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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2015 - * 075
Amendment No. (req. for Amendments *)

Filing by NASDAQ OMX BX, Inc.

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

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☑ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

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

Section 806(e)(1) * ☐ Section 806(e)(2) * ☐

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

Section 3C(b)(2) * ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

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

A proposal to amend its Options Pricing at Chapter XV Section 2, entitled BX Options Market Fees and Rebates, which governs pricing for BX members using the BX Options Market.

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 * Jurij Last Name * Trypupenko
Title * Associate General Counsel
E-mail * jurij.trypupenko@nasdaq.com
Telephone * (301) 978-8132 Fax (301) 978-8472

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 11/20/2015
By Edward S. Knight
(Name *)

(Title *)
Executive Vice President and General Counsel

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.

edward.knight@nasdaq.com

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	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 * 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, 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 Add Remove View 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 Add Remove View 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 Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) NASDAQ OMX BX, Inc. ("BX" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")[1] and Rule 19b-4 thereunder,[2] is filing with the Securities and Exchange Commission ("SEC" or "Commission") a proposal to amend its Options Pricing at Chapter XV Section 2, entitled "BX Options Market – Fees and Rebates," which governs pricing for BX members using the BX Options Market ("BX Options"). The Exchange proposes to adopt fees and rebates related to order exposure.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1. 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 (the "Board") on July 1, 2015. Exchange staff will advise the Board of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

Questions and comments on the proposed rule change may be directed to Jurij Trypupenko, Associate General Counsel, Nasdaq, Inc., at (301) 978-8132.

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1 15 U.S.C. 78s(b)(1).

2 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 proposes to amend its Chapter XV, Section 2 to add new subsection (4) to adopt fees and rebates related to order exposure alerts on the BX Options market.

The Exchange has recently filed a proposal to implement an order exposure alert in BX Chapter VI, Section 11,[3] in order to provide marketable orders an additional opportunity for execution on the Exchange when the Exchange is not part of the national best bid or offer ("NBBO") contra to the order and the order locks or crosses the away best bid or offer ("ABBO").[4] The order exposure alert will apply to both SEEK[5] and

[3] See Securities Exchange Act Release No. 76199 (October 20, 2015), 80 FR 65271 (October 26, 2015) (SR-BX-2015-057) (notice of filing and immediate effectiveness).

[4] Similar functionality currently exists on NASDAQ OMX PHLX. See Securities Exchange Act Release No. 68517 (December 21, 2012), 77 FR 77134 (December 31, 2012) (SR-Phlx-2012-136); and Phlx Rule 1080(m), Away Markets and Order Routing, Section (iv).

[5] SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution. A SEEK order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SEEK order at the NBBO to allow market participants an opportunity to interact with the remainder of the SEEK order. During the Route Timer, the SEEK order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SEEK order that is equal to or better than the ABBO price, the SEEK order will trade against such new interest at the ABBO price. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center. Eligible unexecuted orders will continue to be routed as described in paragraph (a)(1)(D). If contracts remain un-executed after routing, they are posted on the book. While on the book at the limit

SRCH[6] orders[7] and is similar to the order exposure alert process already in place on Phlx.[8] The order exposure alert process permits the Exchange to apply the Route Timer[9] prior to the initial and subsequent routing of the order, and allows routing of the order after exposure occurs (during open trading) every time an order becomes marketable against the ABBO.

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price, should the order subsequently be locked or crossed by another market center, the System will not re-expose or route the order to the locking or crossing market center. SEEK orders will not be eligible for routing until the next time the option series is subject to a new opening or reopening. An order exposure alert may be sent if the order size is modified. See Chapter VI, Section 11(a)(1)(A).

6 SRCH is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution. A SRCH order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SRCH order at the NBBO to allow market participants an opportunity to interact with the remainder of the SRCH order. During the Route Timer, the SRCH order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SRCH order that is equal to or better than the ABBO price, the SRCH order will trade against such new interest at the ABBO price. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center. Eligible unexecuted orders will continue to be routed as described in paragraph (a)(1)(D). If contracts remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, it will be re-exposed, provided it is not on the book at its limit price, and re-route. An order exposure alert may be sent if the order size is modified. See Chapter VI, Section 11(a)(1)(B).

