

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * 21  | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4      |   | File No.* SR - 2014 - * 009  | Amendment No. (req. for Amendments *)                        |   |
| Filing by NASDAQ OMX BX, Inc.<br>Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934   |   |   |  |  |   |
| Initial *<br><input checked="" type="checkbox"/>  | Amendment *<br><input type="checkbox"/>   | Withdrawal<br><input type="checkbox"/>                                  | Section 19(b)(2) *<br><input type="checkbox"/>   | Section 19(b)(3)(A) *<br><input checked="" type="checkbox"/> | Section 19(b)(3)(B) *<br><input type="checkbox"/> |
| Pilot<br><input type="checkbox"/>   | Extension of Time Period<br>for Commission Action *<br><input type="checkbox"/> | Date Expires *<br><input type="text"/>                                  | Rule<br><input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4)<br><input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5)<br><input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6) |  |   |
| Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010<br>Section 806(e)(1) *<br><input type="checkbox"/>  |   |   | Security-Based Swap Submission pursuant<br>to the Securities Exchange Act of 1934<br>Section 3C(b)(2) *<br><input type="checkbox"/>  |  |   |
| Exhibit 2 Sent As Paper Document<br><input checked="" type="checkbox"/>   |   | Exhibit 3 Sent As Paper Document<br><input checked="" type="checkbox"/> |  |  |   |
| <b>Description</b><br>Provide a brief description of the action (limit 250 characters, required when Initial is checked *).<br><br>A Proposed Rule Change to Amend the Fee Schedule under Exchange Rule 7018(a) with Respect to Transactions in Securities Priced at \$1 per Share or More.   |   |   |  |  |   |
| <b>Contact Information</b><br>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.<br><br>First Name * Jonathan Last Name * Cayne<br>Title * Associate General Counsel<br>E-mail * jonathan.cayne@nasdaqomx.com<br>Telephone * (301) 978-8493 Fax (301) 978-8472  |   |   |  |  |   |
| <b>Signature</b><br>Pursuant to the requirements of the Securities Exchange Act of 1934,<br><br>has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.<br>(Title *)<br>Date 02/03/2014 Executive Vice President and General Counsel<br>By Edward S. Knight<br>(Name *)<br>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.<br>Persona Not Validated - 1383935917270, |   |   |  |  |   |

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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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 \***

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

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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, 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**

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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**

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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**

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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 amend the fee schedule under Exchange Rule 7018(a) with respect to execution and routing of orders in securities priced at \$1 or more per share.

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 the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on July 17, 2013. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change. The Exchange will implement the proposed rule change on February 3, 2014.

Questions regarding this rule filing may be directed to Jonathan F. Cayne, Associate General Counsel, at (301) 978-8493 (telephone) or (301) 978-8472 (fax).

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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

The Exchange is proposing several changes to its fees for certain orders that execute at the New York Stock Exchange ("NYSE"). Additionally, the Exchange is proposing to modify the tier regarding credit for entering order that accesses liquidity in the BX Equities System.

Currently, the Exchange charges members for BSTG (includes BSKN orders since it is a form of BSTG), BSCN (includes BSKP orders since it is a form of BSCN) and BTFY orders that execute at NYSE \$0.0025 per share executed. The Exchange is proposing to increase the charge assessed for all such orders executed at NYSE to \$0.0030 per share.

Also currently, the Exchange charges members for BMOP orders that execute at NYSE \$0.0027 per share executed. The Exchange is proposing to increase the charge assessed for such orders executed at NYSE to \$0.0035 per share.

The Exchange is also proposing to modify a tier with respect to the rebates it pays for orders that access liquidity in securities priced at \$1 or more. Currently, a member will receive a credit of \$0.0013 per share executed when accessing liquidity<sup>3</sup> 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. The Exchange proposes

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<sup>3</sup> As with other rebate tiers, the tier does not apply to an order that executes against a midpoint pegged order, because the accessing order receives price improvement.

to reduce the 40,000 or more contracts per day to 30,000 or more contracts per day.

The tier recognizes the prevalence of trading in which members simultaneously trade different asset classes within the same strategy. Because cash equities and options markets are linked, with liquidity and trading patterns on one market affecting those on the other, the Exchange believes that a pricing incentive that encourages market participant activity in BX Options will also support price discovery and liquidity provision in the BX Equities System.

b. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and Sections 6(b)(4) and (b)(5) of the Act,<sup>5</sup> in particular, because 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 that the Exchange operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers.

