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Page 1 of * 28	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 23	Amendment No. (req. for Amendments *)
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Filing by EDGX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
Extension of Time Period for Commission Action * <input type="checkbox"/>		Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" 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) <input type="checkbox"/>	Section 3C(b)(2) <input type="checkbox"/>
Section 806(e)(2) <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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Description

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

EDGX Exchange, Inc. proposes to amend Rule 11.5(c), which describes the manner in which the NBBO Offset Peg Order operates.

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 * Rosenstroch
Title * General Counsel	
E-mail * jrosenstroch@directedge.com	
Telephone * (201) 942-8295	Fax <input type="text"/>

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 06/24/2013	General Counsel
By Jeffrey Rosenstroch	<input type="text"/>
(Name *)	

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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

Partial Amendment

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

1. Text of the Proposed Rule Change

(a) EDGX Exchange, Inc. (“EDGX” or the “Exchange”) proposes to amend Rule 11.5(c), which describes the manner in which the NBBO Offset Peg Order operates. The text of the proposed rule change is attached as Exhibit 5 and is available on the Exchange’s website at www.directedge.com, at the Exchange’s principal office and at the Public Reference Room of the Securities and Exchange Commission (the “Commission”). The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Securities Exchange Act of 1934 (the “Act”).¹

(b) The Exchange does not believe that the proposed rule change would have any direct or significant indirect effect on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on 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 rule 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, Inc.
201-418-3471

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

(a) Purpose

The Exchange proposes to amend Rule 11.5(c)(15), the NBBO Offset Peg Order, to state that the order type will: (1) only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered; (2) not be repriced when it would

¹ 17 CFR 240.19b-4(f)(6)(iii).

establish the National Best Bid or Offer (“NBBO”); and (3) delay the implementation date of the order type from April 15, 2013 to no later than October 31, 2013.

On September 25, 2012, the Exchange filed for immediate effectiveness a proposed rule change to adopt the NBBO Offset Peg Order.² The NBBO Offset Peg Order will enable Users³ to submit buy and sell orders to the Exchange that are pegged to a designated percentage away from the NBB and NBO, respectively, while providing them full control over order origination and order marking.⁴ This retention of control, in turn, is designed to allow Market Makers⁵ to comply independently with the requirements of Regulation SHO⁶ under the Act and Rule 15c3-5⁷ under the Act (the “Market Access Rule”). The Exchange subsequently amended the text of Rule 11.5(c)(15) to remove the ability of Users to cancel or reject NBBO Offset Peg Orders under certain circumstances.⁸

When is a NBBO Offset Peg Order Eligible for Execution?

First, the Exchange proposes that the NBBO Offset Peg Order will only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered. Currently, Rule 11.5(c)(15) allows Users to submit NBBO Offset Peg Orders at the beginning of the Pre-Opening Session,⁹ but states that the order is not executable or

² See Securities Exchange Act Release No. 67959 (October 2, 2012), 77 FR 61449 (October 9, 2012) (SR-EDGX-2012-44) (notice of filing and immediate effectiveness of the proposal to adopt the NBBO Offset Peg Order) (“EDGX Adopting Release”).

³ “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.” EDGX Rule 1.5(ee).

⁴ See EDGX Rule 11.5(c)(15).

⁵ “Market Maker” is defined as “a Member that acts as a Market Maker pursuant to Chapter XI.” EDGX Rule 1.5(l).

⁶ 17 CFR 242.200 through 242.204.

⁷ 17 CFR 242.15c3-5.

⁸ See Securities Exchange Act Release No. 68596 (January 7, 2013), 78 FR 2477 (January 11, 2013) (SR-EDGX-2012-49) (notice of filing and immediate effectiveness).

⁹ “Pre-Opening Session” is defined as “the time between 8:00 a.m. and 9:30 a.m. Eastern Time.” EDGX Rule 1.5(s).

automatically priced until the beginning of Regular Trading Hours.¹⁰ However, a Market Maker's quoting obligations under Rule 11.21(d) do not commence during any trading day until after the first regular way transaction on the primary listing market in the security as reported by the responsible single plan processor.¹¹ Such a transaction may not occur until after the start of Regular Trading Hours. Therefore, the Exchange proposes to amend the text of Rule 11.5(c)(15) to state that an NBBO Offset Peg Order is not executable until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, rather than the beginning of Regular Trading Hours. Accordingly, the amended text would read as follows:

Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but the order is not executable or automatically priced until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor and expires at the end of Regular Trading Hours (emphasis added).

