

*Required fields are shown with yellow backgrounds and asterisks.*

Page 1 of * 19	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2014 - * 036	Amendment No. (req. for Amendments *)	
Filing by NASDAQ OMX BX, Inc. Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934					
Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 Section 3C(b)(2) * <input type="checkbox"/>		
Exhibit 2 Sent As Paper Document <input type="checkbox"/>		Exhibit 3 Sent As Paper Document <input type="checkbox"/>			
<b>Description</b> Provide a brief description of the action (limit 250 characters, required when Initial is checked *).  A proposal to amend BX Options Rules Chapter XV Section 2 to amend fees and rebates for various options.					
<b>Contact Information</b> 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 * Edith    Last Name * Hallahan Title * Principal Associate General Counsel E-mail * edith.hallahan@nasdaqomx.com Telephone * (215) 496-5179    Fax <input type="text"/>					
<b>Signature</b> 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.  (Title *) Date 07/01/2014    Executive Vice President and General Counsel By Edward S. Knight <input type="text"/> (Name *) 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.  <input type="button" value="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 \***

Add Remove View

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 the Proposed Rule Change

(a) NASDAQ OMX BX, Inc. (“BX” or “Exchange”), pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> proposes to amend BX Options Rules, Chapter XV, Section 2 entitled “BX Options Market – Fees and Rebates” to amend fees and rebates for various options.

While the changes proposed herein are effective upon filing, the Exchange has designated these changes to be operative on July 1, 2014.

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

(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 any action taken pursuant to delegated authority. No other action by the Exchange is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Edith Hallahan, Principal Associate General Counsel, at (215) 496-5179 or Angela Dunn, Associate General Counsel, at (215) 496-5692.

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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 proposes to amend certain rebates and fees in Chapter XV, Section 2(1), Fees for Execution of Contracts on the BX Options Market. Specifically, the Exchange proposes to: (i) increase the BX Options Fee to Remove Liquidity for BX Options Market Makers as well as Non-Customers in Penny Pilot<sup>3</sup> Options and Non-Penny Pilot Options; and (ii) increase the BX Options Customer Rebate to Remove Liquidity in certain Penny Pilot Options from \$0.32 to \$0.35 per contract, as explained further below.

First, the BX Options Fee to Remove Liquidity for BX Options Market Makers and Non-Customers will increase from \$0.45 per contract to \$0.46 per contract in all Penny Pilot Options. Penny Pilot Options include two categories of options that are part of the Penny Pilot: (i) certain options that are specified on the Exchange's pricing schedule<sup>4</sup> and (ii) all other Penny Pilot Options. Accordingly, this proposal raises the BX

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<sup>3</sup> The Penny Pilot on BX Options was established in June 2012, and was expanded and extended through December 31, 2014. See Securities Exchange Act Release Nos. 67256 (June 26, 2012), 77 FR 39277 (July 2, 2012) (SR-BX-2012-030) (order approving BX Options rules and establishing Penny Pilot); 67342 (July 3, 2012), 77 FR 40666 (July 10, 2012) (SR-BX-2012-046) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 68518 (December 21, 2012), 77 FR 77152 (December 31, 2012) (SR-BX-2012-076) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 69784 (June 18, 2013), 78 FR 37873 (June 24, 2013) (SR-BX-2013-039); 71107 (December 12, 2013), 78 FR 77528 (December 23, 2013) (SR-BX-2013-061) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); and 72246 (May 23, 2014), 79 FR 31160 (May 30, 2014) SR-BX-2014-027) (notice of filing and immediate effectiveness expanding and extending Penny Pilot).

<sup>4</sup> These include options on Bank of America Corporation ("BAC"), iShares Russell 2000 Index ("IWM"), PowerShares QQQ ("QQQ"), SPDR S&P 500 ("SPY"), and iPath S&P 500 VIX St Futures ETN ("VXX") (together, "Specified Penny Pilot Options").

Options Fee to Remove Liquidity for BX Options Market Makers and Non-Customers for all Penny Pilot Options; the fee is currently the same (\$0.45 per contract) and will continue to be the same (\$0.46 per contract) for all Penny Pilot Options. The Exchange is similarly proposing to increase the Fee for Removing Liquidity for BX Options Market Makers and Non-Customers in Non-Penny Pilot Options from \$0.88 to \$0.89 per contract. Non-Customers include a Professional, Firm, Broker-Dealer and Non-BX Options Market Maker. These modest increases are intended to defray the cost of the proposed increased rebate, which is described below.

