OMB APPROVAL
OMB Number: 3235-0045 Expires: September 30, 2011 Estimated average burden hours per response............38

Required fields are shown with yellow backgrounds and asterisks.

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

File No.* SR - 2011 - * 31

Amendment No. (req. for Amendments *)

Proposed Rule Change by EDGX Exchange, 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)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Exhibit 2 Sent As Paper Document

Exhibit 3 Sent As Paper Document

Description

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

EDGX Exchange, Inc. proposes to amend its Fee Schedule.

Contact Information

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

First Name * Thomas Last Name * McManus

Title * Chief Regulatory Officer

E-mail * tmcmanus@directedge.com

Telephone * (201) 418-3471 Fax

Signature

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

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

Date 09/30/2011

By Thomas N. McManus (Name *)

Chief Regulatory Officer (Title *)

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

tmcmanus@directedge.com,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information (required) 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 (required) 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 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) EDGX Exchange, Inc. ("Exchange" or "EDGX") proposes to amend its fees and rebates applicable to Members[1] of the Exchange pursuant to EDGX Rule 15.1(a) and (c). Text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

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 April 27, 2010. Exchange staff will advise the EDGX Exchange Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change. Therefore, the Exchange's internal procedures with respect to the proposed change are complete.

The person on the Exchange staff prepared to respond to questions and comments on the proposed rule change is:

Thomas N. McManus
Chief Regulatory Officer
EDGX Exchange
201-418-3417

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

(a) Purpose

The Exchange proposes to decrease the charge assessed for removing liquidity from the Exchange from $0.0030 per share to $0.0029 per share. In the Exchange's fee schedule, these modifications are reflected in Flags N, W, 6 and PI, where liquidity is removed. The Exchange proposes adding footnote 12 to state that a removal rate of $0.0029 per share applies where an MPID's add liquidity ratio is equal to or greater than 10%. The add liquidity ratio is defined as "added" flags/("added" flags + "removal" flags) x 100, where added flags include B, H, V, Y, MM, 3, or 4 and removal flags include MT, N, W, PI, or 6. The removal rate of $0.0029 per share applies to single MPIDs only as share volume calculations for wholly owned affiliates cannot be aggregated across multiple MPIDs on a prospective basis. The Exchange also proposes

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[1] A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

to add language to state that the removal rate of $0.0030 per share will apply where a Member does not meet the add liquidity ratio of at least 10%.

The Exchange proposes to add the RR Flag for orders that are routed to the EDGA Exchange and remove liquidity using routing strategies IOCX and IOCT, as defined in Exchange Rules 11.9(b)(3)(l) and (m). The Exchange proposes to assess a charge of $0.0007 per share to account for the pass-through of the proposed EDGA fee for removing liquidity.

The Exchange proposes to add the PI Flag to the fee schedule for orders that remove liquidity from the EDGX Exchange against the Midpoint Match, as defined in Exchange Rule 11.5(c)(7). The Exchange proposes to assess a charge of $0.0029 per share, which corresponds to the proposed fee of $0.0029 per share assessed for removing liquidity from the Exchange.

The Exchange proposes to incorporate the H Flag for Non-Displayed Orders that add liquidity, as defined in Exchange Rule 11.5(c)(8), but not including Midpoint Match Orders. The Exchange proposes to provide a rebate of $0.0015 per share.

The Exchange proposes to eliminate the FIX (ECN Translator)[2] logical port fee effective as of October 1, 2011, as the ECN Translator is no longer being used by its Members and non-members.[3]

The Exchange proposes to make technical amendments to Flags MM and MT to add "using Midpoint Match order type" to further clarify the order types where the fees will be assessed.

The Exchange proposes to make a technical amendment to footnote 9 by adding "per share" to clarify that the fee will be calculated on a per share basis.

The Exchange also proposes to make technical amendments to the membership fee table included in the fee schedule to eliminate the word "proposed" since these fees were effective on September 1, 2011[4] and add the word "will" to footnote 3.

The Exchange proposes to implement these amendments to its fee schedule on October 1, 2011.

