be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml*); or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR–CHX–2013–21 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–CHX–2013–21. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (*http://www.sec.gov/rules/sro.shtml*). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR–CHX–2013–21 and should be submitted on or before January 8, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[25]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–30041 Filed 12–17–13; 8:45 am]

BILLING CODE 8011–01–P

[25] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–71064; File No. SR–Phlx–2013–117]

Self-Regulatory Organizations; NASDAQ OMX PHLX LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the Pricing Schedule

December 12, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that, on November 29, 2013, NASDAQ OMX PHLX LLC (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I, II, and III, below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the Exchange's Pricing Schedule with respect to: (i) The Customer[3] Rebate Program in Section B; (ii) Simple Order pricing in Section I entitled Rebates and Fees for Adding and Removing Liquidity in SPY;[4] (iii) certain pricing in Section II related to Multiply Listed Options Fees;[5] (iv) pricing in Section III entitled Singly Listed Options; (v) and pricing in Section IV, entitled ''Other Transaction Fees,'' to amend PIXL[6] Pricing.

While the changes proposed herein are effective upon filing, the Exchange has designated that the amendments be operative on December 2, 2013.

The text of the proposed rule change is available on the Exchange's Web site at *http://nasdaqomxphlx.cchwallstreet.com/,* at the principal office of the Exchange, and at the Commission's Public Reference Room.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange is proposing to amend various sections of its Pricing Schedule. Specifically, the Exchange proposes to amend its Customer Rebate Program at Section B of the Pricing Schedule. The Exchange is amending the types of transactions in Category A and Category B which are subject to the rebate. The Exchange proposes to amend the Simple Order Fees for Removing Liquidity in Section I which are applicable to transactions overlying SPY. The Exchange proposes to amend various Options Transaction Charges in Section II in both Penny and non-Penny PilotOptions and also amend the Electronic Firm Fee Discount.[7] The Exchange proposes to increase the Customer Options Transaction Charge in Section III applicable to Singly Listed Options. Finally, the Exchange proposes to increase certain PIXL fees in Section IV of the Pricing Schedule related to order executions in Section II Multiply Listed Options. Each proposal is detailed below.

Customer Rebate Program

Currently, the Exchange has a Customer Rebate Program consisting of four tiers which pays Customer rebates on two Categories, A and B, of transactions.[8] Category A rebates are paid to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options

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

[2] 17 CFR 240.19b–4.

[3] The term ''Customer'' applies to any transaction that is identified by a member or member organization for clearing in the Customer range at The Options Clearing Corporation (''OCC'') which is not for the account of broker or dealer or for the account of a ''Professional'' (as that term is defined in Rule 1000(b)(14)).

[4] Options overlying Standard and Poor's Depositary Receipts/SPDRs (''SPY'') are based on the SPDR exchange-traded fund (''ETF''), which is designed to track the performance of the S&P 500 Index.

[5] The pricing in Section II includes options overlying equities, ETFs, ETNs and indexes which are Multiply Listed.

[6] PIXL is the Exchange's price improvement mechanism known as Price Improvement XL or (PIXL℠). *See* Rule 1080(n).

[7] The Exchange assesses Firms a reduced Options Transaction Charge in Penny and non-Penny Options provided a Firm has volume greater than a certain amount of contracts in a month.

[8] *See* Section B of the Pricing Schedule.

and Customer Simple Orders in Non-Penny Pilot Options in Section II of the Pricing Schedule. Rebates are paid on Customer PIXL Orders in Section II symbols that execute against non-Initiating Order interest, except in the case of Customer PIXL Orders that are greater than 999 contracts. All Customer PIXL Orders that are greater than 999 contracts are paid a rebate regardless of the contra party to the transaction. Category B rebates are paid to members executing electronically-delivered Customer Complex Orders in Penny Pilot Options and Non-Penny Pilot Options in Section II. Rebates are paid on Customer PIXL Complex Orders in Section II symbols that execute against non-Initiating Order interest, except in the case of Customer PIXL Complex Orders that are greater than 999 contracts. All Customer PIXL Complex Orders that are greater than 999 contracts are paid a rebate regardless of the contra-party to the transaction.

