

OMB APPROVAL

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

File No.* SR - 2013 - * 01
 Amendment No. (req. for Amendments *)

Filing by EDGA 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) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input checked="" type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input type="checkbox"/> 19b-4(f)(6)		

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

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

Section 806(e)(1)

Section 806(e)(2)

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 *).

EDGA Exchange, Inc. is filing a proposed rule change relating to fees for EdgeBook Attributed.

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 * Jeffrey Last Name * Rosenstock
 Title * General Counsel
 E-mail * jrosenstock@directedge.com
 Telephone * (201) 942-8295 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.

(Title *)

Date 01/15/2013

By Jeffrey S. Rosenstock

(Name *)

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.

jrosenstock@directedge.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications

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Exhibit Sent As Paper Document

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Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

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

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) EDGA Exchange, Inc. (“EDGA” or the “Exchange”) is filing a proposed rule change to (i) charge Members¹ and non-Members fees for internal and external distribution of EdgeBook AttributedSM, the Exchange’s attributed book feed, and (ii) offer a new incentive program for Members that choose to attribute orders on the Exchange (the “Edge Attribution Incentive Program”). The Exchange intends to implement the proposed rule change on February 1, 2013. 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 Exchange’s Board of Directors approved the proposed rule change on October 24, 2012. This action constitutes the requisite approval under the Exchange’s By-Laws and no other action is necessary for the filing of the proposed rule change. Therefore, the Exchange’s internal procedures with respect to the proposed rule change are complete.

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

Thomas N. McManus
Chief Regulatory Officer
EDGA Exchange, Inc.
(201) 418-3471

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

(a) Purpose

In SR-EDGA-2011-19,² the Exchange made available the EDGA Book Feed (“EdgeBook Depth ASM”) to Members and non-Members. EdgeBook Depth ASM is a data feed that contains all orders for securities trading on the Exchange, including all displayed orders for listed securities trading on EDGA, order executions, order cancellations, order modifications, order identification numbers and administrative

¹ As defined in Rule 1.5(n).

² See Securities Exchange Act Release No. 64792 (July 1, 2011), 76 FR 39959 (July 7, 2011) (SR-EDGA-2011-19).

messages. EdgeBook Depth ASM offers real-time data, thereby allowing Member firms to more accurately price their orders based on EDGA's view of the depth of book information. It also provides Members the ability to track their own orders from order entry to execution. It is available in both unicast and multicast formats.

In SR-EDGA-2012-15,³ the Exchange modified the EDGA fee schedule by codifying the fees associated with the receipt of EdgeBook Depth ASM. In SR-EDGA-2012-34,⁴ the Exchange amended Rule 11.5, entitled "Orders and Modifiers", to allow for the use of Attributable Orders⁵ submitted to the Exchange on EdgeBook Depth ASM, namely EdgeBook AttributedSM, without charge. EdgeBook AttributedSM allows Members and non-Members of the Exchange (collectively referred to as "Recipients") the option to view the market participant identifier ("MPID") of Members of the Exchange who choose to display their MPID(s) on EdgeBook Depth ASM on an order-by-order basis through the use of Attributable Orders.

Upon the Exchange's initial offering of EdgeBook AttributedSM, such service was provided at no cost. In SR-EDGA-2012-34, the Exchange stated that "[s]hould EDGA determine to charge fees associated with EdgeBook AttributedSM, EDGA will submit a proposed rule change to the [Securities and Exchange] Commission in order to implement those fees."⁶ This proposal is designed to implement fees for the receipt of EdgeBook AttributedSM and introduce the Edge Attribution Incentive Program.

The proposed rule change to the EDGA fee schedule codifies such a fee associated with the receipt of EdgeBook AttributedSM. Such fees are in addition to the current fees assessed for EdgeBook Depth ASM for both Internal and External Distributors.⁷ The amount of the monthly fees for EdgeBook AttributedSM would depend on whether the distributor is an "Internal Distributor" or "External Distributor." Internal Distributors are proposed to be charged \$2,500 per month for EdgeBook AttributedSM and External Distributors are proposed to be charged \$5,000 per month for EdgeBook AttributedSM. The fee paid by an External Distributor includes the Internal Distributor

³ See Securities and Exchange Release No. 66863 (Apr. 26, 2012), 77 FR 26059 (May 2, 2012) (SR-EDGA-2012-15). The current fees for EDGA Book Feed (now called EdgeBook Depth ASM) are \$500/month for internal distribution and \$2,500/month for external distribution. The proposed rule filing does not impact the current EdgeBook Depth ASM fees with regard to the non-attributed book feed.

⁴ See Securities Exchange Act Release No. 67553 (Aug. 1, 2012), 77 FR 47150 (Aug. 7, 2012) (SR-EDGA-2012-34).

⁵ See EDGA Rule 11.5(c)(18).

⁶ See Securities Exchange Act Release No. 67553 (Aug. 1, 2012), 77 FR 47150, 47151 (Aug. 7, 2012) (SR-EDGA-2012-34).

⁷ A "Distributor" of Exchange data is any entity that receives EdgeBook Depth ASM directly from the Exchange or indirectly through another entity and then distributes such data either internally (within that entity) ("Internal Distributor") or externally (outside that entity) ("External Distributor").

Fee and thus allows an External Distributor to provide data both internally (i.e., to users within their own organization) and externally (to users outside their own organization). Additionally, Distributors will only pay one distributor fee, regardless of the number of locations or users to which the feed is received or distributed. Finally, Distributors will not be charged user fees for receiving EdgeBook AttributedSM.

