Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

A proposed rule change to clarify the language describing a newly adopted credit tier under Rule 7018.

Notification of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Extension of Time Period for Commission Action

Date Expires

Description

Provide a brief description of the action (limit 250 characters, required when Initial is checked *).

A proposed rule change to clarify the language describing a newly adopted credit tier under Rule 7018.

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 action.

First Name * John
Last Name * Yetter
Title * Vice President and Deputy General Counsel
E-mail * john.yetter@nasdaqomx.com
Telephone * (301) 978-8497
Fax

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.

(Date *)

01/22/2014

By Edward S. Knight

Executive Vice President and General Counsel

{Name *}
Persona Not Validated - 1383935917270

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.
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 *

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 1A - Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *

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, security-based swap submission, or advance notice 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

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

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

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

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

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”)\(^1\) and Rule 19b-4 thereunder,\(^2\) NASDAQ OMX BX, Inc. (“BX” or “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to clarify the language describing a newly adopted credit tier under Rule 7018.

   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 17, 2013. 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.

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

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

a. **Purpose**

In SR-BX-2014-065 (filed December 30, 2013), BX adopted a new tier with respect to the rebates it pays for orders that access liquidity in securities priced at $1 or more. The new tier applies to members that are active in both the NASDAQ OMX BX Equities System (the “BX Equities System”) and BX Options. Under the tier, a member will receive a credit of $0.0013 per share executed when accessing liquidity if the member (i) has a daily average volume of liquidity accessed in all securities during the month of 6 million or more shares through one or more of its BX Equities System market participant identifiers (“MPIDs”), and (ii) adds and/or removes liquidity of 40,000 or more contracts per day during the month through BX Options.

In SR-BX-2013-065, BX explained that, as with other rebate tiers, the proposed tier does not apply to an order that executes against a midpoint pegged order, because the accessing order receives price improvement in that case. Accordingly, BX believes that the payment of a rebate is not also warranted. The fee schedule makes it clear that the rebate paid with respect to an “order that executes against a midpoint pegged order” is $0. However, the language that describes other rebate tiers in the fee schedule includes parenthetical language to further emphasize that specific rebate tiers do not apply to an order that executes against a midpoint pegged order. This parenthetical language was inadvertently omitted from the rule language describing the new tier. In order to maintain consistent language throughout the fee schedule, BX is proposing to add the parenthetical language to the description of the new tier. The change does not alter the
meaning or effect of the fee schedule, but is rather intended only to enhance its clarity and consistency.

b. **Statutory Basis**

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,\(^3\) in general, and with Section 6(b)(5) of the Act\(^4\) in particular, in that the proposal 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. Specifically, BX believes that the change will promote these goals by enhancing the clarity and consistency of BX fee schedule.

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. Specifically, the change does not alter the meaning or effect of BX’s fee schedule, and therefore does not affect competition in any respect.

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)**

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act\(^5\) and paragraph (f)(6) of Rule 19b-4 thereunder,\(^6\) in that the proposed rule change: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of 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.

BX believes that the proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. Specifically, the change serves only to enhance the clarity and consistency of BX’s fee schedule and does not affect competition in any respect. Accordingly, BX requests that the Commission waive the 30 day operative delay provided for in Rule 19b-4(f)(6)(iii).\(^7\) Waiver of the delay will allow BX to immediately implement a change in rule language that will serve to enhance the clarity and consistency of BX’s fee schedule. Accordingly, BX believes that the operative delay would not serve any purpose in this instance.


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

Not applicable.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. Exhibits

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

   5. Text of the proposed rule change.
SECURITIES AND EXCHANGE COMMISSION  
(Release No. ; File No. SR-BX-2014-006)

January __, 2014

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Clarify the Language Describing a Newly Adopted Credit Tier under Rule 7018

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 January 22, 2014, NASDAQ OMX BX, Inc. ("BX" 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 clarify the language describing a newly adopted credit tier under Rule 7018. The text of the proposed rule change is available on the Exchange’s Website at [http://nasdaqomxbx.cchwallstreet.com](http://nasdaqomxbx.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

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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**

   In SR-BX-2014-065 (filed December 30, 2013), BX adopted a new tier with respect to the rebates it pays for orders that access liquidity in securities priced at $1 or more. The new tier applies to members that are active in both the NASDAQ OMX BX Equities System (the “BX Equities System”) and BX Options. Under the tier, a member will receive a credit of $0.0013 per share executed when accessing liquidity if the member (i) has a daily average volume of liquidity accessed in all securities during the month of 6 million or more shares through one or more of its BX Equities System market participant identifiers (“MPIDs”), and (ii) adds and/or removes liquidity of 40,000 or more contracts per day during the month through BX Options.