A Phlx member qualifies for a certain rebate tier based on the percentage of total national customer volume in multiply-listed options which it transacts monthly on Phlx. The Exchange calculates Customer volume in Multiply Listed Options by totaling electronically-delivered and executed volume, except volume associated with electronic Qualified Contingent Cross (''QCC'') Orders,[9] as defined in Exchange Rule 1080(o).[10] The Exchange pays the following rebates: [11]

Customer rebate tiers	Percentage thresholds of national customer volume in multiply-listed equity and ETF options classes, excluding spy options (monthly)	Category A	Category B
Tier 1	0.00%–0.75%	$0.00	$0.00
Tier 2	Above 0.75%–1.60%	*0.12	*0.17
Tier 3	Above 1.60%–2.50%	0.16	0.19
Tier 4	Above 2.50%	0.17	0.19

2.

The Exchange is proposing to amend the types of orders that qualify in Categories A and B for a rebate. The Exchange proposes to continue to pay a Category A rebate to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options and Customer Simple Orders in Non-Penny Pilot Options in Section II symbols. Rebates will be paid on Customer PIXL Orders in Section II symbols that execute against non-Initiating Order interest. The Exchange is eliminating the exception for Customer PIXL Orders that are greater than 999 contracts. Today, such orders are entitled to a rebate regardless of the contra-party to the transaction. Also, the Exchange is adding language to provide that in the instance where member organizations qualify for a Tier 3 rebate or a higher rebate in the Customer Rebate Program, Customer PIXL Orders that execute against a PIXL Initiating Order will be paid a rebate of $0.14 per contract.

The Exchange also proposes to continue to pay a Category B rebate to members executing electronically-delivered Customer Complex Orders in Penny Pilot Options and Non-Penny Pilot Options in Section II symbols. Rebates will be paid on Customer PIXL Complex Orders in Section II symbols that execute against non-Initiating Order interest. The Exchange is eliminating the exception for Customer PIXL Orders that are greater than 999 contracts. Today, such orders are entitled to a rebate regardless of the contra-party to the transaction. Also, the Exchange is adding language to provide that in the instance where member organizations qualify for a Tier 3 rebate or a higher rebate in the Customer Rebate Program, Customer Complex PIXL Orders that execute against a Complex PIXL Initiating Order will be paid a rebate of $0.17 per contract.

The Exchange anticipates that amending these Categories will further incentivize market participants to direct additional Customer order flow to the Exchange.

Section I, Part A—SPY Simple Order Pricing

The Exchange currently assesses Customers, Specialists,[12] Market Makers,[13] Firms,[14] Broker-Dealers [15] and Professionals [16] a $0.44 per contract Fee for Removing Liquidity in SPY Simple Orders. The Exchange is proposing to increase the Fee for Removing Liquidity in SPY Simple Orders from $0.44 to $0.45 per contract for all market participants. Despite the increased fees, the Exchange believes that these fees remain competitive with other exchanges.

Section II—Multiply Listed Options Fees

The Exchange currently assesses a Specialist and Market Maker Floor Options Transaction Charge of $0.25 per contract in both Penny and non-Penny Pilot Options. The Exchange proposes to increase the Specialist and Market Maker Floor Options Transaction Charge of $0.25 per contract in both

[9] A QCC Order is comprised of an order to buy or sell at least 1000 contracts that is identified as being part of a qualified contingent trade, as that term is defined in Rule 1080(o)(3), coupled with a contra-side order to buy or sell an equal number of contracts. The QCC Order must be executed at a price at or between the National Best Bid and Offer and be rejected if a Customer order is resting on the Exchange book at the same price. A QCC Order shall only be submitted electronically from off the floor to the PHLX XL II System. *See* Rule 1080(o). *See also* Securities Exchange Act Release No. 64249 (April 7, 2011), 76 FR 20773 (April 13, 2011) (SR-Phlx-2011–47) (a rule change to establish a QCC Order to facilitate the execution of stock/option Qualified Contingent Trades (''QCTs'') that satisfy the requirements of the trade through exemption in connection with Rule 611(d) of the Regulation NMS).

[10] Members and member organizations under common ownership may aggregate their Customer volume for purposes of calculating the Customer Rebate Tiers and receiving rebates. Common ownership means members or member organizations under 75% common ownership or control.

[11] SPY is included in the calculation of Customer volume in Multiply Listed Options that are electronically-delivered and executed for purposes of the Customer Rebate Program, however, the rebates do not apply to electronic executions in SPY.

[12] A ''Specialist'' is an Exchange member who is registered as an options specialist pursuant to Rule 1020(a).