The Exchange also proposes to adopt an Edge Attribution Incentive Program to encourage Members to utilize Attributable Orders to convey their identity on EdgeBook AttributedSM by providing Members with an opportunity to be rewarded for providing their valuable data to the Exchange. In particular, the Edge Attribution Incentive Program would provide a payment to Members who enter Attributable Orders into the Exchange's System⁸ in at least 100 symbols over 10 consecutive trading days over the course of a month. Each month the Exchange would set aside 25% of the revenue generated in connection with fees received from EdgeBook AttributedSM, as described above (the "Revenue Allotment"). From the Revenue Allotment, the Exchange would provide a payment to eligible Members who qualified for the Edge Attribution Incentive Program based on the percentage of executed share volume from their Attributable Orders entered into the Exchange's System. For example, if a Member qualifies for the Edge Attribution Incentive Program and that Member's Attributable Orders accounted for 10% of all executed shares from Attributable Orders entered into the Exchange's System for that month, such Member would receive 10% of the Revenue Allotment. The remaining 90% of the funds in the Revenue Allotment would be distributed as payments to other Members that met the requirements of the Edge Attribution Incentive Program based on their respective executed share of volume from Attributable Orders entered into the Exchange's System. In addition, a Member is not required to purchase EdgeBook AttributedSM in order to receive payment under the Edge Attribution Incentive Program.

The Exchange intends to implement the proposed rule change on or about February 1, 2013.

(b) Statutory Basis

The Exchange believes that the proposed rule change to the EDGA fee schedule for EdgeBook AttributedSM is consistent with the objectives of Section 6 of the Securities Exchange Act of 1934 (the "Act"),⁹ in general, and furthers the objectives of Section 6(b)(4)¹⁰ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using any facility or system which the Exchange operates or controls. The fees are not unreasonably discriminatory and are equitably allocated. The fees for Members and non-Members are uniform except with respect to reasonable distinctions with respect to

⁸ As defined in Rule 1.5(cc).

⁹ 15 U.S.C. 78s(b)(1)

¹⁰ 15 U.S.C. 78f(b)(4).

internal and external distribution.¹¹ The Exchange proposes charging External Distributors more than Internal Distributors because of higher administrative costs associated with monitoring External Distributors ongoing reporting, as provided in the Direct Edge Data Vendor Agreement and market data requirements referenced therein.

The fees are fair and reasonable because they compare favorably to fees that other markets charge for similar products.¹² For example, NASDAQ's depth of book data feed, the NASDAQ TotalView ITCH ("TotalView"), features all displayed quotes and orders attributed to specific market participants.¹³ TotalView provides market participants with multiple and varied services in a single feed.¹⁴ While the cost of TotalView varies by number of subscribers and the specific type of access, each fee provides the entire TotalView book feed, inclusive of all services and features, including attribution of orders. Conversely, EdgeBook AttributedSM is unlike other market data products such as TotalView. Members and non-Members who subscribe to EdgeBook AttributedSM must also subscribe to EdgeBook Depth. However, Members and non-Members who

¹¹ The Exchange notes that distinctions based on external versus internal distribution have been previously filed with the Commission by the Exchange, NASDAQ Exchange, NASDAQ OMX BX, and NASDAQ OMX PSX. See Securities and Exchange Act Release No. 66863 (Apr. 26, 2012), 77 FR 26059 (May 2, 2012) (SR-EDGA-2012-15). See also Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-Phlx-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

¹² Other exchanges offer a version of their book feed with member order attribution. See, e.g., BATS, Market Data Products, Multicast PITCH, http://www.batstrading.com/market_data/products/ (describing BATS Multicast PITCH, which provides depth of book quotations and execution information while providing optional attribution functionality); Securities Exchange Act Release No. 63291 (Nov. 9, 2010), 75 FR 70311 (Nov. 17, 2010) (SR-NYSEArca-2010-97) (describing NYSE ArcaBook, which includes, among other things, displays of attributed orders by market makers and ETP holders); Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33) (describing NASDAQ TotalView data feed, which includes, among other things, displays of attributed quotes and orders).

¹³ TotalView features both attributed and non-attributed feeds. See Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33). NYSE ArcaBook features an attributed feed at a fee of \$750 per month, in addition to separate fees for professional and non-professional subscribers ranging from \$0-15 per month. See NYSE Technologies, Market Data, NYSE ArcaBook, <http://www.nyxdata.com/arcabook>.

¹⁴ See NASDAQ, NASDAQ TotalView-ITCH, <http://www.nasdaqtrader.com/trader.aspx?id=totalview> (describing services and fees for TotalView).

subscribe to EdgeBook Depth ASM are not obligated to purchase or subscribe to EdgeBook AttributedSM. Thus, the Exchange differentiates its pricing accordingly. The Exchange intends to charge a single, flat rate for EdgeBook AttributedSM as it views it as an optional, a la carte feature which enhances the value and scope of information on EdgeBook Depth ASM. Therefore, the pricing of EdgeBook AttributedSM will necessarily and understandably differ from market data products such as TotalView, which offer bundled pricing for the entire book feed, instead of a la carte pricing for specific features.¹⁵ In addition, the fees are fair and reasonable because competition provides an effective constraint on the market data fees that the Exchange has the ability and incentive to charge for its market data products.

The revenue generated from purchases of EdgeBook AttributedSM will pay for the development, marketing, technical infrastructure and operating costs of an important tool for Recipients to use for purposes such as analysis and intake of additional information to assist them in their ultimate trading decisions. Profits generated above these costs will help offset the costs that the Exchange incurs in operating and regulating a highly efficient and reliable platform for the trading of U.S. equities. Furthermore, the increased revenue stream from EdgeBook AttributedSM will allow the Exchange to continue to offer it at a reasonable rate, consistent with fees that other markets charge for similar products.

The Exchange believes that Members will recognize the value of EdgeBook AttributedSM and that the increased transparency of liquidity on EdgeBook AttributedSM will beget additional liquidity. As a result, the Exchange believes that increased value in the data disseminated helps Exchange members hone in on trading opportunities by better understanding the quality and transparency of the Exchange's quote quality. This will, in turn, help to enhance the overall execution quality on the Exchange.

