OMB APPROVAL
OMB Number: 3235-0045 Estimated average burden hours per response.....38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 22

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

File No.* SR - 2014 - * 28

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) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

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

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

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

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

Section 3C(b)(2) * ☐

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

Description

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

Proposed to amend Rule 14.1(c)(5) to harmonize its restrictions on Market Makers in UTP Derivative Securities with NYSE Arca, Inc. and Nasdaq Stock Market LLC.

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 * Chris Last Name * Solgan

Title * Regulatory Counsel

E-mail * csolgan@bats.com

Telephone * (201) 942-8321 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.

Date 11/21/2014

By Chris Solgan

(Name *)

(Title *)

Regulatory Counsel

csolgan@bats.com

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.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

Add Remove View

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

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

Add Remove View

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

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

Add Remove View

Exhibit Sent As Paper Document

☐

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

Exhibit 3 - Form, Report, or Questionnaire

Add Remove View

Exhibit Sent As Paper Document

☐

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

Exhibit 4 - Marked Copies

Add Remove View

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

Add Remove View

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

1. Text of the Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] EDGA Exchange, Inc. (the "Exchange" or "EDGA") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend Rule 14.1(c)(5) to harmonize its restrictions on Market Makers[3] in UTP Derivative Securities[4] with NYSE Arca, Inc. ("NYSE Arca") Rule 5.1(a)(2)(v)[5] and the Nasdaq Stock Market LLC ("Nasdaq") Rule 4630(e).[6] The purpose of the proposed rule change is to permit a Member[7] acting as a

---

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

2 17 CFR 240.19b-4.

3 The term "Market Maker" is defined as "a Member that acts as a Market Maker pursuant to Chapter XI." See Exchange Rule 1.5(l).

4 The term "UTP Derivative Security" is defined as "[a]ny UTP Security that is a 'new derivative securities product' as defined in Rule 19b-4(e) under the Exchange Act . . . and traded pursuant to Rule 19b-4(e) under the Exchange Act." See Exchange Rule 14.1(c).

5 See Securities Exchange Act Release No. 67066 (May 29, 2012), 77 FR 33010 (June 4, 2012) (SR-NYSEArca-2012-46) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding the Extension of Unlisted Trading Privileges to New Derivative Securities Products That Are Listed on Another Exchange and to Make Other Conforming and Technical Amendments). The Commission also waived the 30-day operative delay for SR-NYSEArca-2012-46 under Rule 19b-4(f)(6) of the Act. Id.

6 See Securities Exchange Act Release No. 69858 (June 25, 2013), 78 FR 39432 (July 1, 2013) (SR-Nasdaq-2013-085) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Rule 4630 to Remove a Restriction on a Member Acting as a Registered Market Maker in a Commodity-Related Security).

7 The term "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." See Exchange Rule 1.5(n).

registered Market Maker in a UTP Derivative Security on the Exchange the flexibility to act or register as a market maker in any Reference Asset[8] that a UTP Derivative Security derives its value from consistent with Commission and Exchange Rules. The Exchange has designated the proposed rule change as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.[9]

(b) The Exchange does not believe that the proposed rule change will 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 Exchange submits the proposed rule change pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Exchange's Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change and, therefore, the Exchange's internal procedures with respect to the proposed change are complete.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Eric Swanson Executive Vice President and General Counsel (913) 815-7000	Chris Solgan Regulatory Counsel (201) 942-8321

---

8 A "Reference Asset" is defined as one or more currencies, or commodities, or derivatives based on one or more currencies, or commodities, or is based on a basket or index comprised of currencies or commodities that a UTP Derivative Security derives its value from. See Exchange Rule 14.1(c)(5).

9 17 CFR 240.19b-4(f)(6)(iii).

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 14.1(c)(5) to harmonize its restrictions on Market Makers in UTP Derivative Securities with NYSE Arca Rule 5.1(a)(2)(v)[10] and Nasdaq Rule 4630(e).[11] The purpose of the proposed rule change is to permit a Member acting as a registered Market Maker in a UTP Derivative Security on the Exchange the flexibility to act or register as a market maker in any Reference Asset that a UTP Derivative Security derives its value from consistent with Commission and Exchange Rules.