The Exchange believes that the proposed amendment is necessary because it clarifies that the NBBO Offset Peg Order would only be eligible for execution once the quoting obligations for Market Makers apply. While use of the NBBO Offset Peg Order would not be limited to Market Makers, the Exchange believes that Market Makers would likely be the predominant, if not exclusive, users of the order type. Thus, the NBBO Offset Peg Order is designed such that its price would be automatically set and adjusted, both upon entry and at any time thereafter, in order to comply with the Exchange's Market Maker quotation requirements.¹²

¹⁰ "Regular Trading Hours" is defined as "the time between 9:30 a.m. and 4:00 p.m. Eastern Time." EDGX Rule 1.5(y).

¹¹ Under Exchange Rule 11.21(d)(2), the pricing obligations for Market Makers "(i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor." Securities Exchange Act Release No. 65964 (December 15, 2011), 76 FR 79254 (December 21, 2011) (order approving SR-EDGX-2011-28).

¹² Exchange Rule 11.21 describes the obligations of Members registered with the Exchange as Market Makers. Among other things, Market Makers are required to maintain continuous, two-sided quotations consistent with the requirements of paragraph (d) of Rule 11.21, which generally states that such quotations must be priced within a designated percentage of the NBB for buy quotations, and the NBO for sell quotations.

Repricing When NBBO Offset Peg Order Establishes NBBO

Second, the Exchange proposes to amend Rule 11.5(c)(15) to make clear that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price. Where there is no NBBO and a NBBO Offset Peg Order, whether upon entry or already on the EDGX Book,¹³ is pegged to the last reported sale from the single plan processor, the NBBO Offset Peg Order will be reported to the responsible securities information processors and will be disseminated to the Exchange as the NBBO. The Exchange proposes that if after entry, the NBBO Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order establishes the NBBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with the proposed rule until either there is a new consolidated last sale, or a new NBB or NBO is established by a national securities exchange. The Exchange believes that not adjusting the price in this instance is consistent with the intent of the NBBO Offset Peg Order (i.e., keeping the order a certain percentage away from the inside market) while also avoiding a situation where the order would use its own pegged price as a basis for adjusting the price of the order. The Exchange notes that the proposal amends the functionality of the NBBO Offset Peg Order to more closely resemble analogous order types offered by The NASDAQ Stock Market LLC ("Nasdaq"),¹⁴ BATS Exchange, Inc. ("BATS"),¹⁵ and BATS Y-Exchange, Inc. ("BYX").¹⁶

¹³ "EDGX Book" is defined as "the System's electronic file of orders." EDGX Rule 1.5(d).

¹⁴ See NASDAQ Rule 4751(f)(15). See also Securities Exchange Act Release No. 67584 (August 2, 2012), 77 FR 47472 (August 8, 2012) (SR-NASDAQ-2012-066) (order approving Nasdaq's Market Maker Peg Order available for exchange market makers) ("Nasdaq Approval Order").

¹⁵ See BATS Rule 11.9(c)(16). See also Securities Exchange Act Release No. 67756 (August 29, 2012), 77 FR 54633 (September 5, 2012) (SR-BATS-2012-026) (order approving BATS's Market Maker Peg Order available for exchange market makers) ("BATS Approval Order"); and Securities Exchange Release No. 69310 (April 4, 2013), 78 FR 21447 (April 10, 2013) (SR-BATS-2013-022) (notice of filing and immediate effectiveness to amend BATS' Market Maker Peg Order).

¹⁶ See BYX Rule 11.9(c)(16). See also Securities Exchange Act Release No. 67755 (August 29, 2012), 77 FR 54630 (September 5, 2012) (SR-BYX-2012-012) (order approving BYX's Market Maker Peg Order available for exchange market makers) ("BYX Approval Order"); and Securities Exchange Act Release No. 69309 (April 4, 2013), 78 FR 21455 (April 10, 2013) (SR-BYX-2013-011) (notice of filing and immediate effectiveness to amend the BYX Market Maker Peg Order).