The Exchange also believes that the proposed fees for EdgeBook AttributedSM are consistent with Section 6(b)(5) of the Act,¹⁶ which requires, among other things, that the Exchange's rules not be designed to unfairly discriminate between customers, issuers, brokers or dealers. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated Recipients because the service is purely optional and fees charged for EdgeBook AttributedSM will apply uniformly to all Recipients, irrespective of whether the Recipient is a Member of the Exchange. Purchase of the Service is not a prerequisite for participation on the Exchange, nor is membership to the Exchange a prerequisite to purchase the Service. Only those Recipients that deem the product to be of sufficient overall value and usefulness will purchase it.

¹⁵ For example, TotalView is priced at a monthly fee of \$70 per professional or corporate subscriber and \$14 per non-professional subscriber for coverage of NASDAQ issued securities, and \$6 per professional or corporate subscriber and \$1 per non-professional subscriber for coverage of NYSE and Amex issued securities. See NASDAQ, NASDAQ TotalView-ITCH, <http://www.nasdaqtrader.com/trader.aspx?id=totalview>.

¹⁶ 15 U.S.C. 78f(b)(5).

In addition, the proposed fees are also consistent with Section 6(b)(5) of the Act¹⁷ as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. EDGA believes that this proposal is in keeping with those principles as it will benefit all Recipients by: (i) promoting transparency through the codification of uniform fees for EdgeBook AttributedSM; and (ii) providing additional information regarding quotations displayed on the Exchange by various Members, which may aid Recipients in their trading decisions. Specifically, any Member that wishes to publicly disclose their identity (through their MPID) by using Attributable Orders will be permitted to do so, and such Attributable Orders will be analogous to the orders or quotations that these same Members provide in other contexts (e.g., on the floor of a floor-based stock exchange or in the over-the-counter market through direct interaction). In addition, the Exchange believes that EdgeBook AttributedSM furthers the objectives of Section 6(b)(5) of the Act¹⁸ by promoting increased quote transparency as Members are encouraged to utilize Attributable Orders through the Edge Attribution Incentive Program. The increased use of Attributable Orders by Members would provide additional, useful information regarding orders/quotations displayed on the Exchange, including information on the identity of contra-parties to transactions. The Exchange believes that this enhanced information would aid Recipients of EdgeBook AttributedSM in their trading decisions. In addition, EDGA has made a voluntary decision to make EdgeBook AttributedSM available. EDGA is not required by the Act in the first instance to make the data available. EDGA has chosen to make EdgeBook AttributedSM available to improve market quality, attract order flow, and increase transparency. It will continue to make such data available until such time as it changes its rule.

The Exchange also believes that the proposal is consistent with the goals of Regulation NMS.¹⁹ In adopting Regulation NMS, the Securities and Exchange Commission (“Commission”) granted self-regulatory organizations and broker-dealers increased authority and flexibility to offer new and unique market data services to the public. The Commission believed this authority would expand the amount of data available to market participants, and also spur innovation and competition for the provision of market data. EdgeBook AttributedSM appears to be precisely the sort of market data service that the Commission envisioned when it adopted Regulation NMS.²⁰

¹⁷ 15 U.S.C. 78f(b)(5).

¹⁸ 15 U.S.C. 78f(b)(5).

¹⁹ See Securities Exchange Act Release No. 51808 (June 9, 2006), 70 FR 37496 (June 29, 2005).

²⁰ See Securities and Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37597 (June 29, 2005) (“[E]fficiency is promoted when broker-dealers who do not need the data beyond the prices, sizes, market center identifications of the NBBO and consolidated last sale information are not required to receive (and pay for) such data. The Commission also believes that efficiency is promoted

EdgeBook AttributedSM will allow Recipients to purchase a service that will provide them a means to view the MPID of certain Members who choose to use Attributable Orders while at the same time enabling the Exchange to better cover its infrastructure costs and to improve its market technology and services. Efficiency is promoted when Members who do not need the EDGA Book Feed data are not required to receive (and pay for) such data. The Exchange also believes that efficiency is promoted when Members may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data. Competition is promoted as the Exchange cannot set unreasonable fees without losing business to its competitors.²¹

Additionally, the Exchange believes that the Edge Attribution Incentive Program furthers the objectives of Section 6(b)(4)²² in particular, as it is designed to provide 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. The Edge Attribution Incentive Program encourages Members to utilize Attributable Orders to convey their identity on EdgeBook AttributedSM. It represents a reasonable and equitable approach in that it financially rewards those Members that provide their valuable data to the Exchange and thereby help to contribute to the overall quality of EdgeBook AttributedSM as a data feed.

The Exchange believes that the Edge Attribution Incentive Program is also equitable and reasonable because it will attract additional order flow from Members motivated to receive the incentive offered, thereby enhancing the quality of the data on EdgeBook Depth ASM. Attributable Orders, similar to all market data, provide Members with valuable trading information and provide increased transparency to investors. The Exchange believes that such increased transparency will lead to additional order flow and increased opportunities for price discovery by Members. Specifically, the Exchange believes that the Edge Attribution Incentive Program will also increase order flow as Members will be motivated to receive the incentive offered under the Edge Attribution Incentive Program, and contra-side parties will look to execute against Members that are attributing their orders. For example, Market Makers²³ may want to utilize Attributable Orders to advertise the names of the securities they trade in to attract potential issuers or to advertise to the market that they maintain an inventory in particular securities. Similarly, retail brokerage firms may desire to utilize Attributable Orders to advertise their firm names with the intent to draw in contra-parties to trade against and thus bolster execution quality, price discovery, and resulting speed of execution for their clients. The associated potential rise in order volume would increase the potential revenue to the Exchange, allowing the Exchange to spread its administrative and infrastructure costs over a greater number of shares. These lower per share costs in turn would allow the

when broker-dealers may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data.”).

