

OPP on the basis of the better of the NBBO or the internal market BBO rather than solely on the basis of the NBBO protects investors and the public interest by extending the benefits of OPP to orders received in instances where the internal market BBO is better than the NBBO.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, as the amendments to Rule 1080(p)(3)(B) will apply uniformly to all market participants availing themselves of the OPP feature. Nor will the proposal impose a burden on competition among the options exchanges, because of the vigorous competition for order flow among the options exchanges. To the extent that market participants disagree with the particular approach taken by the Exchange herein, market participants can easily and readily direct order flow to 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**

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<sup>7</sup> and Rule 19b-4(f)(6) thereunder.<sup>8</sup>

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act<sup>9</sup> normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)<sup>10</sup> permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the

public interest. The Exchange believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because it would allow the Exchange to immediately correct the inaccuracy with respect to the NBBO described above, as well as eliminate language suggesting the Exchange possesses the capability to temporarily deactivate OPP on an intraday basis when in fact this is not the case. The Exchange believes that the public interest would not be served by preserving these inaccuracies in its rules during a notice and comment period for this proposed rule change. The Commission believes that waiving the 30-day operative delay<sup>11</sup> is consistent with the protection of investors and the public interest and designates the proposal operative on filing.

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 will institute proceedings to determine whether the proposed rule change 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](mailto:rule-comments@sec.gov). Please include File Number SR-Phlx-2015-51 on the subject line.

#### *Paper Comments*

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

All submissions should refer to File Number SR-Phlx-2015-51. 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

<sup>11</sup> 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).

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 such 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-2015-51 and should be submitted on or before July 17, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>12</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-75254; File No. SR-CHX-2015-04]**

### **Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change To Eliminate the Change in Business Form Fee**

June 22, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on June 15, 2015, the Chicago Stock Exchange, Inc. ("CHX" or the "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

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

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

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

<sup>7</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>8</sup> 17 CFR 240.19b-4(f)(6). In addition, 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 Commission has determined to waive the five-day pre-filing period in this case.

<sup>9</sup> 17 CFR 240.19b-4(f)(6).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

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**

CHX proposes to amend section C of the Fee Schedule of CHX ("Fee Schedule") to eliminate the change in business form fee. The text of this proposed rule change is available on the Exchange's Web site at ([www.chx.com](http://www.chx.com)) and in 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 CHX included statements concerning the purpose of and basis for the proposed rule changes 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 CHX 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 proposes to amend section C of the Fee Schedule to eliminate the change in business form fee. Currently, the Exchange charges a \$200 fee for any Participant that changes its form of business (*e.g.*, from a partnership to a limited liability corporation) to cover the administrative costs of tracking and verifying such changes. However, the Exchange believes that the \$200.00 change in business form fee has become unnecessary, in light of the recent amendment to the Trading Permit application fee, which was increased from \$200 to \$2,000 per application.<sup>3</sup> Aside from the elimination of the change in business form fee, the Exchange does not propose to substantively modify any other fees, assessments, credits or rebates. The Exchange proposes to make this

proposed rule change operative *July 1, 2015*.

##### **2. Statutory Basis**

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act<sup>4</sup> in general, and furthers the objectives of sections 6(b)(4) of the Act<sup>5</sup> in particular, as the proposed rule provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using its facilities. Specifically, the Exchange believes that the proposed elimination of the change in business form fee will be applied in a non-discriminatory manner as the fee will no longer be assessed to any Participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposed elimination of the change in business form fee will reduce the number of fees assessed to Participants, which will enhance competition. The Exchange operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels set by the Exchange to be excessive. Thus, the proposed rule change is a competitive proposal that is intended to retain Participants at, and draw prospective Participants to, the Exchange by, among other things, providing a simplified Fee Schedule.

#### **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 is effective upon filing pursuant to section 19(b)(3)(A)(ii) of the Act<sup>6</sup> and subparagraph(f)(2) of Rule 19b-4 thereunder<sup>7</sup> because it establishes or changes a due, fee or other charge imposed by the Exchange.

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](mailto:rule-comments@sec.gov). Please include File Number SR-CHX-2015-04 on the subject line.

#### **Paper Comments**

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

All submissions should refer to File Number SR-CHX-2015-04. This file number should be included on the subject line if email is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for Web site viewing and printing in the Commission's Public Reference Room, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such 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-

<sup>3</sup> See section A of the Fee Schedule; *see also* Exchange Act Release No. 73906 (December 22, 2014), 79 FR 78541 (December 30, 2014) (SR-CHX-2014-20).

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

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

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>7</sup> 17 CFR 240.19b-4(f)(2).