Implementation Date Delay

The Exchange originally proposed to implement the NBBO Offset Peg Order on or about November 19, 2012¹⁷ and later delayed the implementation date to on or about April 15, 2013.¹⁸ The Exchange now proposes to further delay the implementation date to no later than October 31, 2013. The Exchange anticipates uniform industry-wide amendments to the market making quoting requirements' Designated Percentages¹⁹ and Defined Limits²⁰ to realign the percentages based on the Appendix A Percentage Parameters of the National Market System Plan to Address Extraordinary Market Volatility (the "Limit-Up/Limit-Down Plan").²¹ This additional time will enable the Exchange to make the necessary system changes to implement the NBBO Offset Peg Order to accommodate those amendments.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act²² and furthers the objectives of Section 6(b)(5) of the Act,²³ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and

¹⁷ See EDGX Adopting Release, supra note 2.

¹⁸ See Securities Exchange Act Release No. 68596, supra note 8.

¹⁹ "Designated Percentage" is defined as "8% with respect to securities included in the S&P 500® Index and the Russell 1000® Index, as well as a pilot list of Exchange Traded Products for securities subject to an individual stock pause trigger under the applicable rules of a primary listing market ("Original Circuit Breaker Securities"). For times during Regular Trading Hours when stock pause triggers are not in effect under the rules of the primary listing market, the Designated Percentage shall be 20% for Original Circuit Breaker Securities." EDGX Rule 11.21(d)(2)(D).

²⁰ "Defined Limit" is defined as "9.5% for Original Circuit Breaker Securities. For times during Regular Trading Hours when stock pause triggers are not in effect under the rules of the primary listing market, the Defined Limit shall be 21.5% for Original Circuit Breaker Securities." EDGX Rule 11.21(d)(2)(F).

²¹ See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (approving the Limit-Up/Limit-Down Plan on a pilot basis).

²² 15 U.S.C. 78f(b).

²³ 15 U.S.C. 78f(b)(5).

equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Exchange believes that proposing that the order type will only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered makes the order type consistent with when market making obligations begin²⁴ and therefore, simplifies its functionality. While use of the NBBO Offset Peg Order would not be limited to Market Makers, the Exchange believes that Market Makers would likely be the predominant, if not exclusive, users of the order type. Thus, the NBBO Offset Peg Order is designed such that its price would be automatically set and adjusted, both upon entry and at any time thereafter, in order to comply with the Exchange's Market Maker quotation requirements.²⁵ Therefore, the Exchange believes the proposed rule change is designed to promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest.

The Exchange also believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system because it clarifies that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price. The Exchange notes that the proposed clarification is substantially similar to that for similar order types (Market Maker Peg Orders) on Nasdaq, BATS, and BYX.²⁶ Further, clarifying when a NBBO Offset Peg Order would not be re-priced to align with the functionality of similar order types on other exchanges fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and removes impediments to a free and open market and a national market system because it will result in a continuing benefit to market participants by simplifying the functionality of the order type and its complexity of implementation.

²⁴ The Exchange notes while use of the NBBO Offset Peg Order would not be limited to Market Makers that Market Makers would likely be the predominant, if not exclusive, users of the order type.

²⁵ EDGX Rule 11.21(d)(2).

²⁶ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16). The Exchange has previously noted that such Market Maker Peg Orders are similar in functionality to the NBBO Offset Peg Order. See EDGX Adopting Release, supra note 2.

Lastly, the Exchange believes that the delay of the implementation date is also consistent with Section 6(b)(5) of the Act²⁷ because it is designed to coordinate the implementation of the NBBO Offset Peg Order with anticipated changes to market making quoting requirements in response to the Limit-Up/Limit-Down Plan. Thus, the Exchange believes that the proposed rule change promotes the efficient execution of investor transactions, and thus investor confidence, over the long term.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would increase intermarket competition among the exchanges because the NBBO Offset Peg Order will directly compete with similar existing order types offered by Nasdaq, BATS and BYX.²⁸ Amending Rule 11.5(c)(15), to clarify that the NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;²⁹ and, therefore, reduces the potential for confusion amongst market participants. In addition, the Exchange believes proposing that the NBBO Offset Order will only be eligible for execution once its Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the functionality and corresponding complexity of implementation. The proposed rule change would not burden intramarket competition because the NBBO Offset Peg Order would be available to all Members³⁰ on a uniform basis.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

6. Extension of Time Period for Commission Action

Not applicable.

²⁷ 15 U.S.C. 78f(b)(5).

²⁸ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

²⁹ Id.

³⁰ "Member" is defined as "any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act." EDGX Rule 1.5(n).