²¹ See infra discussion in Section 4 “Self-Regulatory Organization’s Statement on Burden on Competition.”

²² 15 U.S.C. 78f(b)(4).

²³ As defined in Rule 1.5(l).

Exchange to pass on such savings to Members in the form of such an incentive. The increased liquidity would also benefit investors by deepening EDGA's liquidity pool, allowing investors to enjoy cost savings as a result of obtaining better execution quality, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The incentive is similar to other volume-based rebates on the Exchange, which have been widely adopted in the cash equities markets.²⁴ The Exchange believes the Edge Attribution Incentive Program, which is similar to other volume-based rebates on the Exchange's fee schedule, is equitable because it is available and uniformly applied to all Members. The Edge Attribution Incentive Program also provides discounts that are reasonably related to the value of an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes.

The Exchange believes that the Edge Attribution Incentive Program is consistent with Section 6(b)(5) of the Act,²⁵ which requires, among other things, that the Exchange's rules not be designed to unfairly discriminate between customers, issuers, brokers or dealers. The Exchange believes that the Edge Attribution Incentive Program is equitable because participation in the Edge Attribution Incentive Program is purely optional. Only those Members that deem the Edge Attribution Incentive Program to be of sufficient overall value and usefulness will participate. Moreover, the requirements necessary to qualify for payments received under the Edge Attribution Incentive Program (at least 100 symbols over 10 consecutive trading days over the course of a month) are equitable and do not unfairly discriminate between Members who choose to attribute, as the payments will be offered uniformly to all Members who meet such requirements. Such requirements provide a clear benchmark by identifying a threshold that is not unreasonably difficult for a meaningful and consistent contributor to achieve. As Attributable Orders contain valuable trading information to the Exchange, the Edge Attribution Incentive Program is not unfairly discriminatory in its design to allocate the Revenue Allotment to Members who attribute in proportion to the executed share volume from such Member's Attributable Orders entered into the Exchange's System. Such data is also valuable to Members and non-Members who use the additional information for various purposes. For example, certain Recipient broker-dealers may use the data to aid their trading decisions, while Recipient smart routers may use the data to aid in building their own consolidated ticker plant. Such information enhances a Recipient's trading decisions as the transparency of knowing the identity of the potential counterparty may provide a Recipient with additional information regarding the reliability and quality of the attributed quote.

²⁴ EDGA allows Members to utilize volume-based tiers, as described in Footnotes 2 and 4, among others, to the EDGA Fee Schedule. See, e.g., EDGA Fee Schedule, <https://www.directedge.com/Membership/FeeSchedule/EDGAFeeSchedule.aspx>.

²⁵ 15 U.S.C. 78f(b)(5).

Lastly, the Exchange believes that the Edge Attribution Incentive Program furthers the objectives of Section 6(b)(5) of the Act²⁶ by promoting increased quote transparency on EdgeBook AttributedSM as Members are encouraged to utilize Attributable Orders. The increased use of Attributable Orders by Members would increase transparency by providing additional, useful information regarding orders/quotations displayed on the Exchange, including information on the identity of contra-parties to transactions. The Exchange believes that this enhanced information would aid Recipients of EdgeBook AttributedSM in their trading decisions.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

There is significant competition for the provision of market data to market participants, as well as competition for the orders that generate that data. In introducing the proposed fees for EdgeBook AttributedSM, the Exchange would be providing a service similar to those already offered by other market centers.²⁷ The existence of such alternatives ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, without losing business to these alternatives. Thus, as the fees are consistent with those charged by the Exchange's competitors, EdgeBook AttributedSM would promote competition if it succeeds in providing market participants with viable and cost-effective alternatives which drive the market to continually improve products and services to cater to customers' data needs. Accordingly, the Exchange does not believe that the fees for EdgeBook AttributedSM will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 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 its Members or other interested parties.

6. Extension of Time Period for Commission Action

²⁶ 15 U.S.C. 78f(b)(5).

²⁷ See, e.g., BATS, Market Data Products, Multicast PITCH, http://www.batstrading.com/market_data/products/; Securities Exchange Act Release No. 63291 (Nov. 9, 2010), 75 FR 70311 (Nov. 17, 2010) (SR-NYSEArca-2010-97) (describing NYSE Arcabook); Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33) (describing NASDAQ TotalView).

The Exchange does not consent at this time to an extension of the time period for Commission action specified in Section 19(b)(2) of the Act.²⁸

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 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 Section 19(b)(3)(A)(ii) of the Act²⁹ and paragraph (f)(2) of Rule 19b-4 thereunder.³⁰

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

(a) – (e) Not applicable.

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

(a) – (e) Not applicable.

11. Exhibits

Exhibit 1. Completed Notice of Proposed Rule Change for publication in the Federal Register.

Exhibit 5. Text of the proposed rule change.

²⁸ 15 U.S.C. 78s(b)(2).

²⁹ 15 U.S.C. 78s(b)(3)(A)(ii).

³⁰ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGA-2013-01)

[Date]

Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees for EdgeBook AttributedSM

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 January 15, 2013 EDGA Exchange, Inc. (the "Exchange" or "EDGA") 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 (i) charge Members³ and non-Members fees for internal and external distribution of EdgeBook AttributedSM, the Exchange's attributed book feed, and (ii) offer a new incentive program for Members that choose to attribute orders on the Exchange (the "Edge Attribution Incentive Program"). All of the changes described herein are applicable to EDGA Members and non-Members, except for the Edge Attribution Incentive Program, which is applicable only to EDGA Members. The text of the proposed rule change is available on the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ As defined in Rule 1.5(n).

