20(a)(3) outlining the prohibition against locked and crossed markets under Rule 610 of Regulation NMS.

NBBO Offset Peg Order (Rule 11.8(f)). The Exchange proposes to change the name of the NBBO Offset Peg Order to the Market Maker Peg Order, which is the equivalent order type on BATS.[44] A Market Maker Peg Order is a Limit Order that, upon entry or at the beginning of Regular Trading Hours, as applicable, will be automatically priced by the System at the Designated Percentage[45] away from the last reported sale, rather than then current NBO (in the case of an order to buy) or NBB (in the case of an order to sell), as is currently the case. A Market Maker Peg order may also include a TIF instruction of RHO or GTD, in addition to Day. Market Maker Peg Orders may also be entered as Odd Lots, in addition to Round Lots and Mixed Lots.

The Exchange also proposes to add definitions for Designated Percentage and Defined Limit under Rule 11.8(f) to account for securities priced below $1. For purposes of Market Maker Peg Order pricing, the Designated Percentage shall be the same as set forth in Rules 11.20(d)(2)(D) and 11.20(d)(2)(E), except that the Designated Percentage for securities priced below $1 as set forth in Rule 11.20(d)(2)(E) shall be 28%. For purposes of Market Maker Peg Order pricing, the Defined Limit shall be the same as set forth in Rules 11.20(d)(2)(F) and 11.20(d)(2)(G), except that the Defined Limit for securities priced below $1 as set forth in Rule 11.20(d)(2)(G) shall be 29.5%. The proposed changes to Rule 11.8(f) are similar to the functionality set forth in BATS Rule 11.9(c)(16).

Route Peg Order (Rule 11.8(g)). The Exchange proposes to change the name of the Route Peg Order to the Supplemental Peg Order, which is the equivalent order type on BATS.[46] The Exchange also proposes to specify that a Supplemental Peg Order to buy (sell) will not be eligible for execution when an NBB (NBO) is not available. In such case, a Supplemental Peg Order to buy (sell) would rest on the EDGA Book and would not be eligible for execution in the System until an NBB (NBO) exists. This functionality is similar to that proposed for the MPM Order described above, and is based upon BATS Rule 11.9(c)(19). The Exchange believes Supplemental Peg Orders being ineligible for execution when an NBB or NBO is not available is reasonable and consistent with a User's intent and the purpose of the order type. A User entering a Supplemental Peg Order is doing so to receive an execution at the NBBO against an order that is in the process of being routed away. If no NBBO exists, there is no price at which to execute the Supplemental Peg Order.

A Supplemental Peg Order may include a TIF instruction of GTX or RHO, in addition to GTD or Day. Supplemental Peg Orders may also be entered as Odd Lots, in addition to Round Lots and Mixed Lots. As amended, a Supplemental Peg Order will be eligible for execution during the Pre-Opening Session, Regular Session, and Post-Closing Session. Therefore, the Exchange proposes to remove the restriction that Supplemental Peg Orders: (i) May only be entered, cancelled, and cancelled/replaced prior to and during the Regular Session; (ii) are only eligible for execution during the Regular Session, but not until such time that orders in that security during the Regular Session can be posted by the System to the EDGA Book. Any remaining unexecuted Supplemental Peg Orders are cancelled at the conclusion of the Regular Session. Supplemental Peg Orders will continue to be ineligible for execution in the Opening Process. The proposed changes to Rule 11.8(g) regarding Route Peg Orders are similar to BATS Rule 11.9(c)(19).

Rule 11.9, Priority of Orders

The Exchange proposes to amend Rule 11.9 to align with BATS functionality and BATS Rule 11.12 regarding how orders with certain instructions are to be ranked by the System: (i) At a price other than the midpoint of the NBBO; (ii) at the midpoint of the NBBO; and (iii) where buy (sell) orders utilize instructions that cause them to be ranked by the System upon clearance of a Locking Quotation.[47] The proposed amendment to Rules 11.9(a)(4) and (6) are described under the amendments to Reserve Quantity discussed above.

