

Required fields are shown with yellow backgrounds and asterisks.

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| Page 1 of * <input type="text" value="37"/> | SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4 | File No.* SR - <input type="text" value="2015"/> - * <input type="text" value="06"/> | Amendment No. (req. for Amendments *) <input type="text"/> |
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Filing by EDGX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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| 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"/> |
| | | | Rule | | |
| Pilot <input type="checkbox"/> | 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) | |

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| 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 806(e)(2) * <input type="checkbox"/> |
| Section 3C(b)(2) * <input type="checkbox"/> | |

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| 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 Rules 1.5, 2.3, 2.5, and 2.6 related to the registration requirements for its Members.

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 * <input type="text" value="Anders"/> | Last Name * <input type="text" value="Franzon"/> |
| Title * <input type="text" value="VP, Associate General Counsel"/> | |
| E-mail * <input type="text" value="afranzon@bats.com"/> | |
| Telephone * <input type="text" value="(913) 815-7154"/> | Fax <input type="text" value="(913) 815-7119"/> |

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 <input type="text" value="01/30/2015"/> | <input type="text" value="VP, Associate General Counsel"/> |
| By <input type="text" value="Anders Franzon"/> | <input type="text" value="afranzon@bats.com"/> |
| (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 *

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 *

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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

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

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

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

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

1. Text of Proposed Rule Change

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 EDGX Exchange, Inc. (the “Exchange” or “EDGX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rules 1.5, 2.3, 2.5, and 2.6 related to the registration requirements for Members of the Exchange. 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 Act.³

(a) The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

The persons on the Exchange staff prepared to respond to questions and

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

comments on the proposed rule change are:

Eric Swanson
EVP, General Counsel
(913) 815-7000

Anders Franzon
VP, Associate General Counsel
(913) 815-7154

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 the various Exchange rules related to the registration requirements on the Exchange in order to make the Exchange's registration requirements substantively identical to the corresponding rules on BATS Exchange, Inc. ("BZX") and BATS Y-Exchange, Inc. ("BYX"), as further described below. Earlier this year, the Exchange and its affiliate, EDGA Exchange, Inc. ("EDGA"), received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and BYX (together with BZX, EDGA, and EDGX, the "BGM Affiliated Exchanges").⁴ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to amend Rules 1.5, 2.3, 2.5, and 2.6 to make such Rules substantively identical to corresponding rules on BZX and BYX⁵ related to registration requirements in order to provide a consistent regulatory approach across each of the BGM Affiliated Exchanges.⁶

⁴ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-043; SR-EDGA-2013-034).

⁵ See BZX and BYX Rules 1.5, 2.3, 2.5, and 2.6.

⁶ The Exchange notes that EDGA intends to file a proposal very similar to this proposal that will align the rules related to registration requirements across each

Currently, Rule 1.5(n) defines the term “Member” as meaning 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. The Exchange is proposing, however, to delete “or any person associated with a registered broker or dealer” from the rule text, as such phrase is not contained in corresponding BZX and BYX rules (i.e., Rule 1.5(n)) and because the Exchange no longer believes that this language is necessary. The Exchange is also proposing to amend the rule text such that Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange, language which is currently included in Rule 2.3(a), which, as described below, the Exchange is proposing to delete in order to further align Exchange rules with BZX and BYX 1.5(n).

The Exchange is also proposing to delete the definition of “Principal” from Rule 1.5(t), which will instead be defined in the proposed changes to paragraph (d) of Interpretation and Policy .01 to Rule 2.5, which are further described below. Currently, the term principal means persons associated with a member who are actively engaged in the management of the member’s securities business, including supervision, solicitation, conduct of business or the training of persons associated with a Member for any of these functions. Such persons shall include sole proprietors, officers, partners, managers of business offices engaged in such functions, and directors of corporations. The Exchange

of the BGM Affiliated Exchanges.

is proposing to add the text “(Reserved)” to the rule text in order to maintain the current paragraph numbering within Rule 1.5. The proposed new definition for principal will be discussed below.