[13] A ''Market Maker'' includes Registered Options Traders (Rule 1014(b)(i) and (ii)), which includes Streaming Quote Traders (*see* Rule 1014(b)(ii)(A)) and Remote Streaming Quote Traders (*see* Rule 1014(b)(ii)(B)). Directed Participants are also market makers.

[14] The term ''Firm'' applies to any transaction that is identified by a member or member organization for clearing in the Firm range at The Options Clearing Corporation.

[15] The term ''Broker-Dealer'' applies to any transaction which is not subject to any of the other transaction fees applicable within a particular category.

[16] The term ''Professional'' means any person or entity that (i) is not a broker or dealer in securities, and (ii) places more than 390 orders in listed options per day on average during a calendar month for its own beneficial account(s). *See* Rule 1000(b)(14).

Penny and non-Penny Pilot Options from $0.25 to $0.30 per contract.

The Exchange currently assesses a Professional electronic Options Transaction Charge in non-Penny Pilot Options of $0.30 per contract. The Exchange proposes to assess Professionals a $0.60 per contract electronic Options Transaction Charge in non-Penny Pilot Options. The Exchange currently assesses a Firm electronic Options Transaction Charge in non-Penny Pilot Options of $0.50 per contract. The Exchange proposes to assess Firms a $0.60 per contract electronic Options Transaction Charge in non-Penny Pilot Options.

The Exchange proposes to assess electronic Professional, Broker-Dealer and Firm Complex Orders, in either Penny or non-Penny Pilot Options, a reduced $0.30 per contract Options Transaction Charge.

The Exchange also proposes to amend the Electronic Firm Fee Discount rate volume requirement. Today, Firm electronic Options Transaction Charges in Penny Pilot and non-Penny Pilot Options are reduced to $0.17 per contract for a given month provided that a Firm has volume greater than 500,000 electronically-delivered contracts in a month (''Electronic Firm Fee Discount'').[17] The Exchange proposes to reduce Firm electronic Options Transaction Charges in Penny Pilot and non-Penny Pilot Options to $0.20 per contract for a given month provided a Firm has volume greater than 350,000 electronically-delivered contracts in a month.

The Exchange believes that these fees remain competitive with fees currently assessed today on Phlx and the reduced fees for electronic Complex Orders will serve as an incentive for Professionals, Broker-Dealers and Firms submitting electronic Complex Orders to submit additional orders. Despite the fact that the Electronic Firm Fee Discount will now be reduced to a $0.20 per contract fee instead of a $0.17 per contract fee, Firms should still be incentivized to send additional order flow in both Penny and non-Penny Pilot Options due to the reduced volume requirement.

Section III—Singly Listed Options

The Exchange proposes to amend the Customer Options Transaction Charge for Singly Listed Options. Today, a Customer is assessed a $0.35 per contract Options Transaction Charge for transacting a Singly Listed Option. The Exchange proposes to increase the fee from $0.35 to $0.40 per contract. Despite the increased fee the Exchange believes that this fee remains competitive.

Section IV, Part A PIXL Pricing

The Exchange proposes to amend the PIXL Pricing in Part A of Section IV. Currently, with respect to executions in Section II Multiply Listed Options[18] when a PIXL Order is contra to a PIXL Auction Responder, a Customer PIXL Order will be assessed $0.00 per contract while other market participants are assessed $0.30 per contract. A Responder is also assessed $0.30 per contract unless the Responder is a Customer, in which case the fee is $0.00 per contract.

With respect to executions in Section II Multiply Listed Options, the Exchange proposes to continue to assess $0.00 per contract to a Customer PIXL Order when a PIXL Order is contra to a PIXL Auction Responder. Other market participants would continue to be assessed $0.30 per contract in Penny Pilot Options, but would be assessed an increased fee of $0.38 per contract in non-Penny Pilot Options. A Responder would continue to be assessed $0.30 per contract in Penny Pilot Options and would be assessed an increased fee of $0.38 per contract in non-Penny Pilot Options, unless, as is the case today, the Responder is a Customer, in which case the fee is $0.00 per contract.