Rule 11.9(a)(2)(A) currently states that the System will execute equally priced trading interest within the System in time priority in the following order: (i) The portion of a Limit order with a Displayed instruction; (ii) Limit Orders with a Non-Displayed instruction and the Reserve Quantity of Limit Orders; (iii) MidPoint Discretionary Orders executed within their Discretionary Range and Limit Orders executed within their Discretionary Range; and (iv) Route Peg Orders. As amended, the System will rank equally priced trading interest in such circumstances in the following order: (i) The portion of a Limit Order with a Displayed instruction; (ii) Limit Orders with a Non-Displayed instruction; (iii) Orders with a Pegged and Non-Displayed instruction; (iv) MidPoint Peg Orders; (v) Reserve Quantity of Limit Orders; (vi) MidPoint Discretionary Orders executed within their Discretionary Range and Limit Orders executed within their Discretionary Range; and (vii) Supplemental Peg Orders. Orders will be substantially ranked in same order except that, as amended, orders with a Pegged and Non-Displayed instruction will be distinguished from and placed behind Limit Orders with a Non-Displayed Instruction. In turn, the Reserve Quantity of Limit Orders will be separated from and placed behind Limit Orders with a Non-Displayed instruction and orders with a Pegged and Non-Displayed instruction. The Exchange believes it is reasonable to rank orders with a Pegged and Non-Displayed instruction behind Limit Orders with a Displayed instruction and Limit Orders with a Non-Displayed instruction because this priority sequence incentivizes the use of displayed liquidity on the EDGA Book as well as orders that provide liquidity at a specific limit price. These proposed changes are substantially similar to BATS functionality and Rules 11.12(a)(2). The Exchange notes that BATS Rule 11.12(a)(2) does not currently specify that BATS Pegged Orders referenced in the priority rule are limited to Pegged Orders that are not

[44] *See* BATS Rule 11.9(c)(16).

[45] The term Designated Percentage is defined in Exchange Rule 11.20(d)(2)(D) and (E).

[46] *See* BATS Rule 11.9(c)(19).

[47] For purposes of priority under proposed Rule 11.9(a)(2)(A) and (B), the Exchange notes that orders of Odd Lot, Round Lot, or Mixed Lot size are treated equally.

displayed on BATS, however, the Exchange represents that BATS technology does treat Pegged Orders displayed on BATS as displayed orders and that only Pegged Orders that are not displayed on BATS are afforded later priority than displayed orders and other non-displayed orders. Thus, the Exchange's proposal (which would limit the later priority treatment to orders with a Pegged instruction and a Non-Displayed instruction) is consistent with BATS technology.

Lastly, the Exchange does not propose to make any changes to the ranking of orders that are re-ranked upon clearance of a Locking Quotation under Rule 11.9(a)(2)(B) other than to; (i) Remove a reference to the Routed and Returned Re-Pricing instruction because, as described above, it will be decommissioned upon migration of the Exchange onto BATS technology; and (ii) replace the term Hide Not Slide with Displayed Price Sliding to reflect the name change discussed above.

Rule 11.10, Order Execution

Rule 11.10(a)(2) summarizes the Exchange compliance with Regulation NMS. The rule states that for any execution to occur during Regular Trading Hours, the price must be equal to or better than the Protected NBBO, unless the order is marked ISO or unless the execution falls within another exception set forth in Rule 611(b) of Regulation NMS. For any execution to occur during the Pre-Opening Session or the Post-Closing Session, the price must be equal to or better than the highest bid or lowest offer in the EDGA Book or disseminated by the responsible single plan processor, unless the order is marked ISO. To align Rule 11.10(a)(2) with BATS Rule 11.13, the Exchange proposed to further state that such executions may occur during the Pre-Opening Session or the Post-Closing Session where a Protected Bid is crossing a Protected Offer. A User may, in such circumstance, instruct the Exchange to cancel any incoming order from such User in the event a Protected Bid is crossing a Protected Offer.

To further align Exchange Rule 11.10(a)(2) with BATS Rule 11.13, Rule 11.10(a)(2) will state that notwithstanding the above, in the event that a Protected Bid is crossing a Protected Offer, whether during or outside of Regular Trading Hours, unless an order is marked ISO, the Exchange will not execute any portion of a bid at a price more than the greater of 5 cents or 0.5 percent higher than the lowest Protected Offer or any portion of an offer that would execute at a price more than the greater of 5 cents or 0.5 percent lower than the highest Protected Bid.

The Exchange also proposes to amend Rule 11.12(e)(3) to mirror BATS Rule 11.9(e)(3). Rule 11.12 currently states that only the price and quantity terms of the order may be changed by a Replace Message (including changing a Limit Order to a Market Order). As amended, Rule 11.12 would also allow the Stop Price, the sell long indicator, Short Sale instruction, and Max Floor to be changed by a Replace Message.