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[2] The ECN Translator allows a Member or non-member who previously connected to Direct Edge's ECN to be re-directed automatically to EDGX Exchange, Inc. It can only be accessed through a FIX port.

[3] Members were notified on May 3, 2011 that the ECN Translator ports would no longer be available as of August 1, 2011.

[4] See Securities Exchange Act Release No. 34-65189 (August 24, 2011), 76 FR 53990 (August 30, 2011) (SR-EDGX-2011-26).

(b) Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Exchange Act,[5] in general, and furthers the objectives of Section 6(b)(4),[6] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The Exchange believes that the proposed decrease in rate for removing liquidity from $0.0030 per share to $0.0029 per share provided that a certain add liquidity ratio is met by Members (and the conforming flag changes to flags N, W, 6, and PI) represents an equitable allocation of reasonable dues, fees, and other charges. The Exchange believes that this decreased fee to Members would incent further liquidity to the Exchange and provide an incentive for Members to provide liquidity that supports the quality of price discovery and promotes market transparency. The tier rewards Members who provide liquidity to the Exchange (at least a 10% add liquidity ratio), and provides a decreased fee that is reasonably related to the value to the exchange's market quality associated with higher volumes. Such similar ratios are also used by NYSE Arca.[7] Such increased volume also increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of a lower fee. The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

In addition, the Exchange proposes to apply a removal rate of $0.0029 per share to single MPIDs only, which is consistent with the precedent set forth by NASDAQ in its fee schedule, where it gives different rates for liquidity "added through any single MPID" versus liquidity "added by firms" as whole.[8] The Exchange believes this competitive pricing promotes increased liquidity provision to EDGX by each individual MPID, which supports the quality of price discovery and promotes market transparency. At this time, the Exchange approximates that more than 250 MPIDs will qualify for this reduced rate. In footnote 12 of the fee schedule, the Exchange states that a removal rate of $0.0029 per share cannot be aggregated across multiple MPIDs on a prospective basis because the Exchange does not want to incidentally reward MPID(s) that do not contribute to this liquidity provision. The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members and MPIDs.

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5 15 U.S.C. 78f.

6 15 U.S.C. 78f(b)(4).

7 See Securities Exchange Act Release No. 64593 (June 3, 2011), 76 FR 33380 (June 8, 2011) (SR-NYSEArca-2011-34) (introducing Investor Tier 1 and Investor Tier 2).

8 See http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.

The Exchange believes that the proposed fee for the PI flag of $0.0029 per share represents an equitable allocation of reasonable dues, fees, and other charges since the fee is in line with standard rate for removal of liquidity from the Exchange of $0.0029 per share.[9] The PI flag will increase transparency for Members as well as enable them to track their orders that execute against the Midpoint Match and result in price improvement. The Exchange also believes that the PI Flag will afford the Exchange the flexibility to offer additional cost savings and/or price discounts for orders that offer price improvements in the future. Similarly, the Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed charge associated with the RR flag ($0.0007 per share) represents an equitable allocation of reasonable dues, fees, and other charges since it reflects a pass through of the proposed EDGA fee for removing liquidity of $0.0007 per share. The RR Flag will only apply to orders incorporating routing strategies IOCX or IOCT, which are the Exchange's only two routing strategies that solely sweep EDGX and then route the balance of the order to EDGA. The RR Flag differs from the I Flag because the RR Flag is the result of two routing strategies that target EDGA, and the I Flag is the result of multiple routing strategies that execute at EDGA amongst other destinations. In addition, the Exchange believes the resulting effect of the RR Flag is consistent with similar strategies that solely target one other away exchange such as ROBA, ROBY and ROPA (and also pass on the removal rate of those respective exchange), pursuant to Exchange Rules 11.9(b)(3)(e), 11.9(b)(3)(g) and 11.9(b)(3)(k). In addition, EDGX believes that it is reasonable and equitable to pass on these fees to its members. The Exchange believes that the proposed charge is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed rebate of $0.0015 per share for adding non-displayed orders to the EDGX book represents an equitable allocation of reasonable dues, fees, and other charges as it is designed to incentivize Members to add hidden liquidity to the book, but not reward them as much as those who offer displayed liquidity (standard rebate of $0.0023 per share). The Exchange implemented the H Flag in order to differentiate between the relative value (and rebates) of non-displayed orders and displayed orders. In addition, the rate is line with other similar exchange rebates offered for hidden liquidity by BATS (rebate of $0.0017 per share), Nasdsaq tiered rate of .0010/.0015), and NYSE Arca (rebate of $0.0015 per share). The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed elimination of the FIX (ECN Translator) logical port fee represents an equitable allocation of reasonable dues, fees, and other charges as the ECN Translator is no longer used by any Members and therefore, its elimination will not impact any Members. The proposed elimination of the fee also provides more simplicity to the fee schedule.