Exchange's Internet website at www.directedge.com, at the Exchange's principal office, and at the Public Reference Room of the Commission.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

In SR-EDGA-2011-19,⁴ the Exchange made available the EDGA Book Feed ("EdgeBook Depth ASM") to Members and non-Members. EdgeBook Depth ASM is a data feed that contains all orders for securities trading on the Exchange, including all displayed orders for listed securities trading on EDGA, order executions, order cancellations, order modifications, order identification numbers and administrative messages. EdgeBook Depth ASM offers real-time data, thereby allowing Member firms to more accurately price their orders based on EDGA's view of the depth of book information. It also provides Members the ability to track their own orders from order entry to execution. It is available in both unicast and multicast formats.

⁴ See Securities Exchange Act Release No. 64792 (July 1, 2011), 76 FR 39959 (July 7, 2011) (SR-EDGA-2011-19).

In SR-EDGA-2012-15,⁵ the Exchange modified the EDGA fee schedule by codifying the fees associated with the receipt of EdgeBook Depth ASM. In SR-EDGA-2012-34,⁶ the Exchange amended Rule 11.5, entitled “Orders and Modifiers”, to allow for the use of Attributable Orders⁷ submitted to the Exchange on EdgeBook Depth ASM, namely EdgeBook AttributedSM, without charge. EdgeBook AttributedSM allows Members and non-Members of the Exchange (collectively referred to as “Recipients”) the option to view the market participant identifier (“MPID”) of Members of the Exchange who choose to display their MPID(s) on EdgeBook Depth ASM on an order-by-order basis through the use of Attributable Orders.

Upon the Exchange’s initial offering of EdgeBook AttributedSM, such service was provided at no cost. In SR-EDGA-2012-34, the Exchange stated that “[s]hould EDGA determine to charge fees associated with EdgeBook AttributedSM, EDGA will submit a proposed rule change to the [Securities and Exchange] Commission in order to implement those fees.”⁸ This proposal is designed to implement fees for the receipt of EdgeBook AttributedSM and introduce the Edge Attribution Incentive Program.

The proposed rule change to the EDGA fee schedule codifies such a fee associated with the receipt of EdgeBook AttributedSM. Such fees are in addition to the current fees assessed for

⁵ See Securities and Exchange Release No. 66863 (Apr. 26, 2012), 77 FR 26059 (May 2, 2012) (SR-EDGA-2012-15). The current fees for EDGA Book Feed (now called EdgeBook Depth ASM) are \$500/month for internal distribution and \$2,500/month for external distribution. The proposed rule filing does not impact the current EdgeBook Depth ASM fees with regard to the non-attributed book feed.

⁶ See Securities Exchange Act Release No. 67553 (Aug. 1, 2012), 77 FR 47150 (Aug. 7, 2012) (SR-EDGA-2012-34).

⁷ See EDGA Rule 11.5(c)(18).

⁸ See Securities Exchange Act Release No. 67553 (Aug. 1, 2012), 77 FR 47150, 47151 (Aug. 7, 2012) (SR-EDGA-2012-34).

EdgeBook Depth ASM for both Internal and External Distributors.⁹ The amount of the monthly fees for EdgeBook AttributedSM would depend on whether the distributor is an “Internal Distributor” or “External Distributor.” Internal Distributors are proposed to be charged \$2,500 per month for EdgeBook AttributedSM and External Distributors are proposed to be charged \$5,000 per month for EdgeBook AttributedSM. The fee paid by an External Distributor includes the Internal Distributor Fee and thus allows an External Distributor to provide data both internally (i.e., to users within their own organization) and externally (to users outside their own organization). Additionally, Distributors will only pay one distributor fee, regardless of the number of locations or users to which the feed is received or distributed. Finally, Distributors will not be charged user fees for receiving EdgeBook AttributedSM.

The Exchange also proposes to adopt an Edge Attribution Incentive Program to encourage Members to utilize Attributable Orders to convey their identity on EdgeBook AttributedSM by providing Members with an opportunity to be rewarded for providing their valuable data to the Exchange. In particular, the Edge Attribution Incentive Program would provide a payment to Members who enter Attributable Orders into the Exchange’s System¹⁰ in at least 100 symbols over 10 consecutive trading days over the course of a month. Each month the Exchange would set aside 25% of the revenue generated in connection with fees received from EdgeBook AttributedSM, as described above (the “Revenue Allotment”). From the Revenue Allotment, the Exchange would provide a payment to eligible Members who qualified for the Edge Attribution Incentive Program based on the percentage of executed share volume from

⁹ A “Distributor” of Exchange data is any entity that receives EdgeBook Depth ASM directly from the Exchange or indirectly through another entity and then distributes such data either internally (within that entity) (“Internal Distributor”) or externally (outside that entity) (“External Distributor”).

¹⁰ As defined in Rule 1.5(cc).

their Attributable Orders entered into the Exchange's System. For example, if a Member qualifies for the Edge Attribution Incentive Program and that Member's Attributable Orders accounted for 10% of all executed shares from Attributable Orders entered into the Exchange's System for that month, such Member would receive 10% of the Revenue Allotment. The remaining 90% of the funds in the Revenue Allotment would be distributed as payments to other Members that met the requirements of the Edge Attribution Incentive Program based on their respective executed share of volume from Attributable Orders entered into the Exchange's System. In addition, a Member is not required to purchase EdgeBook AttributedSM in order to receive payment under the Edge Attribution Incentive Program.

The Exchange intends to implement the proposed rule change on or about February 1, 2013.

2. Statutory Basis

The Exchange believes that the proposed rule change to the EDGA fee schedule for EdgeBook AttributedSM is consistent with the objectives of Section 6 of the Securities Exchange Act of 1934 (the "Act"),¹¹ in general, and furthers the objectives of Section 6(b)(4)¹² in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using any facility or system which the Exchange operates or controls. The fees are not unreasonably discriminatory and are equitably allocated. The fees for Members and non-Members are uniform except with respect to

¹¹ 15 U.S.C. 78s(b)(1)

¹² 15 U.S.C. 78f(b)(4).

reasonable distinctions with respect to internal and external distribution.¹³ The Exchange proposes charging External Distributors more than Internal Distributors because of higher administrative costs associated with monitoring External Distributors ongoing reporting, as provided in the Direct Edge Data Vendor Agreement and market data requirements referenced therein.

