

Required fields are shown with yellow backgrounds and asterisks.

Proposed Rule Change by NASDAQ OMX BX, Inc.  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

<b>Initial *</b>	<b>Amendment *</b>	<b>Withdrawal</b>	<b>Section 19(b)(2) *</b>	<b>Section 19(b)(3)(A) *</b>		<b>Section 19(b)(3)(B) *</b>		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> Rule		<input type="checkbox"/>		
<b>Pilot</b>	<b>Extension of Time Period for Commission Action *</b>	<b>Date Expires *</b>	<b>19b-4(f)(1)</b>	<b>19b-4(f)(2)</b>	<b>19b-4(f)(3)</b>	<b>19b-4(f)(4)</b>	<b>19b-4(f)(5)</b>	<b>19b-4(f)(6)</b>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Exhibit 2 Sent As Paper Document</b>	<b>Exhibit 3 Sent As Paper Document</b>
<input type="checkbox"/>	<input type="checkbox"/>

**Description**  
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked \*).

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name * <input type="text" value="John"/>	Last Name * <input type="text" value="Yetter"/>
Title * <input type="text" value="Vice President"/>	
E-mail * <input type="text" value="john.yetter@nasdaqomx.com"/>	
Telephone * <input type="text" value="(301) 978-8497"/>	Fax <input type="text" value="(301) 978-8472"/>

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,  
has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date

By    
(Name \*) (Title \*)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information (required)**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change (required)**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) under the Securities Exchange Act of 1934 (“Act”) <sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> NASDAQ OMX BX, Inc. (“BX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to modify BX’s fee schedule governing order routing.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and the text of the proposed rule change is attached as Exhibit 5.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of BX pursuant to authority delegated by the Board of Directors of BX on July 10, 2012. BX staff will advise the Board of Directors of BX of any action taken pursuant to delegated authority. No other action by BX is necessary for the filing of the rule change. BX proposes to implement the proposed rule change on August 1, 2012.

Questions regarding this rule filing may be directed to John M. Yetter, Vice President and Deputy General Counsel, The NASDAQ OMX Group, Inc., 301-978-8497.

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

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

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

a. Purpose

BX is making a minor modification to the schedule governing fees for use of its routing services. Effective August 1, 2012, the NASDAQ OMX PSX ("PSX") facility of NASDAQ OMX PHLX LLC ("Phlx") is increasing the fees that it charges for accessing liquidity.<sup>3</sup> Accordingly, BX is making conforming changes to the fees that it charges for routing orders to PSX. Under the modified fee schedule, BX will charge \$0.0030 per share executed for orders that use the BSTG or BSCN routing strategies<sup>4</sup> (the same fee charged for routing to all venues other than the New York Stock Exchange ("NYSE")), \$0.0035 per share executed for orders that use the BMOP routing strategy (the same fee charged for routing to all venues other than NYSE), and will pass through fees charged by PSX for orders that use the BTFY or BCRT routing strategies.

b. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>5</sup> in general, and with Sections 6(b)(4) and (5) of the Act,<sup>6</sup> in

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<sup>3</sup> See SR-Phlx-2012-102 (July 31, 2012). In making this change, Phlx undid a pricing change made for July 2012 and reverted to the pricing in effect prior to July 2, 2012. See Securities Exchange Act Release No. 67387 (July 10, 2012), 77 FR 41838 (July 16, 2012) (SR-Phlx-2012-87). Similarly, BX adjusted its routing fees in July 2012 to reflect the change made by Phlx and is now reverting to the fees formerly in effect. See Securities Exchange Act Release No. 67386 (July 10, 2012), 77 FR 41840 (July 16, 2012) (SR-BX-2012-044).

<sup>4</sup> The functionality of BX's various routing strategies is explained in BX Rule 4758.

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which BX operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. All similarly situated members are subject to the same fee structure, and access to BX is offered on fair and non-discriminatory terms. The change is reasonable because the proposed fee for routing orders to PSX reflects the increase in the fee that will be charged by PSX to BX with respect to such orders.<sup>7</sup> The change is consistent with an equitable allocation of fees because it will bring the economic attributes of routing orders to PSX in line with the cost of executing orders there. Finally, the change is not unfairly discriminatory because it solely applies to members that opt to route orders to PSX.