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9 The Exchange notes that the PI flag is to be contrasted with the MT flag in that the PI flag results from an incidental match against Midpoint Match, while the MT flag results from a Member intentionally sending order flow through Midpoint Match.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule changes reflect a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

This proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Exchange Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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)

(a) This proposed rule change is filed pursuant to paragraph (A) of section 19(b)(3) of the Exchange Act.

(b) This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to Exchange Act Section 19(b)(3)(A).

(c) Inapplicable.

(d) Inapplicable.

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

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

Exhibit 1 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGX-2011-31

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Amendments to the EDGX Exchange, Inc. Fee Schedule

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] notice is hereby given that on September 30, 2011, the EDGX Exchange, Inc. (the "Exchange" or the "EDGX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared by the self-regulatory organization. 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 fees and rebates applicable to Members[3] of the Exchange pursuant to EDGX Rule 15.1(a) and (c). All of the changes described herein are applicable to EDGX Members. The text of the proposed rule change is available on the Exchange's Internet website at http://www.directedge.com.

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

2 17 CFR 240.19b-4.

3 A Member is any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

Purpose

The Exchange proposes to decrease the charge assessed for removing liquidity from the Exchange from \$0.0030 per share to \$0.0029 per share. In the Exchange's fee schedule, these modifications are reflected in Flags N, W, 6 and PI, where liquidity is removed. The Exchange proposes adding footnote 12 to state that a removal rate of \$0.0029 per share applies where an MPID's add liquidity ratio is equal to or greater than 10%. The add liquidity ratio is defined as "added" flags/("added" flags + "removal" flags) x 100, where added flags include B, H, V, Y, MM, 3, or 4 and removal flags include MT, N, W, PI, or 6. The removal rate of \$0.0029 per share applies to single MPIDs only as share volume calculations for wholly owned affiliates cannot be aggregated across multiple MPIDs on a prospective basis. The Exchange also proposes to add language to state that the removal rate of \$0.0030 per share will apply where a Member does not meet the add liquidity ratio of at least 10%.

The Exchange proposes to add the RR Flag for orders that are routed to the EDGA Exchange and remove liquidity using routing strategies IOCX and IOCT, as defined in Exchange Rules 11.9(b)(3)(l) and (m). The Exchange proposes to assess a charge of $0.0007 per share to account for the pass-through of the proposed EDGA fee for removing liquidity.

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The Exchange proposes to incorporate the H Flag for Non-Displayed Orders that add liquidity, as defined in Exchange Rule 11.5(c)(8), but not including Midpoint Match Orders. The Exchange proposes to provide a rebate of $0.0015 per share.

The Exchange proposes to eliminate the FIX (ECN Translator)[4] logical port fee effective as of October 1, 2011, as the ECN Translator is no longer being used by its Members and non-members.[5]

The Exchange proposes to make technical amendments to Flags MM and MT to add "using Midpoint Match order type" to further clarify the order types where the fees will be assessed.

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4 The ECN Translator allows a Member or non-member who previously connected to Direct Edge's ECN to be re-directed automatically to EDGX Exchange, Inc. It can only be accessed through a FIX port.

5 Members were notified on May 3, 2011 that the ECN Translator ports would no longer be available as of August 1, 2011.

The Exchange proposes to make a technical amendment to footnote 9 by adding "per share" to clarify that the fee will be calculated on a per share basis.

The Exchange also proposes to make technical amendments to the membership fee table included in the fee schedule to eliminate the word "proposed" since these fees were effective on September 1, 2011[6] and add the word "will" to footnote 3.