Rule 11.11, Routing to Away Trading Centers

The Exchange proposes to amend Rule 11.11, which describe the Exchange's routing options align with BATS Rule 11.13.[48] In doing so, the Exchange proposes to eliminate obsolete routing options, modify certain routing options, and add to Rule 11.11 to offer many of the same routing options offered by BATS. The Exchange notes that the proposed rule text is based on the Rule 11.13 of BATS and is different only to the extent necessary to conform to the Exchange's current rules. The Exchange believes that it is appropriate to amend its routing options as described below to ensure consistency with BATS Rule upon migration of the Exchange onto BATS technology.

Deletions. The Exchange also proposes to delete from Rule 11.11 the following routing options that will be decommissioned upon migration of the Exchange onto BATS technology: ROBA, ROBX, ROBY, ROPA, IOCX, IOCT, and SWPC. Each of these routing options are described below.

- ROBA. The Exchange proposes to delete the ROBA routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BATS. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- ROBX. The Exchange proposes to delete the ROBX routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to Nasdaq BX Exchange. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- ROBY. The Exchange proposes to delete the ROBY routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to BYX. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- ROPA. The Exchange proposes to delete the ROPA routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to NYSE Arca. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- IOCX. The Exchange proposes to delete the IOCX routing option under which an order checks the System for available shares and then is sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- IOCT. The Exchange proposes to delete the IOCT routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent, with a Time-in-Force instruction of IOC, to EDGA. If shares remain unexecuted after routing, they are posted on the EDGA Book, unless otherwise instructed by the User.
- SWPC. The Exchange proposes to delete the SWPC routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. To the extent that any portion of the order is unexecuted, the remainder is posted on the EDGA Book at the order's limit price. The entire SWPC order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPC order to fulfill the displayed size of all Protected Quotations. The Exchange also proposes to delete a reference to SWPC in Rule 11.11(d).

The Exchange believes that it is appropriate to eliminate the above routing options because they will be decommissioned upon migration of the Exchange onto BATS technology and are unlikely to be offered by the Exchange in the near future.

Additions. The Exchange proposes to add a Destination Specific routing option, which is currently offered by BATS.[49] Destination Specific is a routing option under which an order checks the System for available shares and then is sent to an away trading center or centers specified by the User. The Destination Specific routing option

[48] The Exchange notes that BATS recently amended its Rule 11.13 to harmonize certain of its routing options with the Exchange. *See supra* note 38.

[49] *See* BATS Rule 11.13(a)(3)(E).

is also similar to the Exchange's current Destination Specified order instruction in Rule 11.6(n)(5), in that both allow the User to select the destination the order shall be routed to. The only differences are that under the Destination Specific order instruction, the order is first exposed to the EDGA Book before routing and if the order is not executed in full after routing away will be processed by the Exchange as described in Exchange Rule 11.10(a)(4), unless the User has provided instructions that the order reside on the book of the relevant away Trading Center.

The Exchange also proposes to add a Post to Away routing option, which is currently offered by BATS.[50] Post to Away is a routing option under which the System will route the remainder of a routed order to and posts such order on the order book of a destination on the System routing table as specified by the User. The Post to Away routing option is an alternative to either cancelling a routed order back to a User or posting such order to the BATS Book to the extent an order is not completely filled through the routing process. The Post to Away routing option can be combined with the following routing options: ROUT, ROUX, ROUE, ROUD, ROUZ, ROUQ, RDOT, RDOX, ROBB, ROCO, ROLF, INET, IOCM and ICMT.[51] As a result of adding the Post to Away routing option, the Exchange proposes to amend Rule 11.11(g)(3) to remove now redundant language that a User may instruct that any remainder of the order may be posted to the EDGA Book or another destination on the System routing table.

Lastly, the Exchange also proposes to specify for ROOC, ROUE, ROUT and ROUX that the entering User may select either Route To Improve (''RTI'') or Route To Fill (''RTF''). RTI may route to multiple destinations at a single price level simultaneously while RTF may route to multiple destinations and at multiple price levels simultaneously. RTI is similar to the RTI routing option available under BYX Rule 11.13(a)(3)(G).

Modifications. First, the Exchange proposes to modify Rule 11.11(a) regarding Regulation SHO to reflect the elimination of Short Sale Price Adjust and Short Sale Price Sliding discussed above, as well as to replace the phrase replace the phrase ''the short sale price restriction'' with the defined term ''Short Sale Circuit Breaker.'' The later change does not change the meaning of Rule 11.11(a) and simply ensures a consistent use of defined terms throughout the Exchange's Rules.