The Exchange believes that increasing certain PIXL fees related to non-Penny Pilot Options will align these fees with those currently assessed for PIXL executions in options overlying SPY.[19]

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[20] in general, and with Section 6(b)(4) and 6(b)(5) of the Act,[21] in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Customer Rebate Program

The Exchange's proposal to continue to pay a Category A or Category B rebate to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options and Customer Simple Orders in Non-Penny Pilot Options in Section II symbols for Category A or Customer Complex Orders in Penny or Non-Penny Pilot Options in Section II symbols, eliminate the exception for Customer PIXL Orders (Category A) or Customer PIXL Complex Orders (Category B) that are greater than 999 contracts and pay a Category A rebate of $0.14 per contract or Category B rebate of $0.17 per contract if a member organization qualifies for a Tier 3 rebate or a higher Customer rebate by executing against a PIXL Initiating Order is reasonable because these amendments should incentivize market participants to direct additional Customer order flow to the Exchange to earn an additional Customer Rebate or a rebate on certain Customer PIXL orders or Customer PIXL Complex Orders. Instead of paying the rebate on Customer PIXL orders (Category A) or Customer PIXL Complex Orders (Category B) that are greater than 999 contracts regardless of the contra-party, the Exchange is offering member organizations that qualify for a Tier 3 rebate or a higher rebate the opportunity to earn a rebate on certain Customer PIXL orders (Category A) or Customer PIXL Complex Orders (Category B) to reward them for the Customer volume they transacted on the Exchange. The Exchange believes that this incentive should encourage market participants to direct a greater amount of Customer volume to the Exchange. In addition, the Chicago Board Options Exchange, Incorporated (''CBOE'') also pays rebates for orders related to their price improvement mechanism in an identical fashion.[22]

The Exchange's proposal to continue to pay a Category A or Category B rebate to members executing electronically-delivered Customer Simple Orders in Penny Pilot Options and Customer Simple Orders in Non-Penny Pilot Options in Section II symbols for Category A or Customer Complex Orders in Penny or Non-Penny Pilot Options in Section II symbols, eliminate the exception for Customer PIXL Orders (Category A) or Customer PIXL Complex Orders (Category B) that are greater than 999 contracts and pay a Category A rebate of $0.14 per contract or Category B rebate of $0.17 per contract if a member organization qualifies for a Tier 3 rebate or a higher Customer rebate by executing against a PIXL Initiating Order is equitable and not unfairly discriminatory because it will be

[17] The Electronic Firm Fee Discount applies per member organization when such members are trading in their own proprietary account.

[18] This excludes ETFs, ETNs and indexes which are Multiply Listed.

[19] *See* Section I, Part C of the Pricing Schedule.

[20] 15 U.S.C. 78f.

[21] 15 U.S.C. 78f(b)(4) and (5).

[22] *See* CBOE's Fees Schedule. CBOE's Volume Incentive Program (''VIP'') pays certain tiered rebates to Trading Permit Holders for electronically executed multiply-listed option orders which include AIM orders.

applied to all market participants in a uniform matter. All members are eligible to receive the rebate provided they submit a qualifying number of electronic Customer volume.

Section I—Simple Order Pricing

The Exchange's proposal to increase the Fee for Removing Liquidity in Simple Orders from $0.44 to $0.45 per contract for all market participants is reasonable because the increase is consistent with or less than rates assessed by other options exchanges, such as Topaz Exchange, LLC (''Gemini''), NYSE ARCA, Inc. (''NYSE Arca''), BATS Exchange, Inc. (''BATS'') and NASDAQ Options Market LLC (''NOM'').[23]

The Exchange's proposal to increase the Fee for Removing Liquidity in Simple Orders from $0.44 to $0.45 per contract for all market participants is equitable and not unfairly discriminatory because all market participants will be assessed the same Fee for Removing Liquidity in Simple Orders of $0.45 per contract.

Section II—Multiply Listed Options Fees

The Exchange's proposal to amend its Floor Options Transaction Charges for Penny and Non-Penny Pilot Options for Specialist and Market Makers is reasonable because the proposed fees are within the range of other fees in Section II of the Pricing Schedule. Also, Specialists and Market Makers pay Payment for Order Flow fees[24] on electronic orders but do not pay such PFOF fees when transacting non-electronic orders.

The Exchange's proposal to amend its Floor Options Transaction Charges for Penny Options and Non-Penny Pilot Options for Specialist and Market Makers is equitable and not unfairly discriminatory because Specialists and Market Makers have a time and place advantage on the trading floor with respect to orders, unlike other market participants. A Professional, Broker-Dealer or a Firm would necessarily require a floor broker to represent their trading interest on the trading floor as compared to a Specialist or Market Maker that could directly transact such orders on the trading floor. Further, the Exchange believes that in order to attract orders from a Professional, Broker-Dealer or a Firm, via a floor broker, the rates must be competitive with rates other trading floors. Therefore, the Exchange would continue to assess a Professional, Broker-Dealer and a Firm a Floor Options Transaction Charge for Penny Pilot Options and Non-Penny Pilot Options of $0.25 per contract.