The Exchange proposes to implement these amendments to its fee schedule on October 1, 2011.

<u>Basis</u>

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Exchange Act,[7] in general, and furthers the objectives of Section 6(b)(4),[8] in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

The Exchange believes that the proposed decrease in rate for removing liquidity from $0.0030 per share to $0.0029 per share provided that a certain add liquidity ratio is met by Members (and the conforming flag changes to flags N, W, 6, and PI) represents an equitable allocation of reasonable dues, fees, and other charges. The Exchange believes that this decreased fee to Members would incent further liquidity to the Exchange and provide an incentive for Members to provide liquidity that supports the quality of price discovery and promotes market transparency. The tier rewards

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6 <u>See</u> Securities Exchange Act Release No. 34-65189 (August 24, 2011), 76 FR 53990 (August 30, 2011) (SR-EDGX-2011-26).

7 15 U.S.C. 78f.

8 15 U.S.C. 78f(b)(4).

Members who provide liquidity to the Exchange (at least a 10% add liquidity ratio), and provides a decreased fee that is reasonably related to the value to the exchange's market quality associated with higher volumes. Such similar ratios are also used by NYSE Arca.[9] Such increased volume also increases potential revenue to the Exchange, and would allow the Exchange to spread its administrative and infrastructure costs over a greater number of shares, leading to lower per share costs. These lower per share costs would allow the Exchange to pass on the savings to Members in the form of a lower fee. The Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

In addition, the Exchange proposes to apply a removal rate of $0.0029 per share to single MPIDs only, which is consistent with the precedent set forth by NASDAQ in its fee schedule, where it gives different rates for liquidity "added through any single MPID" versus liquidity "added by firms" as whole.[10] The Exchange believes this competitive pricing promotes increased liquidity provision to EDGX by each individual MPID, which supports the quality of price discovery and promotes market transparency. At this time, the Exchange approximates that more than 250 MPIDs will qualify for this reduced rate. In footnote 12 of the fee schedule, the Exchange states that a removal rate of $0.0029 per share cannot be aggregated across multiple MPIDs on a prospective basis because the Exchange does not want to incidentally reward MPID(s) that do not contribute to this liquidity provision. The Exchange believes that

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9 See Securities Exchange Act Release No. 64593 (June 3, 2011), 76 FR 33380 (June 8, 2011) (SR-NYSEArca-2011-34) (introducing Investor Tier 1 and Investor Tier 2).

10 See http://www.nasdaqtrader.com/Trader.aspx?id=PriceListTrading2.

the proposed rate is non-discriminatory in that it applies uniformly to all Members and MPIDs.

The Exchange believes that the proposed fee for the PI flag of $0.0029 per share represents an equitable allocation of reasonable dues, fees, and other charges since the fee is in line with standard rate for removal of liquidity from the Exchange of $0.0029 per share.[11] The PI flag will increase transparency for Members as well as enable them to track their orders that execute against the Midpoint Match and result in price improvement. The Exchange also believes that the PI Flag will afford the Exchange the flexibility to offer additional cost savings and/or price discounts for orders that offer price improvements in the future. Similarly, the Exchange believes that the proposed rate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed charge associated with the RR flag ($0.0007 per share) represents an equitable allocation of reasonable dues, fees, and other charges since it reflects a pass through of the proposed EDGA fee for removing liquidity of $0.0007 per share. The RR Flag will only apply to orders incorporating routing strategies IOCX or IOCT, which are the Exchange's only two routing strategies that solely sweep EDGX and then route the balance of the order to EDGA. The RR Flag differs from the I Flag because the RR Flag is the result of two routing strategies that target EDGA, and the I Flag is the result of multiple routing strategies that execute at EDGA amongst other destinations. In addition, the Exchange believes the resulting effect of the RR Flag is consistent with similar strategies that solely target one other away exchange such as ROBA, ROBY and ROPA (and also pass on the removal rate of

11 The Exchange notes that the PI flag is to be contrasted with the MT flag in that the PI flag results from an incidental match against Midpoint Match, while the MT flag results from a Member intentionally sending order flow through Midpoint Match.