7 The order exposure alert is also applicable to orders that are marked do not route ("DNR"). See Chapter VI, Section 11(a)(1)(C).

8 See Phlx Rule 1080(m), Away Markets and Order Routing, Section (iv).

9 See Chapter VI, Section 11(a)(1).

Chapter VI, Section 11(1)(A) provides that a SEEK order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SEEK order at the NBBO to allow market participants an opportunity to interact with the SEEK order. During the Route Timer, the SEEK order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SEEK order that is equal to or better than the ABBO price, the SEEK order will trade against such new interest at the ABBO price. While on the book at the limit price, should a SEEK order subsequently be locked or crossed by another market center, the System will not re-expose the order. An order exposure alert may be sent if the order size is modified.

Chapter VI, Section 11(1)(B) provides that a SRCH order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SRCH order at the NBBO to allow market participants an opportunity to interact with the remainder of the SRCH order. During the Route Timer, the SRCH order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SRCH order that is equal to or better than the ABBO price, the SRCH order will trade against such new interest at the ABBO price. Once on the book, should a SRCH order subsequently be locked or crossed by another market center, it will be re-exposed, provided it is not on the book at its limit price, and re-route. An order exposure alert may be sent if the order size is modified.[10]

The Exchange proposes two new sets of fees and rebates in respect of the order exposure alert system, which would apply to Customers,[11] BX Options Market Makers,[12] and non-Customers:

Change 1. For Penny Pilot Options,[13] the Exchange proposes to establish rebates and fees for orders that trigger or respond to order exposure alerts.

Change 2. For non-Penny Pilot Options, the Exchange is proposing to establish rebates and fees for orders that trigger or respond to order exposure alerts.

Each specific change is described in detail below.

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10 For additional discussion regarding the BX order exposure process, see Chapter VI, Section 11(a)(1). See also Chapter VII, Section 12 which discusses when orders routed to BX Options may be executed by Options Participants (BX Chapter 1, Section 1(a)(41)) as principal orders.

11 The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)). BX Chapter XV.

12 BX Options Market Makers may also be referred to as “Market Makers”. The term “BX Options Market Maker” or ("M") means a Participant that has registered as a Market Maker on BX Options pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security.

13 The Penny Pilot was established in June 2012 and extended in 2015. See Securities Exchange Act Release Nos. 67256 (June 26, 2012), 77 FR 39277 (July 2, 2012) (SR-BX-2012-030) (order approving BX option rules and establishing Penny Pilot); and 75326 (June 29, 2015), 80 FR 38481 (July 6, 2015) (SR-BX-2015-037) (notice of filing and immediate effectiveness extending the Penny Pilot through June 30, 2016).

Change 1 – Penny Pilot Options: Order Exposure Alert Rebates and Fees

For Penny Pilot Options, the Exchange is proposing to establish rebates for orders triggering an order exposure alert[14] and fees for orders responding to order exposure alerts. Currently, the Exchange has no such rebates and fees.

For Penny Pilot Options, the rebates will range from $0.00 to $0.34 (per executed contract). Specifically, proposed Chapter XV, Section 2 subsection (4) will state that the Customer rebate for orders triggering order exposure alert will be $0.34. There will be no rebates for BX Options Market Makers and non-Customers. For Penny Pilot Options, the fees will range from $0.39 to $0.45. Specifically, proposed subsection (4) will state regarding Penny Pilot Options that the Customer fee for orders responding to order exposure alert will be $0.39; and the BX Options Market Maker fee will similarly be $0.39. The non-Customer fee for orders responding to order exposure alert will be $0.45.

Change 2 – non-Penny Pilot Options: Order Exposure Alert Rebates and Fees

For non-Penny Pilot Options, the Exchange is proposing to establish rebates for orders triggering an order exposure alert[15] and fees for orders responding to order exposure alerts. Currently, the Exchange has no such rebates or fees.

For non-Penny Pilot Options, the rebates will range from $0.00 to $0.70 (per executed contract). Specifically, proposed Chapter XV, Section 2 subsection (4) will state that the Customer rebate for orders triggering order exposure alert will be $0.70. There will be no rebates for BX Options Market Makers and non-Customers. For non-

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14 See Chapter VI, Section 11(a)(1).