2015-04 and should be submitted on or before July 17, 2015.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>8</sup>

**Robert W. Errett,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-75261; File No. SR-NASDAQ-2015-062]

### Self-Regulatory Organizations; The NASDAQ Stock Market LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change To Amend Nasdaq Rules 7014 and 7018

June 22, 2015.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on June 15, 2015, The NASDAQ Stock Market LLC (“NASDAQ” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) a 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 the Substance of the Proposed Rule Change

Nasdaq is proposing changes to Nasdaq Rule 7014, including adding a national best bid or best offer (“NBBO”) Program, amending Nasdaq Rule 7018 rebates, eliminating Nasdaq Rule 7018(a)(4) that governs fees and credits for execution of orders in select symbols, and increasing the monthly cap on fees charged for participation in the Nasdaq Opening Cross in Nasdaq Rule 7018(e).

The text of the proposed rule change is available at [nasdaq.cchwallstreet.com](http://nasdaq.cchwallstreet.com) at Nasdaq principal office, 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, Nasdaq included statements concerning the purpose of, and basis for, the

proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

##### 1. Purpose

Nasdaq proposes to amend Nasdaq Rules 7014 and 7018 by eliminating the fees and credits for execution of orders in select symbols (“Select Symbol Program”) under Nasdaq Rule 7018(a)(4). The Exchange proposes to make corresponding changes to remove references to the Select Symbol Program in Nasdaq Rule 7014(b) and (e). Additionally, Nasdaq proposes to clarify Nasdaq Rule 7014(b) by removing an outdated reference to subsection (f) and specifying the rebates and credits are from Nasdaq Rule 7018(a), as well as to clarify that the rebate in Nasdaq Rule 7018(e) will be in addition to any rebate payable under Nasdaq Rule 7018(a).

The Exchange also proposes to amend Nasdaq Rule 7014 by adding the NBBO Program to the rule as subsection (g). Under the NBBO Program, Nasdaq will provide a rebate per share executed with respect to all other displayed orders (other than Designated Retail Orders, as defined in Nasdaq Rule 7018) in securities priced at \$1 or more per share that provide liquidity and establish the NBBO. The rebate will be in addition to any rebate or credit payable under Nasdaq Rule 7018(a) and the Investor Support Program (“ISP”) and Qualified Market Maker (“QMM”) Program under Nasdaq Rule 7014.

To qualify for the \$0.0002 per share executed rebate under the NBBO Program, a member must either: (1) Execute shares of liquidity provided in all securities through one or more of its MPIDs that represents 0.475% or more of consolidated volume (“Consolidated Volume”) during the month, or (2) add Nasdaq Options Market (“NOM”) market maker liquidity, as defined in chapter XV, section 2 of the NOM rules, in penny pilot options and/or non-penny pilot options above 0.90% of total industry customer equity and exchange-traded fund (“ETF”) option average daily volume (“ADV”) contracts per day in a month.

Next, Nasdaq proposes to amend midpoint pricing credit tiers in Nasdaq Rule 7018(a)(1), (2) and (3). Specifically,

in Nasdaq Rule 7018(a)(1) currently there is a credit of \$0.0017 per share executed for midpoint orders if the member provides an average daily volume of between 5 million and less than 6 million shares through midpoint orders during the month. The credit of \$0.0017 per share executed for midpoint orders will now be available if the member provides an average daily volume of 3 million or more shares through midpoint orders during the month. The same change is being made in Nasdaq Rule 7018(b) and (c), but for the \$0.0020 per share executed credit for midpoint orders tier. Additional language is being modified within each of these subsections solely for purposes of clarification.

Finally, the Exchange proposes to amend Nasdaq Rule 7018(e) by increasing the monthly maximum amount that firms are subject to for executing orders in the Nasdaq Opening Cross from \$20,000 to \$30,000 (provided that such firms add at least one million shares of liquidity, on average, per month). The change is intended to keep the charges incurred by members to participate in the Nasdaq Opening Cross comparable to the charges incurred by the New York Stock Exchange (“NYSE”) members to participate in its opening process.<sup>3</sup>

##### 2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of section 6 of the Act,<sup>4</sup> in general, and with sections 6(b)(4) and 6(b)(5) of the Act,<sup>5</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which Nasdaq operates or controls and is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

Nasdaq believes that the proposed changes to Nasdaq Rule 7018 to eliminate the Select Symbol Program

<sup>3</sup> See SR-NYSE-2015-28 (as of yet unpublished).

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

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

<sup>8</sup> 17 CFR 200.30-3(a)(12).

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

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