Second, the Exchange proposes to increase the BX Options Customer Rebate to Remove Liquidity in Penny Pilot Options from \$0.32 per contract to \$0.35 per contract. This change does not apply to Penny Pilot Options overlying the following stocks: BAC, IWM, QQQ and SPY, because there is no rebate in those particular options.

The Exchange believes that the proposed amended BX Options fees are competitive and should encourage BX members to transact business on the Exchange.

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 Section 6(b)(4) and 6(b)(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, as explained further below.

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

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

The proposed increase in the Fee to Remove Liquidity for BX Options Market Makers and Non-Customers from \$0.45 per contract to \$0.46 per contract in all Penny Pilot Options is reasonable, because it is a very modest increase. In addition, it is similar to the fees charged by The NASDAQ Stock Market LLC's NASDAQ Options Market ("NOM") (which is \$0.48 per contract for xxx) and NASDAQ OMX PHLX (which charges \$0.48 per contract). Similarly, the increase in the Fee for Removing Liquidity for BX Options Market Makers and Non-Customers in Non-Penny Pilot Options from \$0.88 to \$0.89 per contract is also reasonable, because it is a very modest increase, and would result in the same fee as NOM currently charges. These proposed increases are equitable and not unfairly discriminatory, because they apply to all BX Options Market Makers and Non-Customers in Penny Pilot Options equally.<sup>7</sup>

The proposal to increase the Customer Rebate to Remove Liquidity in Penny Pilot Options from \$0.32 per contract to \$0.35 per contract is intended to attract additional customer business to BX Options. This, in turn, should bring more liquidity to the BX Options marketplace, which should benefit all market participants. The Exchange believes that the increase in the rebate is reasonable, because it is modest. The rebate has been \$0.32 since it was first established in 2012.<sup>8</sup> The Exchange pays the Rebate to Add Liquidity to a Customer only when the Customer is contra to a Non-Customer or BX Options Market Maker.

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<sup>7</sup> Customers do not pay a Fee for Removing Liquidity in any options.

<sup>8</sup> See Securities Exchange Act Release No. 67339 (July 3, 2012), 77 FR 40688 (July 10, 2012) (SR-BX-2012-043) (notice of filing and immediate effectiveness of proposed rule change to adopt transaction and routing fees).

The Exchange believes the proposed Customer Rebate to Remove Liquidity in Penny Pilot Options is equitable and not unfairly discriminatory, because it is available to all Customers. In addition, the Exchange believes the proposal is equitable and not unfairly discriminatory, because the Exchange desires to incentivize participants to transact Customer orders on the Exchange and obtain this rebate. The Exchange believes that this rebate will incentivize members to bring order flow and increase the liquidity on the Exchange to the benefit of all market participants. Further, the Exchange also believes that it continues to be reasonable, equitable and not unfairly discriminatory to only offer the Rebate to Remove Liquidity to Customers and not to other market participants as an incentive to attract Customer order flow to the Exchange. As the Exchange stated when adopting this rebate,<sup>9</sup> it is an important Exchange function to provide an opportunity to all market participants to trade against Customer orders.

Customer order flow benefits all market participants by improving liquidity, the quality of order interaction and executions at the Exchange.

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

BX does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, BX has designed its fees and rebates to compete effectively for the execution and routing of options contracts. The Exchange operates in a highly competitive market comprised of twelve U.S. options exchanges in which sophisticated and knowledgeable market participants can and do send order flow to competing exchanges if they deem fee levels at a particular exchange to be excessive. The

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<sup>9</sup> Id.

Exchange believes that the proposed fee and rebate program discussed herein is competitive. The Exchange believes that this competitive marketplace materially impacts the fees and rebates present on the Exchange today and substantially influences the proposal set forth above.

5. 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.

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>10</sup> the Exchange has designated this proposal as establishing or changing a due, fee, or other charge imposed 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

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. Notice of proposed rule for publication in the Federal Register.

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).



5. Proposed rule text.

**EXHIBIT 1**

SECURITIES AND EXCHANGE COMMISSION  
(Release No. \_\_\_\_\_ ; File No. SR-BX-2014-036)

July \_\_, 2014

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Fees and Rebates for Various Options

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 1, 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 BX Options Rules, Chapter XV, Section 2 entitled “BX Options Market – Fees and Rebates” to amend fees and rebates for various options.

The text of the proposed rule change is 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

BX proposes to amend certain rebates and fees in Chapter XV, Section 2(1), Fees for Execution of Contracts on the BX Options Market. Specifically, the Exchange proposes to: (i) increase the BX Options Fee to Remove Liquidity for BX Options Market Makers as well as Non-Customers in Penny Pilot<sup>3</sup> Options and Non-Penny Pilot Options; and (ii) increase the BX Options Customer Rebate to Remove Liquidity in certain Penny Pilot Options from \$0.32 to \$0.35 per contract, as explained further below.