Second, the Exchange proposes to modify the following routing options to ensure consistency with BATS Rule: ROUC, INET, ROLF, ROOC, SWPA, and SWPB. Each of these modifications are described below.

- ROUC. ROUC is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table, Nasdaq OMX BX, and NYSE. If shares remain unexecuted after routing, they are posted on the EDGA Book. The ROUC routing option currently incorrectly states that any remaining shares will be post to EDGA. Therefore, the Exchange proposes to correct the ROUC routing option to state that any remaining shares will be posted to the EDGX Book, rather than EDGA. The Exchange also proposes to amend the ROUC routing option to state that any remaining shares will not be posted to EDGX Book where the User instructs the Exchange otherwise.
- INET. INET is a routing option under which an order will check the System for available shares and then will be sent to Nasdaq. If shares remain unexecuted after routing through the INET routing option, they will be posted on the Nasdaq book. The Exchange proposes to amend the INET routing option to state that any remaining shares will not be posted to Nasdaq where the User instructs the Exchange otherwise.
- ROLF. ROLF is a routing option under which an order will check the System for available shares and then will be sent to LavaFlow ECN. The Exchange proposes to amend the ROLF routing option to states that any remaining shares will be cancelled unless the User instructs otherwise.
- ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (BATS, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. The Exchange proposes to amend the ROOC routing option to add BATS to the list of primary listing markets and to specify that, due to current system limitations, orders in BATS listed securities designated for participation in the re-opening process on BATS following a halt, suspension, or pause will remain on the EDGA Book and be eligible for execution once the halt, suspension, or pause has been lifted. Lastly, to ensure consistency with the ROOC routing option available on BATS, the Exchange proposes to states that any remaining shares will either be posted to the EDGA Book, executed, or routed to destinations on the System routing table, rather than like a ROUT routing option under Rule 11.11(g)(3). The proposed modifications to the ROOC routing option is similar to the ROOC routing option available under BYX Rule 11.13(a)(3)(N).
- SWPA. SWPA is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. The entire SWPA order will not be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPA order to fulfill the displayed size of all Protected Quotations. The Exchange proposes to amend the SWPA routing option to state that, rather than cancelling any remaining unexecuted shares, those shares will be posted to the EDGA Book at the order's limit price, unless otherwise instructed by the User. This is consistent with BATS Rule 11.13(a)(2)(A), which states that any unfilled balance of a Limit Order will be posted to the BATS book.
- SWPB. SWPB is a routing option under which an order checks the System for available shares and then is sent to only Protected Quotations and only for displayed size. The entire SWPB order will be cancelled back to the User immediately if at the time of entry there is an insufficient share quantity in the SWPB order to fulfill the displayed size of all Protected Quotations. Like as proposes for SWPA above, the Exchange proposes to amend the SWPB routing option to state that, rather than cancelling any remaining unexecuted shares, those shares will be posted to the EDGA Book at the order's limit price, unless otherwise instructed by the User. This is consistent with BATS Rule 11.13(a)(2)(A), which states that any unfilled balance of a Limit Order will be posted to the BATS book.

Implementation Date

The Exchange intends to implement the proposed rule change on or about January 12, 2015, which is the anticipated date upon which the migration of the Exchange to the BATS technology platform will be complete.[52]

[50] *See* BATS Rule 11.13(a)(3)(H).

[51] The Exchange notes that Post to Away under BATS Rule 11.13(a)(3)(H) may be combined with less routing options than are proposed above. This is because, due to the Exchange's taker-maker pricing model, Members may wish to send an order to the Exchange in order to take liquidity and receive a rebate, before being routed to and posted on another Trading Center that incorporates a maker-taker pricing model that provides a rebate to orders that provide liquidity.

[52] Implementation of the proposed rule change on or about January 12, 2015 is contingent upon the

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with Section 6(b) of the Act [53] and further the objectives of Section 6(b)(5) of the Act [54] because they are designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and, in general, to protect investors and the public interest. The proposed rule change also is designed to support the principles of Section 11A(a)(1) [55] of the Act in that it seeks to assure fair competition among brokers and dealers and among exchange markets.