The fees are fair and reasonable because they compare favorably to fees that other markets charge for similar products.¹⁴ For example, NASDAQ's depth of book data feed, the NASDAQ TotalView ITCH ("TotalView"), features all displayed quotes and orders attributed to specific market participants.¹⁵ TotalView provides market participants with multiple and varied

¹³ The Exchange notes that distinctions based on external versus internal distribution have been previously filed with the Commission by the Exchange, NASDAQ Exchange, NASDAQ OMX BX, and NASDAQ OMX PSX. See Securities and Exchange Act Release No. 66863 (Apr. 26, 2012), 77 FR 26059 (May 2, 2012) (SR-EDGA-2012-15). See also Nasdaq Rule 7019(b). See also Securities Exchange Act Release No. 62876 (September 9, 2010), 75 FR 56624 (September 16, 2010) (SR-Phlx-2010-120). See also Securities Exchange Act Release No. 62907 (September 14, 2010), 75 FR 57314 (September 20, 2010) (SR-NASDAQ-2010-110). See also Securities Exchange Act Release No. 63442 (December 6, 2010), 75 FR 77029 (December 10, 2010) (SR-BX-2010-081).

¹⁴ Other exchanges offer a version of their book feed with member order attribution. See, e.g., BATS, Market Data Products, Multicast PITCH, http://www.batstrading.com/market_data/products/ (describing BATS Multicast PITCH, which provides depth of book quotations and execution information while providing optional attribution functionality); Securities Exchange Act Release No. 63291 (Nov. 9, 2010), 75 FR 70311 (Nov. 17, 2010) (SR-NYSEArca-2010-97) (describing NYSE ArcaBook, which includes, among other things, displays of attributed orders by market makers and ETP holders); Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33) (describing NASDAQ TotalView data feed, which includes, among other things, displays of attributed quotes and orders).

¹⁵ TotalView features both attributed and non-attributed feeds. See Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33). NYSE ArcaBook features an attributed feed at a fee of \$750 per month, in addition to separate fees for professional and non-professional subscribers ranging from \$0-15 per

services in a single feed.¹⁶ While the cost of TotalView varies by number of subscribers and the specific type of access, each fee provides the entire TotalView book feed, inclusive of all services and features, including attribution of orders. Conversely, EdgeBook AttributedSM is unlike other market data products such as TotalView. Members and non-Members who subscribe to EdgeBook AttributedSM must also subscribe to EdgeBook Depth. However, Members and non-Members who subscribe to EdgeBook Depth ASM are not obligated to purchase or subscribe to EdgeBook AttributedSM. Thus, the Exchange differentiates its pricing accordingly. The Exchange intends to charge a single, flat rate for EdgeBook AttributedSM as it views it as an optional, a la carte feature which enhances the value and scope of information on EdgeBook Depth ASM. Therefore, the pricing of EdgeBook AttributedSM will necessarily and understandably differ from market data products such as TotalView, which offer bundled pricing for the entire book feed, instead of a la carte pricing for specific features.¹⁷ In addition, the fees are fair and reasonable because competition provides an effective constraint on the market data fees that the Exchange has the ability and incentive to charge for its market data products.

The revenue generated from purchases of EdgeBook AttributedSM will pay for the development, marketing, technical infrastructure and operating costs of an important tool for Recipients to use for purposes such as analysis and intake of additional information to assist

month. See NYSE Technologies, Market Data, NYSE ArcaBook, <http://www.nyxdata.com/arcabook>.

¹⁶ See NASDAQ, NASDAQ TotalView-ITCH, <http://www.nasdaqtrader.com/trader.aspx?id=totalview> (describing services and fees for TotalView).

¹⁷ For example, TotalView is priced at a monthly fee of \$70 per professional or corporate subscriber and \$14 per non-professional subscriber for coverage of NASDAQ issued securities, and \$6 per professional or corporate subscriber and \$1 per non-professional subscriber for coverage of NYSE and Amex issued securities. See NASDAQ, NASDAQ TotalView-ITCH, <http://www.nasdaqtrader.com/trader.aspx?id=totalview>.

them in their ultimate trading decisions. Profits generated above these costs will help offset the costs that the Exchange incurs in operating and regulating a highly efficient and reliable platform for the trading of U.S. equities. Furthermore, the increased revenue stream from EdgeBook AttributedSM will allow the Exchange to continue to offer it at a reasonable rate, consistent with fees that other markets charge for similar products.

The Exchange believes that Members will recognize the value of EdgeBook AttributedSM and that the increased transparency of liquidity on EdgeBook AttributedSM will beget additional liquidity. As a result, the Exchange believes that increased value in the data disseminated helps Exchange members hone in on trading opportunities by better understanding the quality and transparency of the Exchange's quote quality. This will, in turn, help to enhance the overall execution quality on the Exchange.

The Exchange also believes that the proposed fees for EdgeBook AttributedSM are consistent with Section 6(b)(5) of the Act,¹⁸ which requires, among other things, that the Exchange's rules not be designed to unfairly discriminate between customers, issuers, brokers or dealers. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated Recipients because the service is purely optional and fees charged for EdgeBook AttributedSM will apply uniformly to all Recipients, irrespective of whether the Recipient is a Member of the Exchange. Purchase of the Service is not a prerequisite for participation on the Exchange, nor is membership to the Exchange a prerequisite to purchase the Service. Only those Recipients that deem the product to be of sufficient overall value and usefulness will purchase it.

¹⁸ 15 U.S.C. 78f(b)(5).