With respect to electronic orders, the Exchange proposes to assess Professionals, Broker-Dealers and Firms an Options Transaction Charge of $0.30 per contract for Penny Options and Non-Penny Pilot Options with respect to electronic Complex Orders. The Exchange currently assesses Professionals a $0.30 per contract fee for electronic orders, so this would not result in a change for a Professional. A Broker-Dealer and Firm are assessed a $0.45 per contract fee for electronic orders, which would be reduced to $0.30 per contract with respect to electronic Complex Orders. Specialists and Market Makers are assessed a $0.22 per contract electronic Options Transaction Charge and $0.23 in non-Penny Pilot Options because Specialists and Market Makers have obligations to the market and regulatory requirements,[25] which normally do not apply to other market participants. They have obligations to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings. The proposed differentiation as between Specialists and Market Makers and other market participants recognizes the differing contributions made to the liquidity and trading environment on the Exchange by these market participants.

The Exchange's proposal to amend the Professional and Firm Options Transaction Charges for Non-Penny Pilot Options is reasonable because the Exchange is increasing the Professional and Firm electronic fees to $0.60 per contract in order to offer lower fees for electronic Complex Order transactions and also align Professional and Firm rates with the Options Transaction Charge which is currently assessed to a Broker-Dealer.

The Exchange's proposal to amend the Professional and Firm Options Transaction Charges for Non-Penny Pilot Options is equitable and not unfairly discriminatory because the Exchange would uniformly assess a Professional,[26] Firm[27] and Broker-Dealer a $0.60 per contract electronic Non-Penny Pilot Options Transaction Charge. The Exchange will continue not to assess a Customer an Options Transaction Charge because Customer order flow brings unique benefits to the market. Other market participants benefit from the liquidity that Customer order flow brings to the Exchange. Specialists and Market Makers are assessed an electronic Non-Penny Pilot Options Transaction Charge of $0.23 per contract with respect to floor transactions in Non-Penny Pilot Options. Specialists and Market Makers have obligations to the market and regulatory requirements,[28] which normally do not apply to other market participants. They have obligations to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings.

The Exchange believes that it is reasonable to amend the Electronic Firm Fee Discount rate for electronic Options Transaction Charges in Penny Pilot and Non-Penny Pilot Options from $0.17 to $0.20 per contract and decrease the Firm volume requirement from 500,000 to 350,000 electronically-delivered contracts because despite the lesser discount, the lower volume requirement

[23] *See* Gemini's Fee Schedule. Gemini assesses taker fees for Priority Customer of $0.45 per contract and $0.48 per contract for all market participants. *See* NYSE Arca fees Schedule. NYSE Arca assesses a Lead Market Maker and NYSE Arca Market Maker a $0.47 [sic] per contract take liquidity fee and a $0.48 per contract take liquidity fee to a Firm and Broker-Dealer. *See* BATS BZX Exchange Fee Schedule. BATS assesses a $0.47 charge per contract for a Professional, Firm or Market Maker order that removes liquidity and $0.45 per contract for a Customer order that removes liquidity. *See* NOM Rules at Chapter XV, Section 2. NOM assesses $0.45 per contract for a Customer to remove liquidity and $0.48 per contract for all other market participants.

[24] The Payment for Order Flow (''PFOF'') Program assesses fees to Specialists and Market Makers resulting from Customer orders (''PFOF Fees''). The PFOF fees are available to be disbursed by the Exchange according to the instructions of the Specialist or Market Maker to order flow providers who are members or member organizations who submit, as agent, Customer orders to the Exchange through a member or member organization who is acting as agent for those customer orders. Any excess PFOF funds billed but not utilized by the Specialist or Market Maker are carried forward unless the Specialist or Market Maker elects to have those funds rebated on a pro rata basis, reflected as a credit on the monthly invoices. At the end of each calendar quarter, the Exchange calculates the amount of excess funds from the previous quarter and subsequently rebates excess funds on a pro-rata basis to the applicable Specialist or Market Maker who paid into that pool of funds.