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<sup>3</sup> The Penny Pilot on BX Options was established in June 2012, and was expanded and extended through December 31, 2014. See Securities Exchange Act Release Nos. 67256 (June 26, 2012), 77 FR 39277 (July 2, 2012) (SR-BX-2012-030) (order approving BX Options rules and establishing Penny Pilot); 67342 (July 3, 2012), 77 FR 40666 (July 10, 2012) (SR-BX-2012-046) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 68518 (December 21, 2012), 77 FR 77152 (December 31, 2012) (SR-BX-2012-076) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); 69784 (June 18, 2013), 78 FR 37873 (June 24, 2013) (SR-BX-2013-039); 71107 (December 12, 2013), 78 FR 77528 (December 23, 2013) (SR-BX-2013-061) (notice of filing and immediate effectiveness expanding and extending Penny Pilot); and 72246 (May 23, 2014), 79 FR 31160 (May 30, 2014) SR-BX-2014-027) (notice of filing and immediate effectiveness expanding and extending Penny Pilot).

First, the BX Options Fee to Remove Liquidity for BX Options Market Makers and Non-Customers will increase from \$0.45 per contract to \$0.46 per contract in all Penny Pilot Options. Penny Pilot Options include two categories of options that are part of the Penny Pilot: (i) certain options that are specified on the Exchange's pricing schedule<sup>4</sup> and (ii) all other Penny Pilot Options. Accordingly, this proposal raises the BX Options Fee to Remove Liquidity for BX Options Market Makers and Non-Customers for all Penny Pilot Options; the fee is currently the same (\$0.45 per contract) and will continue to be the same (\$0.46 per contract) for all Penny Pilot Options. The Exchange is similarly proposing to increase the Fee for Removing Liquidity for BX Options Market Makers and Non-Customers in Non-Penny Pilot Options from \$0.88 to \$0.89 per contract. Non-Customers include a Professional, Firm, Broker-Dealer and Non-BX Options Market Maker. These modest increases are intended to defray the cost of the proposed increased rebate, which is described below.

Second, the Exchange proposes to increase the BX Options Customer Rebate to Remove Liquidity in Penny Pilot Options from \$0.32 per contract to \$0.35 per contract. This change does not apply to Penny Pilot Options overlying the following stocks: BAC, IWM, QQQ and SPY, because there is no rebate in those particular options.

The Exchange believes that the proposed amended BX Options fees are competitive and should encourage BX members to transact business on the Exchange.

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<sup>4</sup> These include options on Bank of America Corporation ("BAC"), iShares Russell 2000 Index ("IWM"), PowerShares QQQ ("QQQ"), SPDR S&P 500 ("SPY"), and iPath S&P 500 VIX St Futures ETN ("VXX") (together, "Specified Penny Pilot Options").

## 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 Section 6(b)(4) and 6(b)(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, as explained further below.

The proposed increase in the Fee to Remove Liquidity for BX Options Market Makers and Non-Customers from \$0.45 per contract to \$0.46 per contract in all Penny Pilot Options is reasonable, because it is a very modest increase. In addition, it is similar to the fees charged by The NASDAQ Stock Market LLC's NASDAQ Options Market ("NOM") (which is \$0.48 per contract for xxx) and NASDAQ OMX PHLX (which charges \$0.48 per contract). Similarly, the increase in the Fee for Removing Liquidity for BX Options Market Makers and Non-Customers in Non-Penny Pilot Options from \$0.88 to \$0.89 per contract is also reasonable, because it is a very modest increase, and would result in the same fee as NOM currently charges. These proposed increases are equitable and not unfairly discriminatory, because they apply to all BX Options Market Makers and Non-Customers in Penny Pilot Options equally.<sup>7</sup>

The proposal to increase the Customer Rebate to Remove Liquidity in Penny Pilot Options from \$0.32 per contract to \$0.35 per contract is intended to attract additional

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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> Customers do not pay a Fee for Removing Liquidity in any options.

customer business to BX Options. This, in turn, should bring more liquidity to the BX Options marketplace, which should benefit all market participants. The Exchange believes that the increase in the rebate is reasonable, because it is modest. The rebate has been \$0.32 since it was first established in 2012.<sup>8</sup> The Exchange pays the Rebate to Add Liquidity to a Customer only when the Customer is contra to a Non-Customer or BX Options Market Maker.