15 See Chapter VI, Section 11(a)(1).

Penny Pilot Options, the fees will range from $0.85 to $0.89. Specifically, proposed subsection (4) will state that for non-Penny Pilot Options the Customer fee for orders responding to order exposure alert will be $0.85; and the BX Options Market Maker fee will similarly be $0.85. The non-Customer fee for orders responding to order exposure alert will be $0.89.

As proposed, Chapter XV, Section 2 subsection (4) will read as follows.

(4) Fees for execution of contracts on the BX Options Market that generate an order exposure alert per BX Chapter VI, Section 11(a):

Fees and Rebates (per executed contract)

	Customer	**BX Options Market Maker**	**Non-Customer[1]**
Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.34	$0.00	$0.00
Fee for Order responding to order exposure alert:	$0.39	$0.39	$0.45
Non-Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.70	$0.00	$0.00
Fee for Order responding to order exposure alert:	$0.85	$0.85	$0.89

The Exchange is adopting these fees and rebates at this time because it believes that they will provide incentives to use the Exchange's order exposure functionality. The Exchange believes that its proposal should provide increased opportunities for participation in executions on the Exchange, facilitating the ability of the Exchange to bring together participants and encourage more robust competition for orders.

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[16] in general, and with Section 6(b)(4) and 6(b)(5) of the Act,[17] 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 the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, for example, the Commission indicated that market forces should generally determine the price of non-core market data because national market system regulation "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed companies."[18] Likewise, in *NetCoalition v. NYSE Arca, Inc.*, 615 F.3d 525 (D.C. Cir. 2010), the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.[19] As the court emphasized, the Commission "intended

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16 15 U.S.C. 78f.

17 15 U.S.C. 78f(b)(4) and (5).

18 Exchange Act Release No. 34-51808 (June 9, 2005) ("Regulation NMS Adopting Release").

19 See *NetCoalition*, 615 F.3d at 534.

in Regulation NMS that 'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost."[20]

Further, "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'…."[21] Although the Court and the SEC were discussing the cash equities markets, the Exchange believes that, as discussed above, these views apply with equal force to the options markets.

The Exchange's proposal establishes fees and rebates regarding order exposure alert. Order exposure has the potential to result in more efficient executions for customers as responses to exposed orders could result in faster executions. Order exposure assures that such exposed orders will only receive executions at a price at least as good as the price disseminated by the best away market at the time the order was received. The Exchange believes that its proposal should provide increased opportunities for participation in executions on the Exchange, facilitating the ability of the Exchange to bring together participants and encourage more robust competition for orders.

Change 1 – Penny Pilot Options: Order Exposure Alert Rebates and Fees

For Penny Pilot Options, establishing a Customer rebate for orders triggering order exposure alert at $0.34 per executed contract, with no rebates for BX Options

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20 Id. at 537.

21 *NetCoalition I*, 615 F.3d at 539 (quoting ArcaBook Order, 73 FR at 74782-74783).

Market Makers and non-Customers, is reasonable because it encourages the desired Customer behavior by attracting Customer interest to the Exchange. Establishing a Customer, BX Options Market Maker, and non-Customer fee for orders responding to order exposure alert at $0.39, $0.39, and $0.45 per executed contract, respectively, is reasonable because the associated revenue will allow the Exchange to maintain and enhance its services.

For Penny Pilot Options, establishing the rebate for Customers and fee for Customers, BX Market Makers, and non-Customers is equitable and not unfairly discriminatory. This is because the Exchange's proposal to pay rebates for orders that trigger order exposure alert or assess fees for orders that respond to order exposure alert will apply the same rebate and fee to all similarly situated participants.

For Penny Pilot Options, Customers are the only ones that would get a rebate per executed contract for triggering order exposure alert ($0.34), and Customers would pay the lowest fee for responding to order exposure alert ($0.39), for the lowest effective order exposure assessment. The Exchange believes that this is reasonable. Customer activity enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. BX Options Market Makers would get the second lowest effective fee for responding to order exposure alert ($0.39) – and no rebate. The Exchange believes that the differentiation is reasonable and notes that unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. For example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder.[22]

Change 2 – non-Penny Pilot Options: Order Exposure Alert Rebates and Fees

For non-Penny Pilot Options, establishing a Customer rebate for orders triggering order exposure alert at $0.70 per executed contract, with no rebates for BX Options Market Makers and non-Customers, is reasonable because it encourages the desired Customer behavior by attracting Customer interest to the Exchange. Establishing a Customer, BX Options Market Maker, and non-Customer fee for orders responding to order exposure alert at $0.85, $0.85, and $0.89 per executed contract, respectively, is reasonable because the associated revenue will allow the Exchange to maintain and enhance its services.