The proposed rule changes are generally intended to add or align certain system functionality currently offered by BATS in order to provide a consistent technology offering for the BGM Affiliated Exchanges. A consistent technology offering, in turn, will simplify the technology implementation, changes and maintenance by Users of the Exchange that are also participants on BATS. The proposed rule changes would also provide Users with access to functionality that is generally available on markets other than the BGM Affiliated Exchanges and may result in the efficient execution of such orders and will provide additional flexibility as well as increased functionality to the Exchange's System and its Users. The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BATS. The Exchange notes that the proposed rule text is based on the BATS Rule and is different only to the extent necessary to conform to the Exchange's current rules. To the extent a proposed rule change is based on an existing BATS Rule, the language of the BATS and Exchange Rules may differ to extent necessary to conform with existing Exchange rule text or to account for details or descriptions included in the Exchange's Rules but not in the applicable BATS rule. Where possible, the Exchange has mirrored BATS rules, because consistent rules will simplify the regulatory requirements and increase the understanding of the Exchange's operations for Members of the Exchange that are also participants on BATS. The proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange also believes that the proposed amendments will contribute to the protection of investors and the public interest by making the Exchange's rules easier to understand. Where necessary, the Exchange has proposed language consistent with the Exchange's operations on BATS technology, even if there are specific details not contained in the current structure of BATS rules. The Exchange believes it is consistent with the Act to maintain its current structure and such detail, rather than removing such details simply to conform to the structure or format of BATS rules, again because the Exchange believes this will increase the understanding of the Exchange's operations for all Members of the Exchange.

Re-Pricing (Rule 11.6(l)). The Exchange believes that the proposed changes to Rule 11.6(l) are consistent with Section 6(b)(5) of the Act,[56] as well as Rule 610 of Regulation NMS [57] and Rule 201 of Regulation SHO.[58] Rule 610(d) requires exchanges to establish, maintain, and enforce rules that require members reasonably to avoid ''[d]isplaying quotations that lock or cross any protected quotation in an NMS stock.'' [59] Such rules must be ''reasonably designed to assure the reconciliation of locked or crossed quotations in an NMS stock,'' and must ''prohibit . . . members from engaging in a pattern or practice of displaying quotations that lock or cross any quotation in an NMS stock.'' [60] Thus, the amendments to the Price Adjust instruction proposed by the Exchange will assist Users by displaying orders at permissible prices. Similarly, Rule 201 of Regulation SHO [61] requires trading centers to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the execution or display of a short sale order at a price at or below the current NBB under certain circumstances.

The Exchange believes that the proposed optional multiple re-pricing for Price Adjust and Displayed Price Sliding are consistent with Section 6(b)(5) of the Act,[62] as well as Rule 610 of Regulation NMS.[63] The Exchange is not modifying the overall functionality of Price Adjust or Displayed Price Sliding, which, to avoid locking or crossing quotations of other market centers, displays orders at permissible prices while retaining a price at which the User is willing to buy or sell, in the event display at such price or an execution at such price becomes possible. Instead, the Exchange is making changes to adopt an optional multiple re-pricing under Price Adjust and Displayed Price Sliding as well as to align with other similar re-pricing instructions under BATS Rules 11.9(g)(1) and (2).[64] The Exchange also believes decommissioning the Routed and Returned Re-Pricing option is consistent with the Act because those Users who would wish to engage in multiple re-pricing upon return to the Exchange may select the option multiple re-pricing for Price Adjust or Displayed Price Sliding as discussed above. Lastly, the Exchange also believes renaming Hide Not Slide as Displayed Price Sliding is consistent with the Act because it would avoid investor confusion with a similarly named re-pricing instruction on EDGX.[65]

The Exchange also believes that cancelling ISOs with a TIF instruction of GTD, GTX, or Day and not subjecting them to the re-pricing instructions to comply with Rule 610 of Regulation NMS or Rule 201 of Regulation SHO is consistent with Section 6(b)(5) of the Act,[66] as well as Rule 610 of Regulation NMS [67] and Rule 201 of Regulation SHO.[68] As amended, an ISO that includes a TIF instruction of GTD, GTX, or Day will be cancelled if the System is displaying orders at the Locking Price at the time of entry. Such orders that also include a Short Sale instruction that cannot be executed or displayed at their limit price at the time of entry because of the existence of a Short Sale Circuit Breaker will also be cancelled. Such orders are cancelled in order to avoid a potential violation of Rule 610(d) of Regulation NMS or Rule 201

Commission granting a waiver of the 30-day operative delay. 17 CFR 240.19b–4(f)(6)(iii).

[53] 15 U.S.C. 78f(b).

[54] 15 U.S.C. 78f(b)(5).

[55] 15 U.S.C. 78k–1(a)(1).

[56] 15 U.S.C. 78f(b)(5).