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)³¹ of the Act and Rule 19b-4(f)(6)³² thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.³³

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4³⁴ because: (1) stating that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;³⁵ and (2) proposing that the NBBO Offset Peg Order will not be eligible for execution until the Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the order's functionality and better aligns the rule text with the order type's designed purpose to assist Market Makers in meeting certain regulatory requirements. Additionally, the proposal to state that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price does not raise any new policy issues not previously considered by the Commission nor impose any significant burden on competition because it would allow the Exchange to offer its Members NBBO Offset Peg Order functionality similar to that currently offered by Nasdaq, BATS, and BYX. Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act³⁶ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁷

³¹ 15 U.S.C. 78s(b)(3)(A).

³² 17 CFR 240.19b-4(f)(6).

³³ 17 CFR 240.19b-4(f)(6)(iii).

³⁴ 17 CFR 240.19b-4(f)(6).

³⁵ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

³⁶ 15 U.S.C. 78s(b)(3)(A).

³⁷ 17 CFR 240.19b-4(f)(6).

The Exchange further requests that the Commission waive the 30-day operative delay to allow for an operative date as soon as possible after filing. Doing so would allow the Exchange to provide a competing order type to that offered by Nasdaq, BATS, and BYX. Clarifying in Exchange Rule 11.5(c)(15) that the NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;³⁸ all of which have been published for public comment by the Commission and is currently available to market participants. In addition, proposing that the NBBO Offset Peg Order will not be eligible for execution until the Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the order's functionality and better aligns the rule text with the order type's designed purpose to assist Market Makers in meeting certain regulatory requirements. Therefore, the Exchange believes the proposed rule change does not raise any new issues. Furthermore, waiving the 30-day operative delay would allow the Exchange to clarify in its rules how the NBBO Offset Peg Order is to operate under Exchange Rule 11.5(c)(15) as well as inform Members of the delayed implementation date on a timelier basis.

At any time within sixty (60) days of the filing of such proposed rule change, the Commission may summarily 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.

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

The NBBO Offset Peg Order is based on the Market Maker Peg Orders in place on Nasdaq, BATS, and BYX.³⁹ The proposed amendments to the NBBO Offset Peg Orders to state that the order type will not be re-priced when it would establish the NBBO are substantially similar to the operation of Market Maker Peg Orders on Nasdaq, BATS, and BYX.⁴⁰

The Exchange notes that while its proposal that the NBBO Offset Peg Order will only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered is not identical to that of Nasdaq, BATS, and BXY, it is not material and is simply intended to clarify when the order type will be eligible for execution on the Exchange. Currently, like Nasdaq, BATS, and BYX,⁴¹ EDGX Rule

³⁸ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

³⁹ Id.

⁴⁰ Id.

⁴¹ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

11.5(c)(15) allows Users to submit NBBO Offset Peg Orders at the beginning of the Pre-Opening Session, but states that the order is not executable or automatically priced until the beginning of Regular Trading Hours. However, on EDGX, a Market Maker's quoting obligations under Rule 11.21(d) do not commence during any trading day until after the first regular way transaction on the primary listing market in the security as reported by the responsible single plan processor.⁴² Such a transaction may not occur until after the start of Regular Trading Hours. Therefore, the Exchange proposes to amend the text of Rule 11.5(c)(15) to state that an NBBO Offset Peg Order is not executable until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, rather than the beginning of Regular Trading Hours. The Exchange believes that this difference is not material because it simply clarifies for EDGX Members that the NBBO Offset Peg Order would only be eligible for execution once the quoting obligations for Market Makers apply.

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

Not applicable.

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

Not applicable.

11. Exhibits

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

Exhibit 5 – Text of the Proposed Rule Change.

⁴² See EDGX Rule 11.21(d)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34- ; File No. SR-EDGX-2013-23)

[Date]

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend EDGX Rule 11.5(c), NBBO Offset Peg Order

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 June 24, 2013, EDGX Exchange, Inc. (the "Exchange" or "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 Rule 11.5(c), which describes the manner in which the NBBO Offset Peg Order operates. 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 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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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

The Exchange proposes to amend Rule 11.5(c)(15), the NBBO Offset Peg Order, to state that the order type will: (1) only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered; (2) not be repriced when it would establish the National Best Bid or Offer ("NBBO"); and (3) delay the implementation date of the order type from April 15, 2013 to no later than October 31, 2013.