For non-Penny Pilot Options, establishing the rebate for Customers and fee for Customers, BX Market Makers, and non-Customers is equitable and not unfairly discriminatory. This is because the Exchange's proposal to pay rebates for orders that trigger order exposure alert or assess fees for orders that respond to order exposure alert will apply the same rebate and fee to all similarly situated participants.

For non-Penny Pilot Options, similarly to Penny Pilot Options, Customers are the only ones that would get a rebate per executed contract for triggering order exposure alert

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22 See Chapter VII, Section 5, entitled "Obligations of Market Makers".

($0.70), and Customers would pay the lowest fee for responding to order exposure alert ($0.85), for the lowest effective order exposure assessment. The Exchange believes that this is reasonable. Customer activity enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. BX Options Market Makers would get the second lowest effective fee for responding to order exposure alert ($0.85) – and no rebate. The Exchange believes that the differentiation is reasonable and notes that unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. As discussed, for example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings.[23]

The Exchange is adopting the proposed fees and rebates at this time because it believes that the associated revenue will allow it to continue and enhance order exposure services.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange does not believe that its proposal to establish rebates for

[23] See Chapter VII, Section 5, entitled "Obligations of Market Makers". Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder. See Chapter VII, Section 2.

orders triggering an order exposure alert and fees for orders responding to order exposure alerts will impose any burden on competition, as discussed below.

The Exchange operates in a highly competitive market in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. Additionally, new competitors have entered the market and still others are reportedly entering the market shortly. These market forces ensure that the Exchange's fees and rebates remain competitive with the fee structures at other trading platforms. In that sense, the Exchange's proposal is actually pro-competitive because the Exchange is simply establishing rebates and fees in order to remain competitive in the current environment.

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange 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, the Exchange 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, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In terms of intra-market competition, the Exchange notes that price differentiation among different market participants operating on the Exchange (e.g., Customer, BX Options Market Maker, non-Customer) is reasonable. Customer activity, for example, enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants (particularly in response to pricing) in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Moreover, unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. These obligations include, for example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings.[24]

In this instance, the proposed changes to the charges assessed and credits available to member firms in respect of order exposure alerts do not impose a burden on competition because the Exchange's execution and routing services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. If the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange 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

[24] See Chapter VII, Section 5, entitled "Obligations of Market Makers". Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder. See Chapter VII, Section 2.

financial markets. Additionally, the changes proposed herein are pro-competitive to the extent that they continue to allow the Exchange to promote and maintain an order exposure alert that has the potential to result in more efficient executions as responses to exposed orders could result in faster executions.

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,[25] the Exchange 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.

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.

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

Not applicable

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[25] 15 U.S.C. 78s(b)(3)(A)(ii).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. ; File No. SR-BX-2015-075)

November ___, 2015

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Establish Fees and Rebates Related to Order Exposure

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 November 20, 2015, 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 its Options Pricing at Chapter XV Section 2, entitled “BX Options Market – Fees and Rebates,” which governs pricing for BX members using the BX Options Market (“BX Options”). The Exchange proposes to adopt fees and rebates related to order exposure.

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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[1] 15 U.S.C. 78s(b)(1).

[2] 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 proposes to amend its Chapter XV, Section 2 to add new subsection (4) to adopt fees and rebates related to order exposure alerts on the BX Options market.

The Exchange has recently filed a proposal to implement an order exposure alert in BX Chapter VI, Section 11,[3] in order to provide marketable orders an additional opportunity for execution on the Exchange when the Exchange is not part of the national best bid or offer ("NBBO") contra to the order and the order locks or crosses the away best bid or offer ("ABBO").[4] The order exposure alert will apply to both SEEK[5] and

3 See Securities Exchange Act Release No. 76199 (October 20, 2015), 80 FR 65271 (October 26, 2015) (SR-BX-2015-057) (notice of filing and immediate effectiveness).