[57] 17 CFR 242.610.

[58] 17 CFR 242.201.

[59] 17 CFR 242.610(d).

[60] *Id.*

[61] 17 CFR 242.201.

[62] 15 U.S.C. 78f(b)(5).

[63] 17 CFR 242.610.

[64] *See supra* note 29.

[65] *See* EDGX Rule 11.6(l)(1)(B).

[66] 15 U.S.C. 78f(b)(5).

[67] 17 CFR 242.610.

[68] 17 CFR 242.201.

of Regulation SHO and is, therefore, consistent with the Act.

The Exchange believes that the proposed changes to its Re-Pricing Instructions to Comply with Rule 201 of Regulation SHO are consistent with Section 6(b)(5) of the Act,[69] as well as Rule 201 of Regulation SHO.[70] The Exchange proposes to streamline and simplify its available re-pricing instructions by deleting Short Sale Price Adjust and Short Sale Price Sliding and adopting a new, streamlined rule to align with BATS Rule 11.9(g)(5), with the following differences. Rule 11.6(l)(2) states that an order to sell with a Short Sale instruction and a Price Adjust instruction that is re-priced will be ranked at the Permitted Price and that an order to sell with a Short Sale instruction and a Hide Not Slide instruction that is re-priced pursuant to this paragraph will be ranked at the Permitted Price. The Exchange's short sale price sliding will operate the same for Users of Price Adjust on BATS while Users who select Displayed Price Sliding will be ranked at the Permitted Price. The proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Opening Process (Rule 11.7). The amended description of the Opening Process in Rule 11.7 is designed to promote just and equitable principles of trade and remove impediments to, and perfect the mechanism of, a free and open market system because it would align with BZX Rule 11.24 and BYX Rule 11.23 as it relates to: [71] (i) Which orders may participate in the process; (ii) how the price of the Opening Transaction is determined; and (iii) the process for late openings and re-openings. The Opening Process and their related rules would be identical across the BGM Affiliated Exchanges, and will therefore, contribute to the protection of investors and the public interest by avoiding investor confusion and providing consistent functionality across the BGM Affiliated Exchanges. Lastly, and as stated above, the amendment to Rule 11.7 is based on BATS Rule 11.24 and BYX Rule 11.23, both of which were recently approved by the Commission.[72]

Order Types (Rule 11.8). The Exchange believes that the proposed changes to its order types under Rule 11.8 in order to align their functionality with BATS rules are consistent with Section 6(b)(5) of the Act,[73] because these changes are designed to provide Members with additional specificity as to how their orders will be handled upon migration of the Exchange onto BATS technologies, thereby fostering cooperation and coordination with persons engaged in facilitating transactions in securities and removing impediments to and perfecting the mechanism of a free and open market and a national market system. Each order type was amended to update the TIF instructions that would be available upon migration of the Exchange onto BATS technology. In addition, the proposed amendments are designed to align their operation with like order types on BATS and do not propose any additional functionality. For example, Market Orders under Rule 11.8(a) is to be amended to reflect the execution parameters under BATS Rule 11.9(a)(2). The amendments to Limit Orders under Rule 11.8(b) and ISOs under Rule 11.8(c) are designed to update TIF instruction available to each order type. In addition, the changes are designed to update the Re-Pricing options available to Limit Order and ISOs to reflect the decommissioning of Routed and Returned as well as the streamlining of the Re-Pricing Options to Comply with Regulations SHO to align with BATS rules. In sum, the amendments to MidPoint Peg Orders under Rule 11.8(d), MidPoint Discretionary Orders under Rule 11.8(e), and Supplemental Peg Orders under rule 11.8(g) simply clarify their operation during a locked or crossed market as well as expand their eligibility for execution from the Regular Session or Regular Trading Hours to also include the Pre-Opening Session and Post-Closing Session. The proposed changes to Rule 11.8(d) regarding MidPoint Peg Orders are based on BATS Rule 11.9(c)(9). Lastly, the proposed changes to Rule 11.8(f) regarding Market Maker Peg Orders are based on BATS Rule 11.9(c)(17). The proposed changes to Rule 11.8(g) regarding Route Peg Orders are based on BATS Rule 11.9(c)(19).