On September 25, 2012, the Exchange filed for immediate effectiveness a proposed rule change to adopt the NBBO Offset Peg Order.³ The NBBO Offset Peg Order will enable Users⁴ to submit buy and sell orders to the Exchange that are pegged to a designated percentage away from the NBB and NBO, respectively, while providing

³ See Securities Exchange Act Release No. 67959 (October 2, 2012), 77 FR 61449 (October 9, 2012) (SR-EDGX-2012-44) (notice of filing and immediate effectiveness of the proposal to adopt the NBBO Offset Peg Order) ("EDGX Adopting Release").

⁴ "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." EDGX Rule 1.5(ee).

them full control over order origination and order marking.⁵ This retention of control, in turn, is designed to allow Market Makers⁶ to comply independently with the requirements of Regulation SHO⁷ under the Act and Rule 15c3-5⁸ under the Act (the “Market Access Rule”). The Exchange subsequently amended the text of Rule 11.5(c)(15) to remove the ability of Users to cancel or reject NBBO Offset Peg Orders under certain circumstances.⁹

When is a NBBO Offset Peg Order Eligible for Execution?

First, the Exchange proposes that the NBBO Offset Peg Order will only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered. Currently, Rule 11.5(c)(15) allows Users to submit NBBO Offset Peg Orders at the beginning of the Pre-Opening Session,¹⁰ but states that the order is not executable or automatically priced until the beginning of Regular Trading Hours.¹¹ However, a Market Maker’s quoting obligations under Rule 11.21(d) do not commence during any

⁵ See EDGX Rule 11.5(c)(15).

⁶ “Market Maker” is defined as “a Member that acts as a Market Maker pursuant to Chapter XI.” EDGX Rule 1.5(l).

⁷ 17 C.F.R. 242.200 through 242.204.

⁸ 17 CFR 242.15c3-5.

⁹ See Securities Exchange Act Release No. 68596 (January 7, 2013), 78 FR 2477 (January 11, 2013) (SR-EDGX-2012-49) (notice of filing and immediate effectiveness).

¹⁰ “Pre-Opening Session” is defined as “the time between 8:00 a.m. and 9:30 a.m. Eastern Time.” EDGX Rule 1.5(s).

¹¹ “Regular Trading Hours” is defined as “the time between 9:30 a.m. and 4:00 p.m. Eastern Time.” EDGX Rule 1.5(y).

trading day until after the first regular way transaction on the primary listing market in the security as reported by the responsible single plan processor.¹² Such a transaction may not occur until after the start of Regular Trading Hours. Therefore, the Exchange proposes to amend the text of Rule 11.5(c)(15) to state that an NBBO Offset Peg Order is not executable until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, rather than the beginning of Regular Trading Hours. Accordingly, the amended text would read as follows:

Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but the order is not executable or automatically priced until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor and expires at the end of Regular Trading Hours (emphasis added).

The Exchange believes that the proposed amendment is necessary because it clarifies that the NBBO Offset Peg Order would only be eligible for execution once the quoting obligations for Market Makers apply. While use of the NBBO Offset Peg Order would not be limited to Market Makers, the Exchange believes that Market Makers

¹² Under Exchange Rule 11.21(d)(2), the pricing obligations for Market Makers “(i) shall not commence during any trading day until after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor, and (ii) shall be suspended during a trading halt, suspension, or pause, and shall not re-commence until after the first regular way transaction on the primary listing market in the security following such halt, suspension, or pause, as reported by the responsible single plan processor.” Securities Exchange Act Release No. 65964 (December 15, 2011), 76 FR 79254 (December 21, 2011) (order approving SR-EDGX-2011-28).

would likely be the predominant, if not exclusive, users of the order type. Thus, the NBBO Offset Peg Order is designed such that its price would be automatically set and adjusted, both upon entry and at any time thereafter, in order to comply with the Exchange's Market Maker quotation requirements.¹³

Repricing When NBBO Offset Peg Order Establishes NBBO

Second, the Exchange proposes to amend Rule 11.5(c)(15) to make clear that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price. Where there is no NBBO and a NBBO Offset Peg Order, whether upon entry or already on the EDGX Book,¹⁴ is pegged to the last reported sale from the single plan processor, the NBBO Offset Peg Order will be reported to the responsible securities information processors and will be disseminated to the Exchange as the NBBO. The Exchange proposes that if after entry, the NBBO Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order establishes the NBBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with the proposed rule until either there is a new consolidated last sale, or a new NBB or NBO is established by a national securities exchange. The Exchange believes that not adjusting the price in this instance is consistent with the intent of the NBBO Offset Peg Order (i.e., keeping the order a certain percentage away from the inside market) while also avoiding

¹³ Exchange Rule 11.21 describes the obligations of Members registered with the Exchange as Market Makers. Among other things, Market Makers are required to maintain continuous, two-sided quotations consistent with the requirements of paragraph (d) of Rule 11.21, which generally states that such quotations must be priced within a designated percentage of the NBB for buy quotations, and the NBO for sell quotations.