4 Similar functionality currently exists on NASDAQ OMX PHLX. See Securities Exchange Act Release No. 68517 (December 21, 2012), 77 FR 77134 (December 31, 2012) (SR-Phlx-2012-136); and Phlx Rule 1080(m), Away Markets and Order Routing, Section (iv).

5 SEEK is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution. A SEEK order remaining on the book after the

SRCH[6] orders[7] and is similar to the order exposure alert process already in place on Phlx.[8] The order exposure alert process permits the Exchange to apply the Route Timer[9]

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opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SEEK order at the NBBO to allow market participants an opportunity to interact with the remainder of the SEEK order. During the Route Timer, the SEEK order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SEEK order that is equal to or better than the ABBO price, the SEEK order will trade against such new interest at the ABBO price. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center. Eligible unexecuted orders will continue to be routed as described in paragraph (a)(1)(D). If contracts remain un-executed after routing, they are posted on the book. While on the book at the limit price, should the order subsequently be locked or crossed by another market center, the System will not re-expose or route the order to the locking or crossing market center. SEEK orders will not be eligible for routing until the next time the option series is subject to a new opening or reopening. An order exposure alert may be sent if the order size is modified. See Chapter VI, Section 11(a)(1)(A).

6 SRCH is a routing option pursuant to which an order will first check the System for available contracts for execution, and then is sent to other available market centers for potential execution. A SRCH order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SRCH order at the NBBO to allow market participants an opportunity to interact with the remainder of the SRCH order. During the Route Timer, the SRCH order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SRCH order that is equal to or better than the ABBO price, the SRCH order will trade against such new interest at the ABBO price. When checking the book, the System will seek to execute at the price at which it would send the order to a destination market center. Eligible unexecuted orders will continue to be routed as described in paragraph (a)(1)(D). If contracts remain un-executed after routing, they are posted on the book. Once on the book, should the order subsequently be locked or crossed by another market center, it will be re-exposed, provided it is not on the book at its limit price, and re-route. An order exposure alert may be sent if the order size is modified. See Chapter VI, Section 11(a)(1)(B).

7 The order exposure alert is also applicable to orders that are marked do not route (“DNR”). See Chapter VI, Section 11(a)(1)(C).

prior to the initial and subsequent routing of the order, and allows routing of the order after exposure occurs (during open trading) every time an order becomes marketable against the ABBO.

Chapter VI, Section 11(1)(A) provides that a SEEK order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SEEK order at the NBBO to allow market participants an opportunity to interact with the SEEK order. During the Route Timer, the SEEK order will be included in the displayed Exchange BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SEEK order that is equal to or better than the ABBO price, the SEEK order will trade against such new interest at the ABBO price. While on the book at the limit price, should a SEEK order subsequently be locked or crossed by another market center, the System will not re-expose the order. An order exposure alert may be sent if the order size is modified.

Chapter VI, Section 11(1)(B) provides that a SRCH order remaining on the book after the opening process or received during open trading that is marketable against the ABBO when the ABBO is better than the displayed Exchange BBO will initiate a Route Timer not to exceed one second, and expose the SRCH order at the NBBO to allow market participants an opportunity to interact with the remainder of the SRCH order. During the Route Timer, the SRCH order will be included in the displayed Exchange

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[8] See Phlx Rule 1080(m), Away Markets and Order Routing, Section (iv).

[9] See Chapter VI, Section 11(a)(1).

BBO at the better of a price one MPV away from the ABBO or the established Exchange BBO. If, during the Route Timer, any new interest arrives opposite the SRCH order that is equal to or better than the ABBO price, the SRCH order will trade against such new interest at the ABBO price. Once on the book, should a SRCH order subsequently be locked or crossed by another market center, it will be re-exposed, provided it is not on the book at its limit price, and re-route. An order exposure alert may be sent if the order size is modified.[10]

The Exchange proposes two new sets of fees and rebates in respect of the order exposure alert system, which would apply to Customers,[11] BX Options Market Makers,[12] and non-Customers:

Change 1. For Penny Pilot Options,[13] the Exchange proposes to establish rebates and fees for orders that trigger or respond to order exposure alerts.

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10 For additional discussion regarding the BX order exposure process, see Chapter VI, Section 11(a)(1). See also Chapter VII, Section 12 which discusses when orders routed to BX Options may be executed by Options Participants (BX Chapter 1, Section 1(a)(41)) as principal orders.