The proposed rule change does not propose to implement new or unique functionality that has not been previously filed with the Commission or is not available on BATS. Therefore, the proposed rule change would provide greater harmonization between the rules of the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Priority (Rule 11.9). The Exchange also believes its proposed amendments to Rule 11.9 to regarding the priority of orders promotes just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system by providing Members, Users, and the investing public with greater transparency regarding how the System operates. The Exchange proposes to amend Rule 11.9 to align with BATS functionality and BATS Rules 11.12 regarding how orders with certain instructions are to be ranked by the System generally and where orders utilize instructions that cause them to be ranked by the System upon clearance of a Locking Quotation providing valuable, clear information to Members, Users, and the investing public on how their orders would be executed. As amended, orders will be substantially ranked in same order as under current rules except that orders with a Pegged instruction and Non-Displayed instruction will be distinguished from and placed behind Limit Orders with a Non-Displayed Instruction. In turn, the Reserve Quantity of Limit Orders will be separated from and placed behind Limit Orders with a Non-Displayed instruction, orders with a Pegged and Non-Displayed instruction, and MidPoint Peg Orders. These changes are made to align Exchange Rule 11.9 with the functionality set forth in BATS Rule 11.12, as described above. The Exchange believes that the proposed rule changes regarding order priority will provide greater transparency and further clarity on how the various order types will be assigned priority under various scenarios, thereby assisting Members, Users and the investing public in understanding the manner in which the System may execute their orders.

Routing (Rule 11.11). The Exchange believes that the proposed changes to Rule 11.11) [sic] are consistent with Section 6(b)(5) of the Act.[74] As noted above, the proposed rule changes to add

[69] 15 U.S.C. 78f(b)(5).

[70] 17 CFR 242.201.

[71] *See supra* note 40.

[72] *Id.*

[73] 15 U.S.C. 78f(b)(5).

[74] 15 U.S.C. 78f(b)(5).

functionality are intended to add certain system functionality currently offered by BATS in order to provide consistent routing options across the BGM Affiliated Exchanges. A consistent offering, in turn, will simplify the implementation, changes and maintenance by Users of the Exchange that are also participants on BATS. The proposed rule changes would also provide Users with access to functionality that may result in the efficient execution of such orders and will provide additional flexibility as well as increased functionality to the Exchange's System and its Users. As explained elsewhere in this proposal, all of the proposed routing options are similar to routing strategies on other market centers, including BATS. The proposed rule change would provide greater harmonization between the routing options available amongst the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance.

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. The Exchange reiterates that the proposed rule change is being proposed in the context of the technology integration of the BGM Affiliated Exchanges. Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges. In addition, the Exchange believes the proposed rule change will benefit Exchange participants in that it is one of several changes necessary to achieve a consistent technology offering by the BGM Affiliated Exchanges.

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 Act [75] and Rule 19b–4(f)(6) thereunder.[76]

A proposed rule change filed under Rule 19b–4(f)(6) [77] normally does not become operative prior to 30 days after the date of the filing. However, pursuant to Rule 19b–4(f)(6)(iii),[78] the Commission may designate a shorter time if such action is consistent with the protection of investors and the public interest.

The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange represents that since completion of the Merger, both Members and the BGM Affiliated Exchange have made numerous systems changes in preparation for the technology migration occurring on January 12, 2015. The Exchange has issued frequent updates to Members informing them the BGM Affiliated Exchange technology migration changes as well as its anticipated time line so that Members may make the requisite system changes. In addition, the Exchange has conducted multiple testing opportunities for Members to ensure both the Member's and Exchange system will operate in accordance with the proposed rule change on January 12, 2015. Based on these representations, the Commission believes that waiver of the operative delay is consistent with the protection of investors and the public interest. Therefore, the Commission designates the proposal operative upon filing.[79]

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.

[75] 15 U.S.C. 78s(b)(3)(A).

[76] 17 CFR 240.19b–4(f)(6). Rule 19b–4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

[77] 17 CFR 240.19b–4(f)(6).

[78] 17 CFR 240.19b–4(f)(6)(iii).

[79] For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

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 No. SR–EDGA–2015–03 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 No. *SR–EDGA–2015–03.* 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 No. SR–EDGA–2015–03 and should be submitted on or before February 5, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[80]

Brent J. Fields,

Secretary.

[FR Doc. 2015–00531 Filed 1–14–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74021; File No. SR–FINRA–2014–030]

Self-Regulatory Organizations; Financial Industry Regulatory Authority, Inc.; Notice of Designation of Longer Period for Commission Action on Proceedings To Determine Whether To Approve or Disapprove Proposed Rule Change Relating to Quotation Requirements for Unlisted Equity Securities and Deletion of the Rules Related to the OTC Bulletin Board Service

January 9, 2015.