   In SR-BX-2013-065, BX explained that, as with other rebate tiers, the proposed tier does not apply to an order that executes against a midpoint pegged order, because the accessing order receives price improvement in that case. Accordingly, BX believes that the payment of a rebate is not also warranted. The fee schedule makes it clear that the rebate paid with respect to an “order that executes against a midpoint pegged order” is $0. However, the language that describes other rebate tiers in the fee schedule includes parenthetical language to further emphasize that specific rebate tiers do not apply to an order that executes against a midpoint pegged order. This parenthetical language was inadvertently omitted from the rule language describing the new tier. In order to
maintain consistent language throughout the fee schedule, BX is proposing to add the parenthetical language to the description of the new tier. The change does not alter the meaning or effect of the fee schedule, but is rather intended only to enhance its clarity and consistency.

2. **Statutory Basis**

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,\(^3\) in general, and with Section 6(b)(5) of the Act\(^4\) in particular, in that the proposal 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. Specifically, BX believes that the change will promote these goals by enhancing the clarity and consistency of BX fee schedule.

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. Specifically, the change does not alter the meaning or effect of BX’s fee schedule, and therefore does not affect competition in any respect.

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.

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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)(ii) of the Act\(^5\) and subparagraph (f)(6) of Rule 19b-4 thereunder.\(^6\)

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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](http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-BX-2014-006 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-2014-006. 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, 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-BX-2014-006 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.\(^7\)

Kevin M O’Neill
Deputy Secretary

\(^7\) 17 CFR 200.30-3(a)(12).
The text of the proposed rule change is below. Proposed new language is underlined; deletions are bracketed.

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 1 million or more shares of liquidity during the month (excluding an order that executes against a midpoint pegged order):

$0.0013 per share executed

Order entered by a member (i) with a daily average volume of liquidity accessed in all securities during the month of 6 million or more shares through one or more BX Equities System MPIDs, and (ii) that adds and/or removes liquidity of 40,000 or more contracts per day during the month through BX Options (excluding an order that executes against a midpoint pegged order):

$0.0011 per share executed

Order entered by a member through a BX Equities System MPID through which the member provides an average daily volume of at least 25,000, but less than 1 million, shares of liquidity during the month (excluding an order that executes against a midpoint pegged order):

$0.0011 per share executed

BSTG, BSCN, BMOP, BTFY, BCRT, BDRK or BCST order that accesses liquidity in the NASDAQ OMX BX Equities System (excluding an order that executes against a midpoint pegged order):

$0.0011 per share executed

All other orders:

$0.0004 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: $0.0014 per share executed

Displayed order entered by a member (i) with a daily average volume of liquidity provided in all securities during the month of 2 million or more shares through one or more BX Equities System MPIDs, and (ii) that adds BX Options Market Maker volume under Chapter XV of BX Options rules of 20,000 or more contracts per day during the month: $0.0016 per share executed

Displayed order entered through a NASDAQ OMX BX Equities System MPID through which a member provides an average daily volume of 4 million or more shares of liquidity during the month: $0.0018 per share executed

Midpoint pegged order entered by a member that provides an average daily volume of 2 million or more shares of liquidity using midpoint pegged orders during the month: $0.0010 per share executed

Midpoint pegged order entered by a member that provides an average daily volume of 1 million or more, but less than 2 million, shares of liquidity using midpoint pegged orders during the month: $0.00125 per share executed

Midpoint pegged order entered by other member: $0.0015 per share executed

Other non-displayed orders: $0.0028 per share executed

All other orders: $0.0020 per share executed

For purposes of this rule, there are two methods of becoming a Qualified Liquidity Provider:

(1) A Qualified Liquidity Provider may be 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 ("Consolidated Volume") during the month, excluding executed orders with a size of less than one round lot. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity. For a member qualifying under this method, a Qualified MPID is an MPID through which, for at least 150 securities, the Qualified Liquidity Provider 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.

(2) Alternatively, a Qualified Liquidity Provider may be 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 0.35% and 0.45%, respectively, of Consolidated Volume during the month. For purposes of calculating Consolidated Volume and the extent of a member's trading activity, expressed as a percentage of or ratio to Consolidated Volume, the date of the annual reconstitution of the Russell Investments Indexes shall be excluded from both total Consolidated Volume and the member's trading activity. For a member qualifying under this method, a Qualified MPID is an MPID through which, for at least 400 securities, the Qualified Liquidity Provider quotes at the 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:

- $0.0025 per share executed at NYSE
- $0.0030 per share executed at venues other than NYSE

Charge for BMOP order that executes in a venue other than the NASDAQ OMX BX Equities System:

- $0.0027 per share executed at NYSE
- $0.0035 per share executed at venues other than NYSE

Charge for BTFY order that executes in a venue other than the NASDAQ OMX BX Equities System:

- $0.0025 per share executed at NYSE
- $0.0007 per share executed at venues other than NYSE, NASDAQ

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 executes in a venue other than the NASDAQ OMX BX Equities System:

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 BDRK and BCST order that executes in a venue other than the NASDAQ OMX BX Equities System:

$0.0010 per share executed

(b) - (d) No change.