11 The term "Customer" or ("C") applies to any transaction that is identified by a Participant for clearing in the Customer range at The Options Clearing Corporation ("OCC") which is not for the account of broker or dealer or for the account of a "Professional" (as that term is defined in Chapter I, Section 1(a)(48)). BX Chapter XV.

12 BX Options Market Makers may also be referred to as “Market Makers”. The term “BX Options Market Maker” or ("M") means a Participant that has registered as a Market Maker on BX Options pursuant to Chapter VII, Section 2, and must also remain in good standing pursuant to Chapter VII, Section 4. In order to receive Market Maker pricing in all securities, the Participant must be registered as a BX Options Market Maker in at least one security.

13 The Penny Pilot was established in June 2012 and extended in 2015. See Securities Exchange Act Release Nos. 67256 (June 26, 2012), 77 FR 39277 (July 2, 2012) (SR-BX-2012-030) (order approving BX option rules and establishing Penny Pilot); and 75326 (June 29, 2015), 80 FR 38481 (July 6, 2015) (SR-BX-

Change 2. For non-Penny Pilot Options, the Exchange is proposing to establish rebates and fees for orders that trigger or respond to order exposure alerts.

Each specific change is described in detail below.

Change 1 – Penny Pilot Options: Order Exposure Alert Rebates and Fees

For Penny Pilot Options, the Exchange is proposing to establish rebates for orders triggering an order exposure alert[14] and fees for orders responding to order exposure alerts. Currently, the Exchange has no such rebates and fees.

For Penny Pilot Options, the rebates will range from $0.00 to $0.34 (per executed contract). Specifically, proposed Chapter XV, Section 2 subsection (4) will state that the Customer rebate for orders triggering order exposure alert will be $0.34. There will be no rebates for BX Options Market Makers and non-Customers. For Penny Pilot Options, the fees will range from $0.39 to $0.45. Specifically, proposed subsection (4) will state regarding Penny Pilot Options that the Customer fee for orders responding to order exposure alert will be $0.39; and the BX Options Market Maker fee will similarly be $0.39. The non-Customer fee for orders responding to order exposure alert will be $0.45.

Change 2 – non-Penny Pilot Options: Order Exposure Alert Rebates and Fees

For non-Penny Pilot Options, the Exchange is proposing to establish rebates for orders triggering an order exposure alert[15] and fees for orders responding to order exposure alerts. Currently, the Exchange has no such rebates or fees.

2015-037) (notice of filing and immediate effectiveness extending the Penny Pilot through June 30, 2016).

14 See Chapter VI, Section 11(a)(1).

15 See Chapter VI, Section 11(a)(1).

For non-Penny Pilot Options, the rebates will range from $0.00 to $0.70 (per executed contract). Specifically, proposed Chapter XV, Section 2 subsection (4) will state that the Customer rebate for orders triggering order exposure alert will be $0.70. There will be no rebates for BX Options Market Makers and non-Customers. For non-Penny Pilot Options, the fees will range from $0.85 to $0.89. Specifically, proposed subsection (4) will state that for non-Penny Pilot Options the Customer fee for orders responding to order exposure alert will be $0.85; and the BX Options Market Maker fee will similarly be $0.85. The non-Customer fee for orders responding to order exposure alert will be $0.89.

As proposed, Chapter XV, Section 2 subsection (4) will read as follows.

(4) Fees for execution of contracts on the BX Options Market that generate an order exposure alert per BX Chapter VI, Section 11(a):

Fees and Rebates (per executed contract)

	Customer	**BX Options Market Maker**	**Non-Customer**[1]
Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.34	$0.00	$0.00
Fee for Order responding to order exposure alert:	$0.39	$0.39	$0.45
Non-Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.70	$0.00	$0.00
Fee for Order responding to order	$0.85	$0.85	$0.89

exposure alert:

The Exchange is adopting these fees and rebates at this time because it believes that they will provide incentives to use the Exchange's order exposure functionality. The Exchange believes that its proposal should provide increased opportunities for participation in executions on the Exchange, facilitating the ability of the Exchange to bring together participants and encourage more robust competition for orders.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the provisions of Section 6 of the Act,[16] in general, and with Section 6(b)(4) and 6(b)(5) of the Act,[17] 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 the Exchange operates or controls, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

The Commission and the courts have repeatedly expressed their preference for competition over regulatory intervention in determining prices, products, and services in the securities markets. In Regulation NMS, for example, the Commission indicated that market forces should generally determine the price of non-core market data because national market system regulation "has been remarkably successful in promoting market competition in its broader forms that are most important to investors and listed

[16] 15 U.S.C. 78f.