¹⁴ "EDGX Book" is defined as "the System's electronic file of orders." EDGX Rule 1.5(d).

a situation where the order would use its own pegged price as a basis for adjusting the price of the order. The Exchange notes that the proposal amends the functionality of the NBBO Offset Peg Order to more closely resemble analogous order types offered by The NASDAQ Stock Market LLC (“Nasdaq”),¹⁵ BATS Exchange, Inc. (“BATS”),¹⁶ and BATS Y-Exchange, Inc. (“BYX”).¹⁷

Implementation Date Delay

The Exchange originally proposed to implement the NBBO Offset Peg Order on or about November 19, 2012¹⁸ and later delayed the implementation date to on or about April 15, 2013.¹⁹ The Exchange now proposes to further delay the implementation date to no later than October 31, 2013. The Exchange anticipates uniform industry-wide

¹⁵ See NASDAQ Rule 4751(f)(15). See also Securities Exchange Act Release No. 67584 (August 2, 2012), 77 FR 47472 (August 8, 2012) (SR-NASDAQ-2012-066) (order approving Nasdaq’s Market Maker Peg Order available for exchange market makers) (“Nasdaq Approval Order”).

¹⁶ See BATS Rule 11.9(c)(16). See also Securities Exchange Act Release No. 67756 (August 29, 2012), 77 FR 54633 (September 5, 2012) (SR-BATS-2012-026) (order approving BATS’s Market Maker Peg Order available for exchange market makers) (“BATS Approval Order”); and Securities Exchange Release No. 69310 (April 4, 2013), 78 FR 21447 (April 10, 2013) (SR-BATS-2013-022) (notice of filing and immediate effectiveness to amend BATS’ Market Maker Peg Order).

¹⁷ See BYX Rule 11.9(c)(16). See also Securities Exchange Act Release No. 67755 (August 29, 2012), 77 FR 54630 (September 5, 2012) (SR-BYX-2012-012) (order approving BYX’s Market Maker Peg Order available for exchange market makers) (“BYX Approval Order”); and Securities Exchange Act Release No. 69309 (April 4, 2013), 78 FR 21455 (April 10, 2013) (SR-BYX-2013-011) (notice of filing and immediate effectiveness to amend the BYX Market Maker Peg Order).

¹⁸ See EDGX Adopting Release, supra note 3.

¹⁹ See Securities Exchange Act Release No. 68596, supra note 9.

amendments to the market making quoting requirements' Designated Percentages²⁰ and Defined Limits²¹ to realign the percentages based on the Appendix A Percentage Parameters of the National Market System Plan to Address Extraordinary Market Volatility (the "Limit-Up/Limit-Down Plan").²² This additional time will enable the Exchange to make the necessary system changes to implement the NBBO Offset Peg Order to accommodate those amendments.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act²³ and furthers the objectives of Section 6(b)(5) of the Act,²⁴ in that 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 facilitating transactions in securities, and to remove impediments to and perfect the

²⁰ "Designated Percentage" is defined as "8% with respect to securities included in the S&P 500® Index and the Russell 1000® Index, as well as a pilot list of Exchange Traded Products for securities subject to an individual stock pause trigger under the applicable rules of a primary listing market ("Original Circuit Breaker Securities"). For times during Regular Trading Hours when stock pause triggers are not in effect under the rules of the primary listing market, the Designated Percentage shall be 20% for Original Circuit Breaker Securities." EDGX Rule 11.21(d)(2)(D).

²¹ "Defined Limit" is defined as "9.5% for Original Circuit Breaker Securities. For times during Regular Trading Hours when stock pause triggers are not in effect under the rules of the primary listing market, the Defined Limit shall be 21.5% for Original Circuit Breaker Securities." EDGX Rule 11.21(d)(2)(F).

²² See Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (approving the Limit-Up/Limit-Down Plan on a pilot basis).

²³ 15 U.S.C. 78f(b).

²⁴ 15 U.S.C. 78f(b)(5).

mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public interest.