[25] *See* Rule 1014 titled ''Obligations and Restrictions Applicable to Specialists and Registered Options Traders.''

[26] A Professional is currently assessed an electronic Non-Penny Pilot Options Transaction Charge of $0.30 per contract.

[27] A Firm is currently assessed an electronic Non-Penny Pilot Options Transaction Charge of $0.50 per contract.

[28] *See* Rule 1014 titled ''Obligations and Restrictions Applicable to Specialists and Registered Options Traders.''

should attract additional market participants transacting Firm orders.

The Exchange believes that it is equitable and not unfairly discriminatory to amend the Electronic Firm Fee Discount rate for electronic Options Transaction Charges in Penny Pilot and Non-Penny Pilot Options from $0.17 to $0.20 per contract and decrease the Firm volume requirement from 500,000 to 350,000 electronically-delivered contracts because all Firms will continue to have an opportunity to qualify for this incentive as they do today, provided they achieve the requisite volume. The Exchange also believes that the discount will continue to assist Firms to offset Options Transaction Charges.

Section III Singly Listed Options

The Exchange's proposal to amend the Customer Options Transaction Charge for Singly Listed Options from $0.35 to $0.40 per contact is reasonable because despite the increase the Exchange believes that this fee is competitive with other Singly Listed Options fees.[29]

The Exchange's proposal to amend the Customer Options Transaction Charge for Singly Listed Options from $0.35 to $0.40 per contact is equitable and not unfairly discriminatory because the Exchange would continue to assess Customers, Specialists and Market Makers the lowest fees while assessing Professionals, Firms and Broker-Dealers a $0.60 per contract Options Transaction Charge. Customer order flow brings unique benefits to the market through increased liquidity. Specialists and Market Makers have obligations to the market and regulatory requirements,[30] which normally do not apply to other market participants. They have obligations to make continuous markets, engage in a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and not make bids or offers or enter into transactions that are inconsistent with a course of dealings.

Section IV, Part A PIXL Pricing

The Exchange's proposal to amend the PIXL Pricing in Part A of Section IV so that other market participants, other than a Customer PIXL Order and a non-Customer Responder, would be assessed an increased $0.38 per contract in Non-Penny Pilot Options is reasonable because the increase aligns these fees with those currently assessed for PIXL executions in options overlying SPY. Section I, Part C of the Pricing Schedule assesses non-Customer market participants a $0.38 per contract fee when contra to an Initiating Order.

The Exchange's proposal to amend the PIXL Pricing in Part A of Section IV so that other market participants, other than a Customer PIXL Order and a non-Customer Responder, would be assessed an increased $0.38 per contract in Non-Penny Pilot Options is equitable and not unfairly discriminatory because all non-Customer market participants would be assessed the same fee. The Exchange has traditionally not assessed Customers PIXL Order fees because Customer liquidity benefits all market participants. Customer PIXL Orders would continue to not be assessed such a fee.

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

The Exchange does not believe that the proposed rule change will impose an undue burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes that the Customer Rebate Program will continue to encourage Customer order flow to be directed to the Exchange. By incentivizing members to route Customer orders, the Exchange desires to attract liquidity to the Exchange, which in turn benefits all market participants. All market participants are eligible to qualify for a Customer Rebate.

The Exchange believes the proposed amendment would allow a greater number of market participants to qualify for Tier 3 or higher Customer rebates. The Exchange believes this pricing change does not impose a burden on competition but rather that the proposed rule change will continue to promote competition on the Exchange.

The Exchange operates in a highly competitive market, comprised of twelve options exchanges, in which market participants can easily and readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or rebates to be inadequate. Accordingly, the fees that are assessed and the rebates paid by the Exchange described in the above proposal are influenced by these robust market forces and therefore must remain competitive with fees charged and rebates paid by other venues and therefore must continue to be reasonable and equitably allocated to those members that opt to direct orders to the Exchange rather than competing venues.

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

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.[31] At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments

- Use the Commission's Internet comment form (*http://www.sec.gov/rules/sro.shtml);* or
- Send an email to *rule-comments@sec.gov.* Please include File Number SR-Phlx-2013–117 on the subject line.

Paper Comments

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549–1090.

All submissions should refer to File Number SR–Phlx–2013–117. 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

[29] *See* the International Securities Exchange LLC's Fee Schedule.