[17] 15 U.S.C. 78f(b)(4) and (5).

companies."[18] Likewise, in *NetCoalition v. NYSE Arca, Inc.*, 615 F.3d 525 (D.C. Cir. 2010), the D.C. Circuit upheld the Commission's use of a market-based approach in evaluating the fairness of market data fees against a challenge claiming that Congress mandated a cost-based approach.[19] As the court emphasized, the Commission "intended in Regulation NMS that 'market forces, rather than regulatory requirements' play a role in determining the market data . . . to be made available to investors and at what cost."[20]

Further, "[n]o one disputes that competition for order flow is 'fierce.' … As the SEC explained, '[i]n the U.S. national market system, buyers and sellers of securities, and the broker-dealers that act as their order-routing agents, have a wide range of choices of where to route orders for execution'; [and] 'no exchange can afford to take its market share percentages for granted' because 'no exchange possesses a monopoly, regulatory or otherwise, in the execution of order flow from broker dealers'…."[21] Although the Court and the SEC were discussing the cash equities markets, the Exchange believes that, as discussed above, these views apply with equal force to the options markets.

The Exchange's proposal establishes fees and rebates regarding order exposure alert. Order exposure has the potential to result in more efficient executions for customers as responses to exposed orders could result in faster executions. Order exposure assures that such exposed orders will only receive executions at a price at least as good as the

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18 Exchange Act Release No. 34-51808 (June 9, 2005) ("Regulation NMS Adopting Release").

19 See *NetCoalition*, 615 F.3d at 534.

20 Id. at 537.

21 *NetCoalition I*, 615 F.3d at 539 (quoting ArcaBook Order, 73 FR at 74782-74783).

price disseminated by the best away market at the time the order was received. The Exchange believes that its proposal should provide increased opportunities for participation in executions on the Exchange, facilitating the ability of the Exchange to bring together participants and encourage more robust competition for orders.

Change 1 – Penny Pilot Options: Order Exposure Alert Rebates and Fees

For Penny Pilot Options, establishing a Customer rebate for orders triggering order exposure alert at $0.34 per executed contract, with no rebates for BX Options Market Makers and non-Customers, is reasonable because it encourages the desired Customer behavior by attracting Customer interest to the Exchange. Establishing a Customer, BX Options Market Maker, and non-Customer fee for orders responding to order exposure alert at $0.39, $0.39, and $0.45 per executed contract, respectively, is reasonable because the associated revenue will allow the Exchange to maintain and enhance its services.

For Penny Pilot Options, establishing the rebate for Customers and fee for Customers, BX Market Makers, and non-Customers is equitable and not unfairly discriminatory. This is because the Exchange's proposal to pay rebates for orders that trigger order exposure alert or assess fees for orders that respond to order exposure alert will apply the same rebate and fee to all similarly situated participants.

For Penny Pilot Options, Customers are the only ones that would get a rebate per executed contract for triggering order exposure alert ($0.34), and Customers would pay the lowest fee for responding to order exposure alert ($0.39), for the lowest effective order exposure assessment. The Exchange believes that this is reasonable. Customer activity enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. BX Options Market Makers would get the second lowest effective fee for responding to order exposure alert ($0.39) – and no rebate. The Exchange believes that the differentiation is reasonable and notes that unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. For example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder.[22]

Change 2 – non-Penny Pilot Options: Order Exposure Alert Rebates and Fees

For non-Penny Pilot Options, establishing a Customer rebate for orders triggering order exposure alert at $0.70 per executed contract, with no rebates for BX Options Market Makers and non-Customers, is reasonable because it encourages the desired Customer behavior by attracting Customer interest to the Exchange. Establishing a Customer, BX Options Market Maker, and non-Customer fee for orders responding to order exposure alert at $0.85, $0.85, and $0.89 per executed contract, respectively, is reasonable because the associated revenue will allow the Exchange to maintain and enhance its services.

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[22] See Chapter VII, Section 5, entitled “Obligations of Market Makers”.