Exchange Rule 14.1(c)(5) prohibits a Market Maker in a UTP Derivative Security from acting or registering as a market maker on another exchange in any Reference Asset of that UTP Derivative Security, or any derivative instrument based on a Reference Asset of that UTP Derivative Security. NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e) recently amended their respective rules to permit market makers to trade in securities underlying the derivative security so long as that market maker discloses to NYSE Arca or Nasdaq all accounts within which it trades the underlying securities.[12] As amended, Exchange Rule 14.1(c)(5), would similarly remove this prohibition, which states that a Market Maker in a UTP Derivative Security is prohibited from acting or registering as a market maker on another exchange in any Related Instruments.

---

10 See supra note 5.

11 See supra note 6.

12 See supra notes 5 and 6.

Similar to NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e), amended Rule 14.1(c)(5) would require a Member acting as a registered Market Maker in a UTP Derivative Security to file with the Exchange, in a manner prescribed by the Exchange, and to keep a current list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives (collectively with Reference Assets, "Related Instruments"), which the Member acting as registered Market Maker may have or over which it may exercise investment discretion. Rule 14.1(c)(5) would also prohibit a Member from acting as registered Market Maker in the UTP Derivative Security from trading in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a Member acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, that has not been reported to the Exchange.

Exchange Rules[13] ensure that Market Makers in UTP Derivative Securities would continue to have in place reasonably designed policies and procedures to prevent the misuse of material non-public information with regard to also acting as a Market Maker in any Related Instruments.[14] In the context of approving a more flexible, principled-based approach to information barriers by NYSE Arca, the Commission stated that, "while information barriers are not specifically required under the proposal, a [firm's] business model or business activities may dictate that an information barrier or a

---

13 See Exchange Rules 5.5 and 14.1(c)(5)(D).

14 15 U.S.C. 78o(g).

functional separation be part of the appropriate set of policies and procedures that would be reasonably designed to achieve compliance with applicable securities law and regulations, and with applicable Exchange rules."[15] Rule 14.1(c)(5)(D) will continue to prohibit Market Makers from using material non-public information in connection with trading a Related Instrument. Rule 14.1(c)(5)(C) will also continue to require that, in addition to the existing obligations under Exchange rules regarding the production of books and records, a Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records or other information pertaining to any Related Instrument trading account or to the account of any registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded. Lastly, under Exchange Rule 14.1(c)(6) the Exchange will enter into comprehensive surveillance sharing agreement with other markets that offer trading in Related Instruments to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets. This amendment does not lessen the protection of Members from the risks associated with integrated market making and any possible misuse of non-public information.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act[16] and furthers the objectives of Section 6(b)(5) of the Act,[17] in that it is

---

15 See Securities Exchange Act Release No. 60604 (September 1, 2009), 74 FR 46272 (September 8, 2009) (SR-NYSEArca-2009-78).

16 15 U.S.C. 78f(b).

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

designed promote just and equitable principles of trade, remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. In addition, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. The proposed rule change is substantially similar to the existing NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e).[18] In addition, the Exchange believes that amending Exchange Rule 14.1(c)(5) to permit a Member acting as a registered Market Maker in a UTP Derivative Security on the Exchange the flexibility to act or register as a market maker in any Reference Asset that a UTP Derivative Security derives its value from consistent with Commission and Exchange Rules will remove impediments to and perfect the mechanism of a free and open market by providing the same flexibility to the Exchange that is already available to NYSE Arca and Nasdaq regarding the market maker activities for derivative-related Securities. Additionally, Exchange Rule 14.1(c)(5), as amended, would continue to serve to prevent fraudulent and manipulative acts and practices, as well as to protect investors and the public interest from concerns that may be associated with integrated market making and any possible misuse of non-public information.

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

The proposed rule change would not impose any burden on competition. On the contrary, the Exchange believes that the proposal will promote competition because it is a competitive response to recently amended NYSE Arca and Nasdaq rules which permit

---

[18] See supra notes 5 and 6.

market makers to trade in the reference assets or components underlying the derivative security on the same terms as that proposed by the Exchange.[19] Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges.

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.