The Exchange intends to consolidate its registration requirements in Rule 2.5 in order to align the rule with BZX and BYX Rule 2.5. Accordingly, the Exchange is also proposing to make several changes to Rule 2.3, currently titled “Member Eligibility & Registration”, which will also make the Rule consistent with BZX and BYX Rule 2.3. First, consistent with this consolidation, the Exchange is proposing to delete “& Registration” from the title of Rule 2.3, which is also consistent with BZX and BYX Rule 2.3. The Exchange is also proposing to amend Rule 2.3(a), which currently states that “Except as hereinafter provided, any broker or dealer registered pursuant to Section 15 of the Act, that is and remains a member of another registered national securities exchange or association (other than or in addition to the Exchange’s affiliates – BATS Exchange, Inc., BATS Y-Exchange, Inc., or EDGX Exchange, Inc.), or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization or individual that has been approved by the Exchange.” The Exchange is proposing to amend Rule 2.3(a) to read: “Except as hereinafter provided, any registered broker or dealer that is and remains a member of another registered national securities exchange or association (other than or in addition to the Exchange’s affiliates – BATS Exchange, Inc., BATS Y-Exchange, Inc., or EDGX Exchange, Inc.), or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member,” which will make such Rule substantively

identical to that of both BZX and BYX Rule 2.3(a). As described above, the Exchange has proposed to add substantially similar language to Exchange Rule 1.5(n) to conform such Rule with BZX and BYX Rule 1.5(n).

The Exchange is also proposing to delete Rules 2.3(b), (c), and (d), entitled “Registration Requirements,” “Registration of Principals,” and “Persons Exempt from Registration” and replace them with proposed new Rule 2.5 Interpretation and Policy .01 (d) through (i) and Rule 2.6(g), effectively moving the requirements from Rule 2.3 to Rules 2.5 and 2.6, making the Exchange Rules consistent with those of BZX and BYX. The Exchange notes that, except as stated below, there are no substantive differences between the language that the Exchange is proposing to delete in Rules 2.3(b), (c), and (d) that is not otherwise being proposed to be added back in the amendments to Rule 2.5 Interpretation and Policy .01 (d) through (i) and Rule 2.6(g). The only material differences between the Exchange’s current rules and the proposed rules are as follows:

- (i) as proposed, the Exchange would accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the requirement for any person designated as a Chief Compliance Officer, which it currently does not; and
- (ii) as proposed, the Exchange would permit the Series 56 as a prerequisite to the Series 24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of proprietary traders instead of requiring the Series 7 for all principals. The Exchange also notes that, as proposed, Rule 2.5 Interpretation and Policy .01(e) would allow the Exchange to waive the Financial/Operations Principal requirements where a Member has satisfied the financial and operational requirements of the Member’s designated examining authority applicable to registration, a provision

which the Exchange has proposed to include because the Exchange is not the designated examining authority for any of its Members and requires all of its Members to be a member of at least one other national securities association or national securities exchange (excluding other BGM Affiliated Exchanges).⁷ The Exchange does not believe that not including certain exemptions currently existing within Rules 2.3(b) and (c) are substantive differences because the Exchange believes that, while not necessarily presented as exemptions to Exchange Rules, such language is otherwise covered by proposed Rule 2.5 Interpretation and Policy .01. For instance, the Exchange does not believe it needs to exempt clerical or administrative personnel from Exchange registration requirements because Exchange Rules, either in their current form or as amended, do not state or imply that such personnel are required to register with the Exchange. The Exchange's registration rules instead require registration with the Exchange of Authorized Traders as well as those personnel responsible for supervision of such personnel and the supervision of a Member firm more generally (i.e., a firm's Chief Compliance Officer and Financial/Operations Principal).

The Exchange is also proposing to make certain amendments to Rule 2.5 in order to conform with BZX and BYX Rule 2.5. Specifically, the Exchange is proposing to amend Interpretation and Policy .03 to Rule 2.5, to conform the numbering of such Interpretation and Policy to BZX and BYX Rule 2.5, Interpretation and Policy .01(c). As such, the Exchange is proposing that such paragraph state that the Exchange requires the General Securities Representative Examination or an equivalent foreign examination

⁷ See Exchange Rule 2.3.

module approved by the Exchange in qualifying persons seeking registration as general securities representatives, including as Authorized Traders on behalf of Members. For those persons seeking limited registration as Proprietary Traders as described in proposed paragraph (f), the Exchange requires the Proprietary Traders Qualification Examination. The Exchange uses the Uniform Application for Securities Industry Registration or Transfer as part of its procedure for registration and oversight of Member personnel. The changes do not substantively modify the operation of Interpretation and Policy .03, but rather, serve to modify the numbering of the provision (renumbering it as paragraph (c) of Interpretation and Policy .01), update internal cross-references, and modify the language of the provision to align with that contained within BZX and BYX Rule 2.5, Interpretation and Policy .01(c).