The change with respect to the tier for members active in both the BX Equities System and BX Options is reasonable because it reflects the availability of a price reduction for members that support liquidity on both markets. The change is consistent with an equitable allocation of fees because the pricing tier requires significant levels of liquidity provision, which benefits all market participants, and because activity in BX Options also supports price discovery and liquidity provision in the BX Equities System due to the increasing propensity of market participants to be active in both markets and

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

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

the influence of each market on the pricing of securities in the other. Moreover, making one of the provisions of the tier easier to qualify for by reducing from 40,000 or more to 30,000 or more contracts per day during the month through BX options, has the potential to reduce fees for a wider range of market participants by introducing a new means of qualifying for a lower fee for providing liquidity. The change is not unreasonably discriminatory because market participants may qualify for a still lower fee without participating in BX Options through participation in BX's Qualified Liquidity Provider program.

The proposed change to fees for certain orders that execute at NYSE are reasonable because they reflect a modest increase to such fees. Specifically, the proposed change is reasonable because it reflects a modest increase of \$0.0005 per share, from \$0.0025 per share to \$0.0030 per share, in the charge assessed to members executing at NYSE of BSTG, BSCN and BTFY orders. The proposed change is also reasonable because it reflects a modest increase of \$0.0008 per share, from \$0.0027 per share to \$0.0035 per share, in the charge assessed to members executing at NYSE of BMOP orders. In addition, the change is equitable and not unfairly discriminatory because it affects similarly situated members in the same way.

These fee changes are consistent with an equitable allocation of fees and not unfairly discriminatory because the increase will maintain the same fee being assessed to members executing at NYSE for BSTG, BSCN and BTFY orders. The fee increase for members executing at NYSE for BMOP orders is an equitable allocation of fees and not

unfairly discriminatory because BMOP<sup>6</sup> is a premium routing option and the fee increase is modest.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>7</sup> 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, or rebate opportunities available at other venues to be more favorable. 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.

Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, BX believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In this instance, the increases with respect to certain orders coupled with the easier to qualify for pricing tier for members active in the Exchange's cash equities and options markets enhances the Exchange's competitiveness by reducing fees for some and raising fees modestly for others. Thus, although price increases, one of the proposed rule changes provides incentives for behavior that may allow members to reduce their trading

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<sup>6</sup> BX Rule 4758(a)(1)(A)(iii) defines BMOP as a routing option under which orders route only to protected quotations and only for displayed size. If shares remain unexecuted after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the system will not route the order to the locking or crossing market center.

<sup>7</sup> 15 U.S.C. 78f(b)(8).

costs. Moreover, because there are numerous competitive alternatives to the use of the Exchange, it is likely that BX will lose market share as a result of the changes if they are unattractive to market participants. Accordingly, BX does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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.

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

The new tier for members active in the BX Equities System and BX Options is similar to tiers under NASDAQ Rule 7018(a).

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

Not applicable.

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



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.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-BX-2014-009)

February \_\_\_\_, 2014

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing of Proposed Rule Change to Amend the Fee Schedule under Exchange Rule 7018(a) with Respect to Transactions in Securities Priced at \$1 per Share or More

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 February 3, 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 amend the fee schedule under Exchange Rule 7018(a) with respect to transactions in securities priced at \$1 per share or more. The Exchange will implement the proposed rule change on February 3, 2014.

The text of the proposed rule change is also available on the Exchange’s Website at <http://nasdaqomxbx.cchwallstreet.com>, at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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

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

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 several changes to its fees for certain orders that execute at the New York Stock Exchange (“NYSE”). Additionally, the Exchange is proposing to modify the tier regarding credit for entering order that accesses liquidity in the BX Equities System.

Currently, the Exchange charges members for BSTG (includes BSKN orders since it is a form of BSTG), BSCN (includes BSKP orders since it is a form of BSCN) and BTFY orders that execute at NYSE \$0.0025 per share executed. The Exchange is proposing to increase the charge assessed for all such orders executed at NYSE to \$0.0030 per share.

Also currently, the Exchange charges members for BMOP orders that execute at NYSE \$0.0027 per share executed. The Exchange is proposing to increase the charge assessed for such orders executed at NYSE to \$0.0035 per share.

The Exchange is also proposing to modify a tier with respect to the rebates it pays for orders that access liquidity in securities priced at \$1 or more. Currently, a member

will receive a credit of \$0.0013 per share executed when accessing liquidity<sup>3</sup> 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. The Exchange proposes to reduce the 40,000 or more contracts per day to 30,000 or more contracts per day.