those respective exchange), pursuant to Exchange Rules 11.9(b)(3)(e), 11.9(b)(3)(g) and 11.9(b)(3)(k). In addition, EDGX believes that it is reasonable and equitable to pass on these fees to its members. The Exchange believes that the proposed charge is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed rebate of $0.0015 per share for adding non-displayed orders to the EDGX book represents an equitable allocation of reasonable dues, fees, and other charges as it is designed to incentivize Members to add hidden liquidity to the book, but not reward them as much as those who offer displayed liquidity (standard rebate of $0.0023 per share). The Exchange implemented the H Flag in order to differentiate between the relative value (and rebates) of non-displayed orders and displayed orders. In addition, the rate is line with other similar exchange rebates offered for hidden liquidity by BATS (rebate of $0.0017 per share), Nasdsaq tiered rate of .0010/.0015), and NYSE Arca (rebate of $0.0015 per share). The Exchange believes that the proposed rebate is non-discriminatory in that it applies uniformly to all Members.

The Exchange believes that the proposed elimination of the FIX (ECN Translator) logical port fee represents an equitable allocation of reasonable dues, fees, and other charges as the ECN Translator is no longer used by any Members and therefore, its elimination will not impact any Members. The proposed elimination of the fee also provides more simplicity to the fee schedule.

The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule changes reflect a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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) of the Act[12] and Rule 19b-4(f)(2)[13] thereunder. At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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12 15 U.S.C. 78s(b)(3)(A).

13 17 CFR 19b-4(f)(2).

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 No. SR-EDGX-2011-31 on the subject line.

Paper comments:

- Send paper comments in triplicate to Nancy M. Morris, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-EDGX-2011-31. 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 Commissions 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 inspection and copying in the Commission's Public Reference Room. Copies of such 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-EDGX-2011-31 and should be submitted by [insert date 21 days from the date of publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[14]

Secretary

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[14] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underlined

Deletions [bracketed]

EDGX Exchange Fee Schedule – Effective [September] October 1, 2011

The schedule can be downloaded in both excel and pdf formats.

Rebates & Charges for Adding, Removing or Routing Liquidity per Share for Tape A, B, & C Securities[1,a]:
Rebates indicated by parentheses ( )

Category	Adding Liquidity	Removing Liquidity	Routing Liquidity
Securities at or above $1.00	$(0.0023)[1,a]	[$0.0030] $0.0029[1,12]	$0.0029
Securities below $1.00	$(0.00003)	0.10% of Dollar Value	0.30% of Dollar Value[3,a]

Liquidity Flags and Associated Fees:

Unless otherwise noted, the following rebates and fees apply to orders in securities priced $1 and over.

Flag	Description	Fee/(Rebate)
A	Routed to Nasdaq, adds liquidity	(0.0020)
B[1,a,12]	Add liquidity to EDGX book (Tape B)	(0.0023)
C[3,a]	Routed to Nasdaq BX, removes liquidity	(0.0005)
D[3,a]	Routed or re-routed to NYSE, removes liquidity	0.0023
E[11]	Customer internalization, per side	0.00035
F	Routed to NYSE, adds liquidity	(0.0015)
G	Routed to ARCA (Tapes A & C), removes liquidity	0.0030
H[12]	Non-Displayed Orders that add liquidity (not including Midpoint Match orders)	(0.0015)