The Exchange believes the proposed Customer Rebate to Remove Liquidity in Penny Pilot Options is equitable and not unfairly discriminatory, because it is available to all Customers. In addition, the Exchange believes the proposal is equitable and not unfairly discriminatory, because the Exchange desires to incentivize participants to transact Customer orders on the Exchange and obtain this rebate. The Exchange believes that this rebate will incentivize members to bring order flow and increase the liquidity on the Exchange to the benefit of all market participants. Further, the Exchange also believes that it continues to be reasonable, equitable and not unfairly discriminatory to only offer the Rebate to Remove Liquidity to Customers and not to other market participants as an incentive to attract Customer order flow to the Exchange. As the Exchange stated when adopting this rebate,<sup>9</sup> it is an important Exchange function to provide an opportunity to all market participants to trade against Customer orders.

Customer order flow benefits all market participants by improving liquidity, the quality of order interaction and executions at the Exchange.

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<sup>8</sup> See Securities Exchange Act Release No. 67339 (July 3, 2012), 77 FR 40688 (July 10, 2012) (**SR-BX-2012-043**) (notice of filing and immediate effectiveness of proposed rule change to adopt transaction and routing fees).

<sup>9</sup> Id.

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

BX does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, BX has designed its fees and rebates to compete effectively for the execution and routing of options contracts. The Exchange operates in a highly competitive market comprised of twelve U.S. options exchanges in which sophisticated and knowledgeable market participants can and do send order flow to competing exchanges if they deem fee levels at a particular exchange to be excessive. The Exchange believes that the proposed fee and rebate program discussed herein is competitive. The Exchange believes that this competitive marketplace materially impacts the fees and rebates present on the Exchange today and substantially influences the proposal set forth above.

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

No written comments were either solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.<sup>10</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: (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

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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-2014-036 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-2014-036. 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-2014-036 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>11</sup>

Kevin M O'Neill  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5****NASDAQ OMX BX Rules**

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**Options Rules**

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**Chapter XV Options Pricing**

\* \* \* \* \*

**Sec. 2 BX Options Market—Fees and Rebates**

The following charges shall apply to the use of the order execution and routing services of the BX Options market for all securities.

(1) Fees for Execution of Contracts on the BX Options Market:

<b>Fees and Rebates (per executed contract)</b>			
	<b>Customer</b>	<b>BX Options Market Maker</b>	<b>Non-Customer<sup>1</sup></b>
<b>BAC, IWM, QQQ, SPY and VXX:</b>			
<b>Rebate to Add Liquidity</b>	\$0.00 <sup>2</sup>	\$0.00 <sup>2</sup>	N/A
<b>Fee to Add Liquidity</b>	\$0.10 <sup>3</sup>	\$0.00 <sup>3</sup>	\$0.45
<b>Rebate to Remove Liquidity</b>	\$0.00	N/A	N/A
<b>Fee to Remove Liquidity</b>	N/A	\$0.4[5]6	\$0.4[5]6
<b>All Other Penny Pilot Options:</b>			
<b>Rebate to Add Liquidity</b>	\$0.00 <sup>2</sup>	\$0.10 <sup>2</sup>	N/A
<b>Fee to Add Liquidity</b>	\$0.40 <sup>3</sup>	\$0.40 <sup>3</sup>	\$0.45
<b>Rebate to Remove Liquidity</b>	\$0.3[2]5	N/A	N/A
<b>Fee to Remove Liquidity</b>	N/A	\$0.4[5]6	\$0.4[5]6
<b>Non-Penny Pilot Options:</b>			
<b>Fee to Add Liquidity</b>	\$0.25/\$0.85 <sup>4</sup>	\$0.50/\$0.85 <sup>4</sup>	\$0.88
<b>Rebate to Remove Liquidity</b>	\$0.70	N/A	N/A
<b>Fee to Remove Liquidity</b>	N/A	\$0.8[8]9	\$0.8[8]9

<sup>1</sup>A Non-Customer includes a Professional, Firm, Broker-Dealer and Non-BX Options Market Maker.

<sup>2</sup>The Rebate to Add Liquidity will be paid to a Customer or BX Options Market Maker only when the Customer or BX Options Market Maker is contra to a Non-Customer or BX Options Market Maker.

<sup>3</sup>The Fee to Add Liquidity will be assessed to a Customer or BX Options Market Maker only when the Customer or BX Options Market Maker is contra to a Customer.

<sup>4</sup>The higher Fee to Add Liquidity will be assessed to a Customer or BX Options Market Maker only when the Customer or BX Options Market Maker is contra to a Customer.

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