In addition, the proposed fees are also consistent with Section 6(b)(5) of the Act¹⁹ as it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest. EDGA believes that this proposal is in keeping with those principles as it will benefit all Recipients by: (i) promoting transparency through the codification of uniform fees for EdgeBook AttributedSM; and (ii) providing additional information regarding quotations displayed on the Exchange by various Members, which may aid Recipients in their trading decisions. Specifically, any Member that wishes to publicly disclose their identity (through their MPID) by using Attributable Orders will be permitted to do so, and such Attributable Orders will be analogous to the orders or quotations that these same Members provide in other contexts (e.g., on the floor of a floor-based stock exchange or in the over-the-counter market through direct interaction). In addition, the Exchange believes that EdgeBook AttributedSM furthers the objectives of Section 6(b)(5) of the Act²⁰ by promoting increased quote transparency as Members are encouraged to utilize Attributable Orders through the Edge Attribution Incentive Program. The increased use of Attributable Orders by Members would provide additional, useful information regarding orders/quotations displayed on the Exchange, including information on the identity of contra-parties to transactions. The Exchange believes that this enhanced information would aid Recipients of EdgeBook AttributedSM in their trading decisions. In addition, EDGA has made a

¹⁹ 15 U.S.C. 78f(b)(5).

²⁰ 15 U.S.C. 78f(b)(5).

voluntary decision to make EdgeBook AttributedSM available. EDGA is not required by the Act in the first instance to make the data available. EDGA has chosen to make EdgeBook AttributedSM available to improve market quality, attract order flow, and increase transparency. It will continue to make such data available until such time as it changes its rule.

The Exchange also believes that the proposal is consistent with the goals of Regulation NMS.²¹ In adopting Regulation NMS, the Commission granted self-regulatory organizations and broker-dealers increased authority and flexibility to offer new and unique market data services to the public. The Commission believed this authority would expand the amount of data available to market participants, and also spur innovation and competition for the provision of market data. EdgeBook AttributedSM appears to be precisely the sort of market data service that the Commission envisioned when it adopted Regulation NMS.²² EdgeBook AttributedSM will allow Recipients to purchase a service that will provide them a means to view the MPID of certain Members who choose to use Attributable Orders while at the same time enabling the Exchange to better cover its infrastructure costs and to improve its market technology and services. Efficiency is promoted when Members who do not need the EDGA Book Feed data are not required to receive (and pay for) such data. The Exchange also believes that efficiency is promoted when Members may choose to receive (and pay for) additional

²¹ See Securities Exchange Act Release No. 51808 (June 9, 2006), 70 FR 37496 (June 29, 2005).

²² See Securities and Exchange Act Release No. 51808 (June 9, 2005), 70 FR 37496, 37597 (June 29, 2005) (“[E]fficiency is promoted when broker-dealers who do not need the data beyond the prices, sizes, market center identifications of the NBBO and consolidated last sale information are not required to receive (and pay for) such data. The Commission also believes that efficiency is promoted when broker-dealers may choose to receive (and pay for) additional market data based on their own internal analysis of the need for such data.”).

market data based on their own internal analysis of the need for such data. Competition is promoted as the Exchange cannot set unreasonable fees without losing business to its competitors.²³

Additionally, the Exchange believes that the Edge Attribution Incentive Program furthers the objectives of Section 6(b)(4)²⁴ in particular, as it is designed to provide 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. The Edge Attribution Incentive Program encourages Members to utilize Attributable Orders to convey their identity on EdgeBook AttributedSM. It represents a reasonable and equitable approach in that it financially rewards those Members that provide their valuable data to the Exchange and thereby help to contribute to the overall quality of EdgeBook AttributedSM as a data feed.

The Exchange believes that the Edge Attribution Incentive Program is also equitable and reasonable because it will attract additional order flow from Members motivated to receive the incentive offered, thereby enhancing the quality of the data on EdgeBook Depth ASM.

Attributable Orders, similar to all market data, provide Members with valuable trading information and provide increased transparency to investors. The Exchange believes that such increased transparency will lead to additional order flow and increased opportunities for price discovery by Members. Specifically, the Exchange believes that the Edge Attribution Incentive Program will also increase order flow as Members will be motivated to receive the incentive offered under the Edge Attribution Incentive Program, and contra-side parties will look to

²³ See infra discussion in section on “Self-Regulatory Organization’s Statement on Burden on Competition.”

²⁴ 15 U.S.C. 78f(b)(4).

execute against Members that are attributing their orders. For example, Market Makers²⁵ may want to utilize Attributable Orders to advertise the names of the securities they trade in to attract potential issuers or to advertise to the market that they maintain an inventory in particular securities. Similarly, retail brokerage firms may desire to utilize Attributable Orders to advertise their firm names with the intent to draw in contra-parties to trade against and thus bolster execution quality, price discovery, and resulting speed of execution for their clients. The associated potential rise in order volume would increase the potential revenue to the Exchange, allowing the Exchange to spread its administrative and infrastructure costs over a greater number of shares. These lower per share costs in turn would allow the Exchange to pass on such savings to Members in the form of such an incentive. The increased liquidity would also benefit investors by deepening EDGA's liquidity pool, allowing investors to enjoy cost savings as a result of obtaining better execution quality, supporting the quality of price discovery, promoting market transparency and improving investor protection.

The incentive is similar to other volume-based rebates on the Exchange, which have been widely adopted in the cash equities markets.²⁶ The Exchange believes the Edge Attribution Incentive Program, which is similar to other volume-based rebates on the Exchange's fee schedule, is equitable because it is available and uniformly applied to all Members. The Edge Attribution Incentive Program also provides discounts that are reasonably related to the value of an exchange's market quality associated with higher levels of market activity, such as higher

²⁵ As defined in Rule 1.5(l).