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

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)[20] of the Act and Rule 19b-4(f)(6)[21] 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

---

19 See supra notes 5 and 6.

20 15 U.S.C. 78s(b)(3)(A).

21 17 CFR 240.19b-4(f)(6).

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 (5) business days prior to the date of filing.[22]

As described above, the Exchange notes that the proposed change is directly based on NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e).[23] Based on the foregoing, the proposed rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act[24] and paragraph (f)(6) of Rule 19b-4 thereunder.[25]

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. Timely implementation of the proposed rule change would increase intermarket competition by enabling the Exchange to immediately compete with NYSE Arca and Nasdaq by lifting a restriction that is currently not included in NYSE Arca and Nasdaq rules. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to immediately attract more market makers to the Exchange, thereby increasing liquidity, which would potentially stimulate further price competition, deepen the Exchange's liquidity pool, and support the

---

22 17 CFR 240.19b-4(f)(6)(iii).

23 See supra notes 5 and 6.

24 15 U.S.C. 78s(b)(3)(A).

25 17 C.F.R. 240.19b-4(f)(6).

quality of price discovery. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is 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

This proposed rule change is based on NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e).[26]

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

Exhibit 5 – Text of the proposed rule change.

---

[26] See supra notes 5 and 6.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____; File No. SR-EDGA-2014-28)
Self-Regulatory Organizations; EDGA Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 14.1(c)(5) of EDGA Exchange, Inc. to Harmonize its Restrictions on Market Makers in UTP Derivative Securities with NYSE Arca, Inc. and Nasdaq Stock Market LLC

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 _____, EDGA Exchange, Inc. (the "Exchange" or "EDGA") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a "non-controversial" proposed rule change pursuant to Section 19(b)(3)(A) of the Act[3] and Rule 19b-4(f)(6)(iii) thereunder,[4] which renders it effective upon filing with the Commission. 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 filed a proposal to amend Rule 14.1(c)(5) to harmonize its restrictions on Market Makers[5] in UTP Derivative Securities[6] with NYSE Arca, Inc.

---

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

2 17 CFR 240.19b-4.

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

4 17 CFR 240.19b-4(f)(6)(iii).

5 The term "Market Maker" is defined as "a Member that acts as a Market Maker pursuant to Chapter XI." See Exchange Rule 1.5(l).

6 The term "UTP Derivative Security" is defined as "[a]ny UTP Security that is a 'new derivative securities product' as defined in Rule 19b-4(e) under the

("NYSE Arca") Rule 5.1(a)(2)(v)[7] and the Nasdaq Stock Market LLC ("Nasdaq") Rule 4630(e).[8]

The text of the proposed rule change is available at the Exchange's website at http://www.directedge.com/, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Exchange Act . . . and traded pursuant to Rule 19b-4(e) under the Exchange Act." See Exchange Rule 14.1(c).

7 See Securities Exchange Act Release No. 67066 (May 29, 2012), 77 FR 33010 (June 4, 2012) (SR-NYSEArca-2012-46) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Regarding the Extension of Unlisted Trading Privileges to New Derivative Securities Products That Are Listed on Another Exchange and to Make Other Conforming and Technical Amendments). The Commission also waived the 30-day operative delay for SR-NYSEArca-2012-46 under Rule 19b-4(f)(6) of the Act. Id.

8 See Securities Exchange Act Release No. 69858 (June 25, 2013), 78 FR 39432 (July 1, 2013) (SR-Nasdaq-2013-085) (Notice of Filing and Immediate Effectiveness of Proposed Rule Change Rule 4630 to Remove a Restriction on a Member Acting as a Registered Market Maker in a Commodity-Related Security).

The Exchange proposes to amend Rule 14.1(c)(5) to harmonize its restrictions on Market Makers in UTP Derivative Securities with NYSE Arca Rule 5.1(a)(2)(v)[9] and Nasdaq Rule 4630(e).[10] The purpose of the proposed rule change is to permit a Member acting as a registered Market Maker in a UTP Derivative Security on the Exchange the flexibility to act or register as a market maker in any Reference Asset[11] that a UTP Derivative Security derives its value from consistent with Commission and Exchange Rules.