On June 27, 2014, the Financial Industry Regulatory Authority, Inc. (''FINRA'') filed with the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Exchange Act '' or ''Act'') [1] and Rule 19b–4 thereunder,[2] a proposed rule change to adopt rules relating to quotation requirements for over-the-counter (''OTC'') equity securities and to delete the rules relating to the OTC Bulletin Board Service (''OTCBB'') and thus cease its operation. The proposed rule change was published for comment in the **Federal Register** on July 15, 2014.[3] On August 8, 2014, FINRA consented to extending the time period for the Commission to either approve or disapprove the proposed rule change, or to institute proceedings to determine whether to approve or disapprove the proposed rule change, to October 10, 2014. The Commission received one comment letter on the proposed rule change.[4]

On October 7, 2014, the Commission instituted proceedings [5] to determine whether to approve or disapprove the proposed rule change under Section 19(b)(2)(B) of the Act.[6] The Commission thereafter received three comment letters in response to the Order Instituting Proceedings.[7]

Section 19(b)(2) of the Act [8] provides that, after initiating disapproval proceedings, the Commission shall issue an order approving or disapproving the proposed rule change not later than 180 days after the date of publication of notice of the filing of the proposed rule change. The Commission may extend the period for issuing an order approving or disapproving the proposed rule change, however, by not more than 60 days if the Commission determines that a longer period is appropriate and publishes the reasons for such determination. The proposed rule change was published for comment in the **Federal Register** on July 15, 2014. January 11, 2015 is 180 days from that date, and March 12, 2015 is an additional 60 days from that date.

The Commission finds it appropriate to designate a longer period within which to issue an order approving or disapproving the proposed rule change so that it has sufficient time to consider the proposed rule change and the issues raised in the comment letters that have been submitted in connection with the proposal. As the Commission noted in the Order Instituting Proceedings, the proposal raises questions as to whether FINRA's proposed rule change is consistent with the requirements of Sections 15A(b)(6),[9] 15A(b)(11),[10] and 17B [11] of the Act. Specifically, FINRA's proposal to delete the rules governing the OTCBB, and thus cease operation of the only self-regulatory organization (''SRO'') facility that collects, publishes and distributes quotations in OTC equity securities, raises questions as to whether the proposal is consistent with the requirements of the Act, particularly under circumstances where non-SRO quotation systems are experiencing operational difficulties. In such an event, reliable and accurate quotation information for OTC equity securities may not be widely available to investors through such non-SRO systems. Extending the time within which to approve or disapprove the proposed rule change will enable the Commission to more fully consider these issues and the other issues raised in the comment letters.

Accordingly, the Commission, pursuant to Section 19(b)(2) of the Act,[12] designates March 12, 2015, as the date by which the Commission should either approve or disapprove the proposed rule change (File No. SR–FINRA–2014–030).

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

Brent J. Fields,

Secretary.

[FR Doc. 2015–00523 Filed 1–14–15; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74024; File No. SR–EDGX–2014–37]

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

January 9, 2015.

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 December 30, 2014, 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 [3] and Rule 19b4(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 person.

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 [5] of the Exchange pursuant to

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80 17 CFR 200.30–3(a)(12).

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

2 17 CFR 240.19b–4.

3 *See* Securities Exchange Act Release No. 72575 (July 9, 2014), 79 FR 41339 (''Notice'').

4 *See* Letter from Daniel Zinn, General Counsel, OTC Markets Group Inc., dated August 5, 2014 (''OTC Markets Letter'').

5 *See* Securities Exchange Act Release No. 73313, 79 FR 61677 (October 14, 2014) (''Order Instituting Proceedings'').

6 15 U.S.C. 78s(b)(2)(B).

7 *See* Letter from Dr. Lee Jackson, PAHCII, dated October 8, 2014 (''PAHCII Letter''); Letter from Barry Scadden, Vice President, ATS Trade Support and Operations, Global OTC, dated October 10, 2014 (''Global OTC Letter''); and Letter from Michael R. Trocchio, Sidley Austin LLP, on behalf of OTC Markets Group Inc., dated November 4, 2014 (''Sidley Letter'').

8 15 U.S.C. 78s(b)(2).

9 15 U.S.C. 78*o*–3(b)(6).

10 15 U.S.C. 78*o*–3(b)(11).

11 15 U.S.C. 78q–2.

12 15 U.S.C. 78s(b)(2).

13 17 CFR 200.30–3(a)(57).

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 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