Finally, the Exchange is proposing to make certain non-substantive changes including the deletion of paragraphs (1) through (4) of Interpretation and Policy .03 to Rule 2.5, along with the entirety of Interpretation and Policy .04, .05, and .06 to Rule 2.5 and replacing them with the language from the corresponding BZX and BYX rules contained within proposed Interpretation and Policy .02 (“Continuing Education Requirements”), .03 (“Registration Procedures”), and .04 (“Termination of Employment”) to Rule 2.5. Such proposed language is substantively identical to the existing Exchange rules and constitutes a reorganization of rule text designed to harmonize the structure of the rules across each of the BGM Affiliated Exchanges rather than to materially amend any Exchange Rules. The Exchange is also proposing to change the numbering and adding titles in several of the Interpretations and Policies to Rule 2.5 to increase clarity in the proposed rules.

The Exchange notes that there are certain additional differences between the rules proposed herein and those of BZX that relate to registration for options trading because BZX has an options trading platform and thus has certain registration requirements that do not apply to the Exchange. Similar to the proposed rules proposed for the Exchange, BYX has no such registration requirements because it also does not have an options trading platform.

The Exchange is proposing to implement the proposed changes on March 2, 2015.

b. Statutory Basis

The Exchange believes that the rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁸ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,⁹ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. As mentioned above, the proposed rule changes, combined with the planned filing for EDGA,¹⁰ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the registration requirements across each of the exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGA, BZX and/or BYX. The proposed rule change would

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See supra note 6.

provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Similarly, the Exchange also believes that, by harmonizing the rules and registration requirements across each BGM Affiliated Exchange, the proposal will enhance the Exchange's ability to fairly and efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place.

Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid confusion with respect to Exchange rules.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical registration rules across each of the BGM Affiliated Exchanges does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BYX, EDGA, and EDGX rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members of the BGM Affiliated Exchanges and an enhanced ability of the BGM Affiliated Exchanges to fairly and efficiently regulate members, which will further enhance competition.

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

Not applicable.

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)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹¹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹² The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, 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.¹³

As described above, the Exchange notes that the proposed change is directly based on the rules of BZX and BYX.¹⁴ 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

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 C.F.R. 240.19b-4.

¹³ 17 C.F.R. 240.19b-4(f)(6)(iii).

¹⁴ See supra note 5.

19(b)(3)(A) of the Act¹⁵ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁶

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

The proposed rule change is based on BZX and BYX Rules 1.5, 2.3, 2.5, and 2.6. The proposed rule text is substantively identical to such BZX and BYX Rules and nearly identical in form to such rule text with the exception of certain titles and headings for rules that are included in this proposal that the Exchange believes makes the proposed rules easier to understand.

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 Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 C.F.R. 240.19b-4.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-EDGX-2015-06)

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 1.5, 2.3, 2.5, and 2.6 Related to the Registration Requirements for Members of EDGX Exchange, Inc.

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 _____, EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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 Act³ 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 Rules 1.5, 2.3, 2.5, and 2.6 related to the registration requirements for Members of the Exchange.

The text of the proposed rule change is available at the Exchange’s website at www.batstrading.com, at the principal office of the Exchange, and at the Commission’s

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).

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

The Exchange proposes to amend the various Exchange rules related to the registration requirements on the Exchange in order to make the Exchange's registration requirements substantively identical to the corresponding rules on BATS Exchange, Inc. ("BZX") and BATS Y-Exchange, Inc. ("BYX"), as further described below. Earlier this year, the Exchange and its affiliate, EDGA Exchange, Inc. ("EDGA"), received approval to effect a merger (the "Merger") of the Exchange's parent company, Direct Edge Holdings LLC, with BATS Global Markets, Inc., the parent of BZX and BYX (together with BZX, EDGA, and EDGX, the "BGM Affiliated Exchanges").⁵ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated

⁵ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-043; SR-EDGA-2013-034).