Finally, BX notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular venue to be excessive. In such an environment, BX must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. BX believes that the proposed rule change reflects this competitive environment because

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<sup>7</sup> Depending on the listing venue of the security, BX will be charged either \$0.0019 or \$0.0027 per share executed. BX believes that it is appropriate to charge a markup with respect to routed orders to reflect the costs of offering routing services and the value of such services. Although the amount of the markup varies depending on the listing venue of the security and the routing strategy employed, BX believes that it is not inappropriate to establish uniform fees for particular routing strategies, with a goal of reflecting the complexity of the routing strategies and allowing BX to recoup the fees charged by the venues to which BX routes and a share of the fixed costs of operating these services, and earning a return.

it is designed to ensure that the charges for use of the BX routing facility to route to PSX reflect an increase in the cost of such routing.

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

BX 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, as amended. Because the market for order execution is extremely competitive, members may readily opt to disfavor BX's routing services if they believe that alternatives offer them better value. The proposed change is designed to ensure that the charges for use of the BX routing facility to route to PSX reflect an increase in the cost of such routing, thereby ensuring that it does not incur a loss when routing to PSX.

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

Written comments were neither solicited nor received.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act,<sup>8</sup> BX has designated this proposal as establishing or changing a due, fee, or other charge imposed by the self-regulatory organization on any person, whether or not the person is a member of the self-regulatory organization, which renders the proposed rule change effective upon filing.

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission, but does reflect the fees charged by PSX with respect to orders routed to it by BX.

9. Exhibits

1. Completed notice of proposed rule change for publication in the Federal Register.
5. Text of the proposed rule change.

**EXHIBIT 1**SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- ; File No. SR-BX-2012-058)

August \_\_, 2012

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

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 July 31, 2012, NASDAQ OMX BX, Inc. ("BX" or the "Exchange") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

BX proposes to modify BX's fee schedule governing order routing. BX will implement the proposed change on August 1, 2012. The text of the proposed rule change is available at <http://nasdaqomxbx.cchwallstreet.com/>, at BX's principal office, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those

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

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



statements may be examined at the places specified in Item III below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

BX is making a minor modification to the schedule governing fees for use of its routing services. Effective August 1, 2012, the NASDAQ OMX PSX ("PSX") facility of NASDAQ OMX PHLX LLC ("Phlx") is increasing the fees that it charges for accessing liquidity.<sup>3</sup> Accordingly, BX is making conforming changes to the fees that it charges for routing orders to PSX. Under the modified fee schedule, BX will charge \$0.0030 per share executed for orders that use the BSTG or BSCN routing strategies<sup>4</sup> (the same fee charged for routing to all venues other than the New York Stock Exchange ("NYSE")), \$0.0035 per share executed for orders that use the BMOP routing strategy (the same fee charged for routing to all venues other than NYSE), and will pass through fees charged by PSX for orders that use the BTFY or BCRT routing strategies.

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<sup>3</sup> See SR-Phlx-2012-102 (July 31, 2012). In making this change, Phlx undid a pricing change made for July 2012 and reverted to the pricing in effect prior to July 2, 2012. See Securities Exchange Act Release No. 67387 (July 10, 2012), 77 FR 41838 (July 16, 2012) (SR-Phlx-2012-87). Similarly, BX adjusted its routing fees in July 2012 to reflect the change made by Phlx and is now reverting to the fees formerly in effect. See Securities Exchange Act Release No. 67386 (July 10, 2012), 77 FR 41840 (July 16, 2012) (SR-BX-2012-044).

<sup>4</sup> The functionality of BX's various routing strategies is explained in BX Rule 4758.

## 2. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>5</sup> in general, and with Sections 6(b)(4) and (5) of the Act,<sup>6</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which BX operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. All similarly situated members are subject to the same fee structure, and access to BX is offered on fair and non-discriminatory terms. The change is reasonable because the proposed fee for routing orders to PSX reflects the increase in the fee that will be charged by PSX to BX with respect to such orders.<sup>7</sup> The change is consistent with an equitable allocation of fees because it will bring the economic attributes of routing orders to PSX in line with the cost of executing orders there. Finally, the change is not unfairly discriminatory because it solely applies to members that opt to route orders to PSX.

Finally, BX notes that it operates in a highly competitive market in which market participants can readily favor competing venues if they deem fee levels at a particular

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<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4) and (5).

<sup>7</sup> Depending on the listing venue of the security, BX will be charged either \$0.0019 or \$0.0027 per share executed. BX believes that it is appropriate to charge a markup with respect to routed orders to reflect the costs of offering routing services and the value of such services. Although the amount of the markup varies depending on the listing venue of the security and the routing strategy employed, BX believes that it is not inappropriate to establish uniform fees for particular routing strategies, with a goal of reflecting the complexity of the routing strategies and allowing BX to recoup the fees charged by the venues to which BX routes and a share of the fixed costs of operating these services, and earning a return.

venue to be excessive. In such an environment, BX must continually adjust its fees to remain competitive with other exchanges and with alternative trading systems that have been exempted from compliance with the statutory standards applicable to exchanges. BX believes that the proposed rule change reflects this competitive environment because it is designed to ensure that the charges for use of the BX routing facility to route to PSX reflect an increase in the cost of such routing.