The Exchange believes that proposing that the order type will only be eligible for execution once the Market Maker quoting obligations under Rule 11.21(d) are triggered makes the order type consistent with when market making obligations begin²⁵ and therefore, simplifies its functionality. While use of the NBBO Offset Peg Order would not be limited to Market Makers, the Exchange believes that Market Makers would likely be the predominant, if not exclusive, users of the order type. Thus, the NBBO Offset Peg Order is designed such that its price would be automatically set and adjusted, both upon entry and at any time thereafter, in order to comply with the Exchange's Market Maker quotation requirements.²⁶ Therefore, the Exchange believes the proposed rule change is designed to promote just and equitable principles of trade, foster cooperation and coordination with persons engaged in facilitating transactions in securities, and remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest.

The Exchange also believes that the proposed amendment removes impediments to and perfects the mechanisms of a free and open market and a national market system because it clarifies that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price. The Exchange notes that the proposed clarification is substantially similar to that for similar order types (Market Maker Peg

²⁵ The Exchange notes while use of the NBBO Offset Peg Order would not be limited to Market Makers that Market Makers would likely be the predominant, if not exclusive, users of the order type.

²⁶ EDGX Rule 11.21(d)(2).

Orders) on Nasdaq, BATS, and BYX.²⁷ Further, clarifying when a NBBO Offset Peg Order would not be re-priced to align with the functionality of similar order types on other exchanges fosters cooperation and coordination with persons engaged in facilitating transactions in securities, and removes impediments to a free and open market and a national market system because it will result in a continuing benefit to market participants by simplifying the functionality of the order type and its complexity of implementation.

Lastly, the Exchange believes that the delay of the implementation date is also consistent with Section 6(b)(5) of the Act²⁸ because it is designed to coordinate the implementation of the NBBO Offset Peg Order with anticipated changes to market making quoting requirements in response to the Limit-Up/Limit-Down Plan. Thus, the Exchange believes that the proposed rule change promotes the efficient execution of investor transactions, and thus investor confidence, over the long term.

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

The Exchange does not believe that the proposed rule change would impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change would increase intermarket competition among the exchanges because the NBBO Offset Peg Order will directly compete with similar

²⁷ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16). The Exchange has previously noted that such Market Maker Peg Orders are similar in functionality to the NBBO Offset Peg Order. See EDGX Adopting Release, supra note 3.

²⁸ 15 U.S.C. 78f(b)(5).

existing order types offered by Nasdaq, BATS and BYX.²⁹ Amending Rule 11.5(c)(15), to clarify that the NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;³⁰ and, therefore, reduces the potential for confusion amongst market participants. In addition, the Exchange believes proposing that the NBBO Offset Order will only be eligible for execution once its Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the functionality and corresponding complexity of implementation. The proposed rule change would not burden intramarket competition because the NBBO Offset Peg Order would be available to all Members³¹ on a uniform basis.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)³² of the Act and Rule 19b-4(f)(6)³³ thereunder. The proposed rule change effects a change

²⁹ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

³⁰ Id.

³¹ "Member" is defined as "any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a "member" of the Exchange as that term is defined in Section 3(a)(3) of the Act." EDGX Rule 1.5(n).

³² 15 U.S.C. 78s(b)(3)(A).

that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.³⁴

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4³⁵ because: (1) stating that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;³⁶ and (2) proposing that the NBBO Offset Peg Order will not be eligible for execution until the Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the order's functionality and better aligns the rule text with the order type's designed purpose to assist Market Makers in meeting certain regulatory requirements. Additionally, the

³³ 17 CFR 240.19b-4(f)(6).

³⁴ 17 CFR 240.19b-4(f)(6)(iii).

³⁵ 17 CFR 240.19b-4(f)(6).

³⁶ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

proposal to state that a NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price does not raise any new policy issues not previously considered by the Commission nor impose any significant burden on competition because it would allow the Exchange to offer its Members NBBO Offset Peg Order functionality similar to that currently offered by Nasdaq, BATS, and BYX. Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act³⁷ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁸

The Exchange further requests that the Commission waive the 30-day operative delay to allow for an operative date as soon as possible after filing. Doing so would allow the Exchange to provide a competing order type to that offered by Nasdaq, BATS, and BYX. Clarifying in Exchange Rule 11.5(c)(15) that the NBBO Offset Peg Order will not use its own pegged price as the basis for adjusting the order's price is similar to the functionality of the Market Maker Peg Order on Nasdaq, BATS, and BYX;³⁹ all of which have been published for public comment by the Commission and is currently available to market participants. In addition, proposing that the NBBO Offset Peg Order will not be eligible for execution until the Market Maker quoting obligations under Rule 11.21(d) are triggered simplifies the order's functionality and better aligns the rule text with the order type's designed purpose to assist Market Makers in meeting certain regulatory requirements. Therefore, the Exchange believes the proposed rule change does not raise any new issues. Furthermore, waiving the 30-day operative delay would allow the

³⁷ 15 U.S.C. 78s(b)(3)(A).