I	Routed to EDGA	0.0029
J[3,a]	Routed to Nasdaq, removes liquidity	0.0030
K	Routed to BATS BZX Exchange using ROBA routing strategy (EDGX + BATS) OR Routed to Nasdaq PSX using ROUC routing strategy	0.0025
L[3]	Routed to Nasdaq using INET routing strategy, removes liquidity (Tapes A & C)	0.0030
M[6,a]	Add liquidity on LavaFlow	(0.0024)
N[1,12]	Remove liquidity from EDGX book (Tapes B & C)	[0.0030] 0.0029
O[5,a]	Routed to primary exchange's opening cross	0.0005
Q	Routed using ROUQ or ROUC routing strategies	0.0020
R	Re-routed by exchange	0.0030
S	Directed ISO order	0.0033
T	Routed using ROUD/ROUE routing strategy	0.0012
U[6,a]	Remove liquidity from LavaFlow	0.0029
V[1,a,12]	Add liquidity to EDGX book (Tape A)	(0.0023)
W[1,12]	Remove liquidity from EDGX book (Tape A)	[0.0030] 0.0029
X	Routed	0.0029
Y[1,a,12]	Add liquidity to EDGX book (Tape C)	(0.0023)
Z	Routed using ROUZ routing strategy	0.0010
2[3]	Routed to Nasdaq using INET routing strategy, removes liquidity (Tape B)	0.0030
3[1,a,12]	Add liquidity – pre & post market (Tapes A & C)	(0.0023)
4[1,a,12]	Add liquidity – pre & post market (Tape B)	(0.0023)
5[11]	Customer Internalization – pre & post market, per side	0.00035
6[1,12]	Remove liquidity – pre & post market (All Tapes)	[0.0030] 0.0029
7	Routed – pre & post market	0.0030
8	Routed to NYSE Amex using the ROOC routing strategy, adds liquidity	(0.0015)
9	Routed to NYSE Arca using the ROOC routing strategy, adds liquidity	(0.0021)
AA	Midpoint Match Cross (same MPID)	FREE
BY[10]	Routed to BATS BYX Exchange, removes liquidity (using routing strategies ROUC, ROBY)	(0.0002)

CL[9]	**Routed to listing market closing process using ROOC routing strategy, except for NYSE Arca**	**0.0010**
MM[1,12]	**Add liquidity to Midpoint Match (using Midpoint Match order type)**	**0.0012**
MT	**Remove liquidity from Midpoint Match (using Midpoint Match order type)**	**0.0012**
OO	**Direct Edge Opening**	**0.0010**
PI[12]	**Remove liquidity from EDGX book against Midpoint Match**	**0.0029**
RR	**Routed to EDGA using routing strategies IOCX or IOCT, removes liquidity**	**0.0007**
SW[8]	**Routed using SWPA/SWPB/SWPC routing strategies (except for removal of liquidity from NYSE)**	**0.0031**

[1] Members can qualify for the Mega Tier and be provided a rebate of $0.0034 per share for all liquidity posted on EDGX if they add or route at least 4,000,000 shares of average daily volume prior to 9:30 AM or after 4:00 PM (includes all flags except 6) AND add a minimum of 20,000,000 shares of average daily volume on EDGX in total, including during both market hours and pre and post-trading hours. In addition, for meeting the aforementioned criteria, Members will pay a reduced rate for removing liquidity of $0.0029 for Flags N, W, and 6.

Members can also qualify for the Mega Tier and be provided a $0.0032 rebate per share for liquidity added on EDGX in either of two ways: (i) if the Member on a daily basis, measured monthly, posts 0.75% of the Total Consolidated Volume ("TCV") in average daily volume; or (ii) if the Member on a daily basis, measured monthly, posts 0.12% of the TCV in average daily volume more than their February 2011 average daily volume added to EDGX. TCV is defined as volume reported by all exchanges and trade reporting facilities to the consolidated transaction reporting plans for Tapes A, B and C securities for the month prior to the month in which the fees are calculated.

Members can qualify for the Ultra Tier and be provided a $0.0031 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 0.50% of TCV in average daily volume to EDGX.

Members can qualify for the Super Tier and be provided a $0.0030 rebate per share for liquidity added on EDGX if the Member on a daily basis, measured monthly, posts 10,000,000 shares or more of average daily volume to EDGX.

Members that post 0.065% of the TCV in average daily volume more than their February 2011 average daily volume added to EDGX will qualify for a $0.0029 per share rebate (unless they otherwise qualify for a higher rebate).