Exchange Rule 14.1(c)(5) prohibits a Market Maker in a UTP Derivative Security from acting or registering as a market maker on another exchange in any Reference Asset of that UTP Derivative Security, or any derivative instrument based on a Reference Asset of that UTP Derivative Security. NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e) recently amended their respective rules to permit market makers to trade in securities underlying the derivative security so long as that market maker discloses to NYSE Arca or Nasdaq all accounts within which it trades the underlying securities.[12] As amended, Exchange Rule 14.1(c)(5), would similarly remove this prohibition, which states that a Market Maker in a UTP Derivative Security is prohibited from acting or registering as a market maker on another exchange in any Related Instruments.

Similar to NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e), amended Rule

---

9 See supra note 7.

10 See supra note 8.

11 A "Reference Asset" is defined as one or more currencies, or commodities, or derivatives based on one or more currencies, or commodities, or is based on a basket or index comprised of currencies or commodities that a UTP Derivative Security derives its value from. See Exchange Rule 14.1(c)(5).

12 See supra notes 7 and 8.

14.1(c)(5) would require a Member acting as a registered Market Maker in a UTP Derivative Security to file with the Exchange, in a manner prescribed by the Exchange, and to keep a current list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives (collectively with Reference Assets, "Related Instruments"), which the Member acting as registered Market Maker may have or over which it may exercise investment discretion. Rule 14.1(c)(5) would also prohibit a Member from acting as registered Market Maker in the UTP Derivative Security from trading in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a Member acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, that has not been reported to the Exchange.

Exchange Rules[13] ensure that Market Makers in UTP Derivative Securities would continue to have in place reasonably designed policies and procedures to prevent the misuse of material non-public information with regard to also acting as a Market Maker in any Related Instruments.[14] In the context of approving a more flexible, principled-based approach to information barriers by NYSE Arca, the Commission stated that, "while information barriers are not specifically required under the proposal, a [firm's] business model or business activities may dictate that an information barrier or a functional separation be part of the appropriate set of policies and procedures that would

---

13 See Exchange Rules 5.5 and 14.1(c)(5)(D).

14 15 U.S.C. 78o(g).

be reasonably designed to achieve compliance with applicable securities law and regulations, and with applicable Exchange rules."[15] Rule 14.1(c)(5)(D) will continue to prohibit Market Makers from using material non-public information in connection with trading a Related Instrument. Rule 14.1(c)(5)(C) will also continue to require that, in addition to the existing obligations under Exchange rules regarding the production of books and records, a Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records or other information pertaining to any Related Instrument trading account or to the account of any registered or non-registered employee affiliated with the Market Maker for which Related Instruments are traded. Lastly, under Exchange Rule 14.1(c)(6) the Exchange will enter into comprehensive surveillance sharing agreement with other markets that offer trading in Related Instruments to the same extent as the listing exchange's rules require the listing exchange to enter into a comprehensive surveillance sharing agreement with such markets. This amendment does not lessen the protection of Members from the risks associated with integrated market making and any possible misuse of non-public information.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act[16] and furthers the objectives of Section 6(b)(5) of the Act,[17] in that it is designed promote just and equitable principles of trade, remove impediments to, and

---

15 See Securities Exchange Act Release No. 60604 (September 1, 2009), 74 FR 46272 (September 8, 2009) (SR-NYSEArca-2009-78).

16 15 U.S.C. 78f(b).

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

perfect the mechanism of, a free and open market and a national market system, and, in general, protect investors and the public interest. In addition, the Exchange believes that the proposed rule change is not designed to permit unfair discrimination between customers, issuers, brokers or dealers. The proposed rule change is substantially similar to the existing NYSE Arca Rule 5.1(a)(2)(v) and Nasdaq Rule 4630(e).[18] In addition, the Exchange believes that amending Exchange Rule 14.1(c)(5) to permit a Member acting as a registered Market Maker in a UTP Derivative Security on the Exchange the flexibility to act or register as a market maker in any Reference Asset[19] that a UTP Derivative Security derives its value from consistent with Commission and Exchange Rules will remove impediments to and perfect the mechanism of a free and open market by providing the same flexibility to the Exchange that is already available to NYSE Arca and Nasdaq regarding the market maker activities for derivative-related Securities. Additionally, Exchange Rule 14.1(c)(5), as amended, would continue to serve to prevent fraudulent and manipulative acts and practices, as well as to protect investors and the public interest from concerns that may be associated with integrated market making and any possible misuse of non-public information.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The proposed rule change would not impose any burden on competition. On the contrary, the Exchange believes that the proposal will promote competition because it is a