[30] *See* Rule 1014 titled ''Obligations and Restrictions Applicable to Specialists and Registered Options Traders.''

[31] 15 U.S.C. 78s(b)(3)(A)(ii).

Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-Phlx-2013–117 and should be submitted on or before January 8, 2014.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[32]

Kevin M. O'Neill,

Deputy Secretary.

[FR Doc. 2013–30048 Filed 12–17–13; 8:45 am]

BILLING CODE 8011–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–71058; File No. SR–EDGX–2013–46]

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

December 12, 2013.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the ''Act''),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on December 6, 2013, 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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its fees and rebates applicable to Members [3] of the Exchange pursuant to EDGX Rule 15.1(a) and (c) (''Fee Schedule'') to exclude odd lot transactions from its definition of Total Consolidated Volume (''TCV''), which is used to determine whether a Member is eligible for certain pricing tiers. The text of the proposed rule change is available on the Exchange's Web site at *www.directedge.com,* at the Exchange's principal office, on the Commission's Web site at *www.sec.gov,* and at the Public Reference Room of the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange currently defines TCV as ''the volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month in which the fees are calculated.'' [4] An odd lot transaction, which is generally an execution of less than 100 shares,[5] is currently not reported to the consolidated tape, and therefore, not included in the Exchange's calculation of TCV. Beginning December 9, 2013, odd lot transactions will be reported to the consolidated tape.[6] The Exchange, therefore, proposes to amend its Fee Schedule to exclude odd lot transactions from its definition of TCV, which is used to determine whether a Member is eligible for certain pricing tiers, through January 31, 2014. The proposal would allow Members additional time to adjust to the potential impact of including odd lot transactions within consolidated volumes. Odd lots will continue to be included in each Member's average daily trading volume (''ADV'') as they are today.

The Exchange provides Members with the opportunity to qualify for a pricing tier based on its [sic] level of activity during a particular month. Each tier provides a Member with increased rebates or lower fees for adding or removing liquidity in the Exchange. Certain tiers use a specific percentage of TCV during the billing cycle as a threshold that a Member must meet or exceed to qualify for a particular tier. For example, to qualify for the Mega Tier 2 and receive a rebate of $0.0032 per share and fee of $0.0029 per share, a Member must: add or route at least 4,000,000 shares of ADV prior to 9:30 a.m. or after 4:00 p.m. (includes all flags except 6); and add a minimum of 0.20% of the TCV on a daily basis measured monthly, including during both market hours and pre and post-trading hours. To qualify for Market Depth Tier 1 and receive a rebate of $0.00325 per share, a Member must: add greater than or equal to 0.85% of the TCV in ADV on EDGX in total; and add at least 4 million shares as Non-Displayed Orders that yield Flag HA.

The proposal to exclude odd lot transactions from the TCV calculation is intended to allow Members additional time to adjust to the potential impact of including odd lot transactions within

[32] 17 CFR 200.30–3(a)(12).

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

[2] 17 CFR 240.19b-4.

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

[4] *See* Exchange Fee Schedule *available at http://www.directedge.com/Trading/EDGXFeeSchedule.aspx* (December 2, 2013)

[5] *See* Exchange Rule 11.6.

[6] *See* Securities Exchange Act Release No. 70794 (October 31, 2013), 78 FR 66789 (November 6, 2013) (SR–CTA–2013–05) (Order Approving the Eighteenth Substantive Amendment to the Second Restatement of the CTA Plan). *See also* Securities Exchange Act Release No. 70793 (October 31, 2013), 78 FR 66788 (November 6, 2013) (File No. S7–24–89) (Order Approving Amendment No. 30 to the Joint Self-Regulatory Organization Plan Governing the Collection, Consolidation and Dissemination of Quotation and Transaction Information for Nasdaq-Listed Securities Traded on Exchanges on an Unlisted Trading Privileges Basis). *See also* Securities Exchange Act Release No. 70898 (November 19, 2013) (SR–NYSE–2013–75). *See also* announcements regarding December 9, 2013 implementation date, available at *https://cta.nyxdata.com/cta/popup/news/2385* and *http://www.nasdaqtrader.com/TraderNews.aspx?id=uva2013-11.* If the inclusion of odd lot transactions in the consolidated tape is delayed to a date after December 9, 2013, the manner of inclusion or exclusion of odd lot transactions described in this proposal for purposes of billing on the Exchange would similarly take effect on such later date.