For non-Penny Pilot Options, establishing the rebate for Customers and fee for Customers, BX Market Makers, and non-Customers is equitable and not unfairly discriminatory. This is because the Exchange's proposal to pay rebates for orders that trigger order exposure alert or assess fees for orders that respond to order exposure alert will apply the same rebate and fee to all similarly situated participants.

For non-Penny Pilot Options, similarly to Penny Pilot Options, Customers are the only ones that would get a rebate per executed contract for triggering order exposure alert ($0.70), and Customers would pay the lowest fee for responding to order exposure alert ($0.85), for the lowest effective order exposure assessment. The Exchange believes that this is reasonable. Customer activity enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. BX Options Market Makers would get the second lowest effective fee for responding to order exposure alert ($0.85) – and no rebate. The Exchange believes that the differentiation is reasonable and notes that unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. As discussed, for example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings.[23]

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[23] See Chapter VII, Section 5, entitled "Obligations of Market Makers". Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder. See Chapter VII, Section 2.

The Exchange is adopting the proposed fees and rebates at this time because it believes that the associated revenue will allow it to continue and enhance order exposure services.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange does not believe that its proposal to establish rebates for orders triggering an order exposure alert and fees for orders responding to order exposure alerts will impose any burden on competition, as discussed below.

The Exchange operates in a highly competitive market in which many sophisticated and knowledgeable market participants can readily and do send order flow to competing exchanges if they deem fee levels or rebate incentives at a particular exchange to be excessive or inadequate. Additionally, new competitors have entered the market and still others are reportedly entering the market shortly. These market forces ensure that the Exchange’s fees and rebates remain competitive with the fee structures at other trading platforms. In that sense, the Exchange’s proposal is actually pro-competitive because the Exchange is simply establishing rebates and fees in order to remain competitive in the current environment.

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. In terms of inter-market competition, the Exchange 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, the Exchange 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, the Exchange believes that the degree to which fee changes in this market may impose any burden on competition is extremely limited. In terms of intra-market competition, the Exchange notes that price differentiation among different market participants operating on the Exchange (e.g., Customer, BX Options Market Maker, non-Customer) is reasonable. Customer activity, for example, enhances liquidity on the Exchange for the benefit of all market participants and benefits all market participants by providing more trading opportunities, which attracts market makers. An increase in the activity of these market participants (particularly in response to pricing) in turn facilitates tighter spreads, which may cause an additional corresponding increase in order flow from other market participants. Moreover, unlike others (e.g. non-Customers) each BX Options Market Maker commits to various obligations. These obligations include, for example, transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings.[24]

In this instance, the proposed changes to the charges assessed and credits available to member firms in respect of order exposure alerts do not impose a burden on

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[24] See Chapter VII, Section 5, entitled "Obligations of Market Makers". Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder. See Chapter VII, Section 2.

competition because the Exchange's execution and routing services are completely voluntary and subject to extensive competition both from other exchanges and from off-exchange venues. If the changes proposed herein are unattractive to market participants, it is likely that the Exchange will lose market share as a result. Accordingly, the Exchange 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. Additionally, the changes proposed herein are pro-competitive to the extent that they continue to allow the Exchange to promote and maintain an order exposure alert that has the potential to result in more efficient executions as responses to exposed orders could result in faster executions.

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

Pursuant to Section 19(b)(3)(A)(ii) of the Act,[25] the Exchange 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.

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

[25] 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. Please include File Number SR-BX-2015-075 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-BX-2015-075. 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-2015-075 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.[26]

Robert W. Errett
Deputy Secretary

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[26] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed new text is underlined. Deleted text is [bracketed].

Rules of NASDAQ OMX BX
Options Rules

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Chapter XV Options Pricing

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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) – (3) No Change.

(4) Fees for execution of contracts on the BX Options Market that generate an order exposure alert per BX Chapter VI, Section 11(a):

Fees and Rebates (per executed contract)

	Customer	**BX Options Market Maker**	**Non-Customer[1]**
Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.34	$0.00	$0.00
Fee for Order responding to order exposure alert:	$0.39	$0.39	$0.45
Non-Penny Pilot Options:			
Rebate for Order triggering order exposure alert:	$0.70	$0.00	$0.00
Fee for Order responding to order exposure alert:	$0.85	$0.85	$0.89

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