²⁶ EDGA allows Members to utilize volume-based tiers, as described in Footnotes 2 and 4, among others, to the EDGA Fee Schedule. See, e.g., EDGA Fee Schedule, <https://www.directedge.com/Membership/FeeSchedule/EDGAFeeSchedule.aspx>.

levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery processes.

The Exchange believes that the Edge Attribution Incentive Program is consistent with Section 6(b)(5) of the Act,²⁷ which requires, among other things, that the Exchange's rules not be designed to unfairly discriminate between customers, issuers, brokers or dealers. The Exchange believes that the Edge Attribution Incentive Program is equitable because participation in the Edge Attribution Incentive Program is purely optional. Only those Members that deem the Edge Attribution Incentive Program to be of sufficient overall value and usefulness will participate. Moreover, the requirements necessary to qualify for payments received under the Edge Attribution Incentive Program (at least 100 symbols over 10 consecutive trading days over the course of a month) are equitable and do not unfairly discriminate between Members who choose to attribute, as the payments will be offered uniformly to all Members who meet such requirements. Such requirements provide a clear benchmark by identifying a threshold that is not unreasonably difficult for a meaningful and consistent contributor to achieve. As Attributable Orders contain valuable trading information to the Exchange, the Edge Attribution Incentive Program is not unfairly discriminatory in its design to allocate the Revenue Allotment to Members who attribute in proportion to the executed share volume from such Member's Attributable Orders entered into the Exchange's System. Such data is also valuable to Members and non-Members who use the additional information for various purposes. For example, certain Recipient broker-dealers may use the data to aid their trading decisions, while Recipient smart routers may use the data to aid in building their own consolidated ticker plant. Such information enhances a Recipient's trading decisions as the transparency of knowing the identity of the

²⁷ 15 U.S.C. 78f(b)(5).

potential counterparty may provide a Recipient with additional information regarding the reliability and quality of the attributed quote.

Lastly, the Exchange believes that the Edge Attribution Incentive Program furthers the objectives of Section 6(b)(5) of the Act²⁸ by promoting increased quote transparency on EdgeBook AttributedSM as Members are encouraged to utilize Attributable Orders. The increased use of Attributable Orders by Members would increase transparency by providing additional, useful information regarding orders/quotations displayed on the Exchange, including information on the identity of contra-parties to transactions. The Exchange believes that this enhanced information would aid Recipients of EdgeBook AttributedSM in their trading decisions.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

There is significant competition for the provision of market data to market participants, as well as competition for the orders that generate that data. In introducing the proposed fees for EdgeBook AttributedSM, the Exchange would be providing a service similar to those already offered by other market centers.²⁹ The existence of such alternatives ensures that the Exchange cannot set unreasonable fees, or fees that are unreasonably discriminatory, without losing

²⁸ 15 U.S.C. 78f(b)(5).

²⁹ See, e.g., BATS, Market Data Products, Multicast PITCH, http://www.batstrading.com/market_data/products/; Securities Exchange Act Release No. 63291 (Nov. 9, 2010), 75 FR 70311 (Nov. 17, 2010) (SR-NYSEArca-2010-97) (describing NYSE Arcabook); Securities Exchange Act Release No. 46521 (Sept. 20, 2002), 76 FR 61179 (Sept. 27, 2002) (SR-NASD-2002-33) (describing NASDAQ TotalView).

business to these alternatives. Thus, as the fees are consistent with those charged by the Exchange's competitors, EdgeBook AttributedSM would promote competition if it succeeds in providing market participants with viable and cost-effective alternatives which drive the market to continually improve products and services to cater to customers' data needs. Accordingly, the Exchange does not believe that the fees for EdgeBook AttributedSM will result in 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 its Members or other interested parties.

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

(a) This proposed rule change is filed pursuant to paragraph (A) of Section 19(b)(3) of the 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 Section 19(b)(3)(A)(ii) of the Act³⁰ and paragraph (f)(2) of Rule 19b-4 thereunder.³¹

(c) Inapplicable.

(d) Inapplicable.

³⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

³¹ 17 CFR 240.19b-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 Number SR-EDGA-2013-01 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-EDGA-2013-01. 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 website (<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-EDGA-2013-01 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.³²

Kevin M. O'Neill
Deputy Secretary

³² 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Additions underlined

Deletions [bracketed]

EDGA Exchange Fee Schedule – Effective November 1, 2012.

* * * * *

EdgeBook Depth Fees:

The fees for EdgeBook Depth A are as follows:

Delivery	Fee
Internal Distributor	\$500/month
External Distributor	\$2,500/month

EdgeBook Attributed Fees, effective February 1, 2013:

In addition to EdgeBook Depth A fees, as described above, all subscribers to EdgeBook AttributedSM will also incur the following fees:

<u>Delivery</u>	<u>Fee</u>
<u>Internal Distributor</u>	<u>\$2,500/month</u>
<u>External Distributor</u>	<u>\$5,000/month</u>

A “Distributor” of Exchange data is any entity that receives [EdgeBook Depth A] a market data feed directly from the Exchange or indirectly through another entity and then distributes it either internally (within that entity) (“Internal Distributor”) or externally (outside that entity) (“External Distributor”). All Distributors shall execute a Market Data Vendor Agreement with Direct Edge, Inc., acting on behalf of the EDGA Exchange.

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Edge Attribution Incentive Program

Effective February 1, 2013, Members who enter Attributable Orders into the Exchange’s System in at least 100 symbols over 10 consecutive trading days over the course of a month are eligible to participate in the Edge Attribution Incentive Program. Each month, the Exchange will set aside 25% of the revenue generated in connection with fees received from EdgeBook Attributed (the “Revenue Allotment”). From the Revenue Allotment, the Exchange will provide a payment to eligible Members who qualified for the Edge Attribution Incentive Program based on the

percentage of executed share volume from their Attributable Orders entered into the Exchange's System.