The tier recognizes the prevalence of trading in which members simultaneously trade different asset classes within the same strategy. Because cash equities and options markets are linked, with liquidity and trading patterns on one market affecting those on the other, the Exchange believes that a pricing incentive that encourages market participant activity in BX Options will also support price discovery and liquidity provision in the BX Equities System.

## 2. Statutory Basis

BX believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,<sup>4</sup> in general, and Sections 6(b)(4) and (b)(5) of the Act,<sup>5</sup> in particular, because 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 that the Exchange operates or controls, and it does not unfairly discriminate between customers, issuers, brokers or dealers.

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<sup>3</sup> As with other rebate tiers, the tier does not apply to an order that executes against a midpoint pegged order, because the accessing order receives price improvement.

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

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

The change with respect to the tier for members active in both the BX Equities System and BX Options is reasonable because it reflects the availability of a price reduction for members that support liquidity on both markets. The change is consistent with an equitable allocation of fees because the pricing tier requires significant levels of liquidity provision, which benefits all market participants, and because activity in BX Options also supports price discovery and liquidity provision in the BX Equities System due to the increasing propensity of market participants to be active in both markets and the influence of each market on the pricing of securities in the other. Moreover, making one of the provisions of the tier easier to qualify for by reducing from 40,000 or more to 30,000 or more contracts per day during the month through BX options, has the potential to reduce fees for a wider range of market participants by introducing a new means of qualifying for a lower fee for providing liquidity. The change is not unreasonably discriminatory because market participants may qualify for a still lower fee without participating in BX Options through participation in BX's Qualified Liquidity Provider program.

The proposed change to fees for certain orders that execute at NYSE are reasonable because they reflect a modest increase to such fees. Specifically, the proposed change is reasonable because it reflects a modest increase of \$0.0005 per share, from \$0.0025 per share to \$0.0030 per share, in the charge assessed to members executing at NYSE of BSTG, BSCN and BTFY orders. The proposed change is also reasonable because it reflects a modest increase of \$0.0008 per share, from \$0.0027 per share to \$0.0035 per share, in the charge assessed to members executing at NYSE of BMOP

orders. In addition, the change is equitable and not unfairly discriminatory because it affects similarly situated members in the same way.

These fee changes are consistent with an equitable allocation of fees and not unfairly discriminatory because the increase will maintain the same fee being assessed to members executing at NYSE for BSTG, BSCN and BTFY orders. The fee increase for members executing at NYSE for BMOP orders is an equitable allocation of fees and not unfairly discriminatory because BMOP<sup>6</sup> is a premium routing option and the fee increase is modest.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.<sup>7</sup> 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, or rebate opportunities available at other venues to be more favorable. 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.

Because competitors are free to modify their own fees in response, and because market participants may readily adjust their order routing practices, BX believes that the degree to which fee changes in this market may impose any burden on competition is extremely

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<sup>6</sup> BX Rule 4758(a)(1)(A)(iii) defines BMOP as a routing option under which orders route only to protected quotations and only for displayed size. If shares remain unexecuted after routing, they are posted to the book. Once on the book, should the order subsequently be locked or crossed by another market center, the system will not route the order to the locking or crossing market center.

<sup>7</sup> 15 U.S.C. 78f(b)(8).

limited. In this instance, the increases with respect to certain orders coupled with the easier to qualify for pricing tier for members active in the Exchange's cash equities and options markets enhances the Exchange's competitiveness by reducing fees for some and raising fees modestly for others. Thus, although price increases, one of the proposed rule changes provides incentives for behavior that may allow members to reduce their trading costs. Moreover, because there are numerous competitive alternatives to the use of the Exchange, it is likely that BX will lose market share as a result of the changes if they are unattractive to market participants. Accordingly, BX does not believe that the proposed changes will impair the ability of members or competing order execution venues to maintain their competitive standing in the financial markets.

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 change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>8</sup> and paragraph (f) of Rule 19b-4<sup>9</sup> thereunder. 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.

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

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

#### IV. Solicitation of Comments

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

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-BX-2014-009 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-2014-009. 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-2014-009 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>10</sup>

Kevin M O'Neill  
Deputy Secretary

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<sup>10</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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 [4]30,000 or more contracts per day during the month through BX Options:   | \$0.0013 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: | \$0.00[25]30 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:         | \$0.00[27]35 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:         | \$0.00[25]30 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.

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