³⁸ 17 CFR 240.19b-4(f)(6).

³⁹ Nasdaq Rule 4751(f)(15); BATS Rule 11.9(c)(16); BYX Rule 11.9(c)(16).

Exchange to clarify in its rules how the NBBO Offset Peg Order is to operate under Exchange Rule 11.5(c)(15) as well as inform Members of the delayed implementation date on a timelier basis.

At any time within sixty (60) days of the filing of such proposed rule change, the Commission may summarily 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.

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-EDGX-2013-23 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-EDGX-2013-23. 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-EDGX-2013-23 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.⁴⁰

Kevin M. O'Neill
Deputy Secretary

⁴⁰ 17 CFR 200.30-3(a)(12).

Exhibit 5**Additions underlined****Deletions [bracketed]**

Rules of EDGX Exchange, Inc.

Rule 11.5. Orders and Modifiers

Users may enter into the System the types of orders listed in this Rule 11.5, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) – (b) (No changes)

(c) Other Types of Orders and Order Modifiers. Unless an order's instructions require it to be displayed on the Exchange or routed to an away trading center(s), an order may include instructions to be non displayed. All order types and modifiers listed below, except for those set forth in Rules 11.5(c)(2), (9)-(10) may also include instructions to be non displayed.

(1) – (14) (No changes)

(15) NBBO Offset Peg Order. An NBBO Offset Peg Order is a limit order that, upon entry, is automatically priced by the System at the Designated Percentage (as defined in Rule 11.21(d)(2)(D)) away from the then current NBB (in the case of an order to buy) or NBO (in the case of an order to sell), or if there is no NBB or NBO at such time, at the Designated Percentage away from the last reported sale from the responsible single plan processor. Users may submit NBBO Offset Peg Orders to the Exchange starting at the beginning of the Pre-Opening Session, but the order is not executable or automatically priced until [the beginning of Regular Trading Hours] after the first regular way transaction on the primary listing market in the security, as reported by the responsible single plan processor and expires at the end of Regular Trading Hours. Upon reaching the Defined Limit (as defined in Rule 11.21(d)(2)(F)), the price of an NBBO Offset Peg Order bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB or NBO, respectively, or if there is no NBB or NBO at such time, to the Designated Percentage away from the last reported sale from the responsible single plan processor. If an NBBO Offset Peg Order bid or offer moves a specified number of percentage points away from the Designated Percentage toward the then current NBB or NBO, the price of such bid or offer will be automatically adjusted by the System to the Designated Percentage away from the then current NBB and NBO. If there is no NBB or NBO at such time, the order will be automatically adjusted by the System to the Designated Percentage away from the last reported sale from the responsible single plan processor. In the event that pricing an NBBO Offset Peg Order at the Designated Percentage away from the then current NBB or NBO, or, if there is no NBB or NBO, to the Designated Percentage away from the last reported sale from the responsible single plan processor, would result in the order exceeding its limit price, the order will be cancelled or rejected. In the absence of an NBB or NBO and last reported sale, the order will be cancelled or rejected. If, after entry, the NBBO

Offset Peg Order is priced based on the consolidated last sale and such NBBO Offset Peg Order is established as the NBB or NBO, the NBBO Offset Peg Order will not be subsequently adjusted in accordance with this rule until either there is a new consolidated last sale, or a new NBB or new NBO is established by a national securities exchange. NBBO Offset Peg Orders are not eligible for routing pursuant to Rule 11.9(b)(2) and are always displayed on the Exchange. Notwithstanding the availability of the NBBO Offset Peg Order functionality, a User acting as a Market Maker remains responsible for entering, monitoring, and re-submitting, as applicable, quotations that meet the requirements of Rule 11.21(d). A new timestamp is created for the order each time that it is automatically adjusted.

(16) - (19) (No changes)

(d) – (e) (No changes)