Any Member meeting the following criteria: (i) adding 10,000,000 shares or more of average daily volume of liquidity to EDGX, (ii) where such added liquidity on EDGX is at least 5,000,000 shares of average daily volume greater than the previous calendar month; and (iii) but for the liquidity added on EDGX, such Member would have qualified for a better rebate with respect to liquidity added on another exchange or ECN that the Member previously qualified for in the three calendar months prior to meeting the above-described criteria in (i) and (ii), shall be reimbursed the difference between the rebate received and the rebate potentially received, so long as source documentation evidencing the above is provided to the Exchange within fifteen (15) calendar days from the end of the relevant month. A Member can only receive reimbursement with respect to two consecutive calendar months. With respect to the second calendar month's reimbursement, the relevant period in determining whether criteria (iii) is satisfied is the period three calendar months prior to the first of the two consecutive calendar months the Member meets the above-described criteria in (i) and (ii).

[2] Intentionally omitted.

[3] Stocks priced below $1.00 on the NYSE are charged $0.0023 per share when removing liquidity. Stocks priced below $1.00 are charged 0.10% of the dollar value of the transaction when routed to Nasdaq BX and removing liquidity in Tapes A, B, & C securities. Stocks priced below $1.00 are charged 0.30% of the dollar value of the transaction when routed to Nasdaq and removing liquidity in securities on all Tapes.

[4] Intentionally omitted.

[5] Capped at $10,000 per month per Member.

[6] If Member posts an average of 100,000 shares or more per day using strategy ROLF (yielding Flag M), then said Member's fee when removing liquidity from LavaFlow decreases to $0.0023 per share (yielding Flag U).

[7] Intentionally omitted.

[8] Flag D is assigned and a fee of $0.0023 per share is assessed if either an SWPA, SWPB, or SWPC routing strategy removes liquidity from NYSE.

[9] A Flag "O" will be yielded and a fee of $0.0005 per share will be assessed if an order is routed to NYSE Arca's closing process.

[10] Stocks priced below $1.00 are charged $0.0010 per share.

[11] If a Member posts 10,000,000 shares or more of ADV to EDGX, then the Member's rate for customer internalization decreases to $0.0001 per share per side.

[12] A removal rate of $0.0029 per share applies where an MPID's add liquidity ratio is equal to or greater than 10%. The add liquidity ratio is defined as "added" flags/("added" flags + "removal" flags) x 100, where added flags include B, H, V, Y, MM, 3, or 4 and removal flags include MT, N, W, PI, or 6. The removal rate of $0.0029 per share applies to single MPIDs only as share volume calculations for wholly owned affiliates cannot be aggregated across multiple MPIDs on a prospective basis. Where a Member does not meet the add liquidity ratio of at least 10%, then a removal rate of $0.0030 per share applies.

[a] Upon a Member's request, EDGX will aggregate share volume calculations for wholly owned affiliates on a prospective basis.

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Port Fees

The following fees are effective August 1, 2011:

	Amount	Billable Unit	Frequency
DIRECT Sessions (FIX, HP-API, Data, DROP) Logical Port Fees*	$500.00	Session	Monthly
[FIX (ECN Translator) Logical Port Fees]	[$500.00]	[Session]	[Monthly]

**First ten (10) DIRECT Logical Ports are provided free of charge.*

Ports used to request a re-transmission of market data from the Exchange are provided free of charge.

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Membership Fees

The following fees are effective September 1, 2011:

Membership Fee Type	Tier Details	Fee Period	[Proposed] Fee
Firm Membership	N/A	Annual[1]	$2,000
Trading Rights	N/A	Monthly[2]	$300
MPID Fee – Tier 1	0 to 5 MPIDs	Monthly	$0
MPID Fee – Tier 2	More than 5 MPIDs	Monthly[3]	$250

*   *   *   *   *

[1] If a Member is pending a voluntary termination of rights as a Member pursuant to Rule 2.8 prior to the date any Annual Membership Fee for a given year will be assessed (i.e, September 1, 2011, January 1, 2012, etc.) and the Member does not utilize the facilities of EDGX during such time, then the Member will not be obligated to pay the Annual Membership Fee.

[2] Prior to the September 1, 2011 implementation date for these fee changes, the Exchange will waive monthly Trading Rights fees if a Member is pending a voluntary termination of rights pursuant to Rule 2.8.

[3] Prior to the September 1, 2011 implementation date for these fee changes, the Exchange will waive monthly MPID fees if a Member is pending a voluntary termination of rights pursuant to Rule 2.8.