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

BX 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, as amended. Because the market for order execution is extremely competitive, members may readily opt to disfavor BX's routing services if they believe that alternatives offer them better value. The proposed change is designed to ensure that the charges for use of the BX routing facility to route to PSX reflect an increase in the cost of such routing, thereby ensuring that it does not incur a loss when routing to PSX.

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

Written comments were neither solicited nor 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.<sup>8</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public

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<sup>8</sup> 15 U.S.C. 78s(b)(3)(a)(ii).

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 e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2012-058 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-BX-2012-058. This file number should be included on the subject line if e-mail 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 website viewing and printing in the Commission's Public Reference Room 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 offices 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-BX-2012-058, and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>9</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>9</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

Below is the text of the proposed rule change. Proposed new language is underlined; proposed deletions are in brackets.

**7018. NASDAQ OMX BX Equities System Order Execution and Routing**

(a) The following charges and credits shall apply to the use of the order execution and routing services of the NASDAQ OMX BX Equities System by members for all securities priced at \$1 or more per share that it trades.

Credit for entering order that accesses liquidity in the NASDAQ OMX BX Equities System:

Order that executes against a midpoint pegged order:	\$0
Order entered by a member through a BX Equities System Market Participant Identifier ("MPID") through which the member (i) accesses an average daily volume of 3.5 million or more shares of liquidity, or (ii) provides an average daily volume of 25,000 or more shares of liquidity during the month (excluding an order that executes against a midpoint pegged order):	\$0.0014 per share executed
BSTG, BSCN, BMOP, BTFY or BCRT order that accesses liquidity in the NASDAQ OMX BX Equities System (excluding an order that executes against a midpoint pegged order):	\$0.0014 per share executed
All other orders:	\$0.0005 per share executed

Charge for providing liquidity through the NASDAQ OMX BX Equities System:

Displayed order entered by a Qualified Liquidity Provider through a Qualified MPID:	\$0.0015 per share executed
All other orders:	\$0.0018 per share executed

For purposes of this rule, a Qualified Liquidity Provider is a member with (i) shares of liquidity provided and (ii) total shares of liquidity accessed and provided in all securities

through one or more of its NASDAQ OMX BX Equities System MPIDs that represent more than 0.40% and 0.50%, respectively, of the total consolidated volume reported to all consolidated transaction reporting plans by all exchanges and trade reporting facilities during the month. A Qualified MPID is an MPID of a Qualified Liquidity Provider through which, for at least 150 securities, it quotes at the national best bid or offer ("NBBO") an average of at least 25% of the time during regular market hours (9:30 a.m. through 4:00 p.m.) during the month.

Charge for BSTG or BSCN order that executes in a venue other than the NASDAQ OMX BX Equities System:	\$0.0023 per share executed at NYSE [\$0.0005 per share executed at NASDAQ OMX PSX]
	\$0.0030 per share executed at venues other than NYSE [or NASDAQ OMX PSX]

Charge for BMOP order that executes in a venue other than the NASDAQ OMX BX Equities System:	\$0.0025 per share executed at NYSE [\$0.0005 per share executed at NASDAQ OMX PSX]
	\$0.0035 per share executed at venues other than NYSE [or NASDAQ OMX PSX]

Charge for BTFY order that executes in a venue other than the NASDAQ OMX BX Equities System:	\$0.0023 per share executed at NYSE [\$0.0005 per share executed at NASDAQ OMX PSX]
	\$0.0007 per share executed at venues other than NYSE, NASDAQ or NASDAQ OMX PSX

For orders that execute at NASDAQ OMX PSX, NASDAQ OMX BX will pass through all fees assessed and rebates offered by NASDAQ OMX PSX

For orders that execute at NASDAQ, NASDAQ OMX BX will pass through all fees assessed and rebates offered by NASDAQ

Charge for BCRT order that	<u>For orders that execute at NASDAQ OMX</u>
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executes in a venue other than PSX, NASDAQ OMX BX will pass through  
the NASDAQ OMX BX all fees assessed and rebates offered by  
Equities System: [\$0.0005 per share executed at] NASDAQ  
OMX PSX

For orders that execute at NASDAQ,  
NASDAQ OMX BX will pass through all  
fees assessed and rebates offered by  
NASDAQ

(b) – (d) No change.