---

18 See supra notes 7 and 8.

19 A "Reference Asset" is defined as one or more currencies, or commodities, or derivatives based on one or more currencies, or commodities, or is based on a basket or index comprised of currencies or commodities that a UTP Derivative Security derives its value from. See Exchange Rule 14.1(c)(5).

competitive response to recently amended NYSE Arca and Nasdaq rules which permit market makers to trade in the reference assets or components underlying the derivative security on the same terms as that proposed by the Exchange.[20] Thus, the Exchange believes this proposed rule change is necessary to permit fair competition among national securities exchanges.

(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 Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act[21] and paragraph (f)(6) of Rule 19b-4 thereunder.[22]

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments

---

20 See supra notes 7 and 8.

21 15 U.S.C. 78s(b)(3)(A).

22 17 C.F.R. 240.19b-4.

concerning the foregoing, including whether the proposal is consistent with the Act.

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-EDGA-2014-28 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 No. SR-EDGA-2014-28. 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 am and 3:00 pm. Copies of such filing will also 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 No. SR-EDGA-2014-28 and should be submitted on or before [_____21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[23]

Kevin M. O'Neill
Deputy Secretary

---

[23] 17 CFR 200.30-3(a)(12).

EXHIBIT 5

Proposed new language is underlined; proposed deletions are in [brackets].

* * * * *

CHAPTER XIV. Securities Traded

Rule 14.1. Unlisted Trading Privileges

(a)-(b) (No change.)

(c) (No change.)

(1)-(4) (No change.)

(5) Market Maker Restrictions. The following restrictions shall apply to each Member registered as a Market Maker on the Exchange [("Restricted Market Maker")] in a UTP Derivative Security that derives its value from one or more currencies, [or] commodities, or derivatives based on one or more currencies[,] or commodities, or is based on a basket or index comprised of currencies or commodities (collectively, "Reference Assets"):

(A) A Member acting as a registered[Restricted] Market Maker in a UTP Derivative Security [is prohibited from acting or registering as a market maker on another exchange in any Reference Asset of that UTP Derivative Security, or any derivative instrument based on a Reference Asset of that UTP Derivative Security (collectively, with Reference Assets, "Related Instruments")] must file with the Exchange, in a manner prescribed by the Exchange, and keep current a list identifying all accounts for trading the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives (collectively, with Reference Assets, "Related Instruments"), which the Member acting as registered Market Maker may have or over which it may exercise investment discretion. No Member acting as registered Market Maker in the UTP Derivative Security shall trade in the underlying physical asset or commodity, related futures or options on futures, or any other related derivatives, in an account in which a Member acting as a registered Market Maker, directly or indirectly, controls trading activities, or has a direct interest in the profits or losses thereof, which has not been reported to the Exchange as required by this Rule.

(B) A [Restricted] Market Maker shall, in a manner prescribed by the Exchange, file with the Exchange and keep current a list identifying any accounts ("Related Instrument Trading Accounts") for which Related Instruments are traded:

(i) in which the [Restricted] Market Maker holds an interest;

(ii) over which it has investment discretion; or

(iii) in which it shares in the profits and/or losses.

A [Restricted] Market Maker may not have an interest in, exercise investment discretion over, or share in the profits and/or losses of a Related Instrument Trading Account which has not been reported to the Exchange as required by this Rule.

(C) In addition to the existing obligations under Exchange rules regarding the production of books and records, a [Restricted] Market Maker shall, upon request by the Exchange, make available to the Exchange any books, records or other information pertaining to any Related Instrument Trading Account or to the account of any registered or non-registered employee affiliated with the [Restricted] Market Maker for which Related Instruments are traded.

(D) A [Restricted] Market Maker shall not use any material, non-public information in connection with trading a Related Instrument.

(6) (No change.)

Interpretations and Policies

.01 (No change.)

* * * * *