Exchanges. Thus, the proposal set forth below is intended to amend Rules 1.5, 2.3, 2.5, and 2.6 to make such Rules substantively identical to corresponding rules on BZX and BYX⁶ related to registration requirements in order to provide a consistent regulatory approach across each of the BGM Affiliated Exchanges.⁷

Currently, Rule 1.5(n) defines the term “Member” as meaning 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. The Exchange is proposing, however, to delete “or any person associated with a registered broker or dealer” from the rule text, as such phrase is not contained in corresponding BZX and BYX rules (i.e., Rule 1.5(n)) and because the Exchange no longer believes that this language is necessary. The Exchange is also proposing to amend the rule text such that Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange, language which is currently included in Rule 2.3(a), which, as described below, the Exchange is proposing to delete in order to further align Exchange rules with BZX and BYX 1.5(n).

The Exchange is also proposing to delete the definition of “Principal” from Rule 1.5(t), which will instead be defined in the proposed changes to paragraph (d) of

⁶ See BZX and BYX Rules 1.5, 2.3, 2.5, and 2.6.

⁷ The Exchange notes that EDGA intends to file a proposal very similar to this proposal that will align the rules related to registration requirements across each of the BGM Affiliated Exchanges.

Interpretation and Policy .01 to Rule 2.5, which are further described below. Currently, the term principal means persons associated with a member who are actively engaged in the management of the member's securities business, including supervision, solicitation, conduct of business or the training of persons associated with a Member for any of these functions. Such persons shall include sole proprietors, officers, partners, managers of business offices engaged in such functions, and directors of corporations. The Exchange is proposing to add the text "(Reserved)" to the rule text in order to maintain the current paragraph numbering within Rule 1.5. The proposed new definition for principal will be discussed below.

The Exchange intends to consolidate its registration requirements in Rule 2.5 in order to align the rule with BZX and BYX Rule 2.5. Accordingly, the Exchange is also proposing to make several changes to Rule 2.3, currently titled "Member Eligibility & Registration", which will also make the Rule consistent with BZX and BYX Rule 2.3. First, consistent with this consolidation, the Exchange is proposing to delete "& Registration" from the title of Rule 2.3, which is also consistent with BZX and BYX Rule 2.3. The Exchange is also proposing to amend Rule 2.3(a), which currently states that "Except as hereinafter provided, any broker or dealer registered pursuant to Section 15 of the Act, that is and remains a member of another registered national securities exchange or association (other than or in addition to the Exchange's affiliates – BATS Exchange, Inc., BATS Y-Exchange, Inc., or EDGX Exchange, Inc.), or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization or individual that has been approved by the

Exchange.” The Exchange is proposing to amend Rule 2.3(a) to read: “Except as hereinafter provided, any registered broker or dealer that is and remains a member of another registered national securities exchange or association (other than or in addition to the Exchange’s affiliates – BATS Exchange, Inc., BATS Y-Exchange, Inc., or EDGX Exchange, Inc.), or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member,” which will make such Rule substantively identical to that of both BZX and BYX Rule 2.3(a). As described above, the Exchange has proposed to add substantially similar language to Exchange Rule 1.5(n) to conform such Rule with BZX and BYX Rule 1.5(n).

The Exchange is also proposing to delete Rules 2.3(b), (c), and (d), entitled “Registration Requirements,” “Registration of Principals,” and “Persons Exempt from Registration” and replace them with proposed new Rule 2.5 Interpretation and Policy .01 (d) through (i) and Rule 2.6(g), effectively moving the requirements from Rule 2.3 to Rules 2.5 and 2.6, making the Exchange Rules consistent with those of BZX and BYX. The Exchange notes that, except as stated below, there are no substantive differences between the language that the Exchange is proposing to delete in Rules 2.3(b), (c), and (d) that is not otherwise being proposed to be added back in the amendments to Rule 2.5 Interpretation and Policy .01 (d) through (i) and Rule 2.6(g). The only material differences between the Exchange’s current rules and the proposed rules are as follows: (i) as proposed, the Exchange would accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the requirement for any person designated as a Chief Compliance Officer, which it currently does not; and (ii) as proposed, the Exchange would permit the Series 56 as a prerequisite to the Series

24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of proprietary traders instead of requiring the Series 7 for all principals. The Exchange also notes that, as proposed, Rule 2.5 Interpretation and Policy .01(e) would allow the Exchange to waive the Financial/Operations Principal requirements where a Member has satisfied the financial and operational requirements of the Member's designated examining authority applicable to registration, a provision which the Exchange has proposed to include because the Exchange is not the designated examining authority for any of its Members and requires all of its Members to be a member of at least one other national securities association or national securities exchange (excluding other BGM Affiliated Exchanges).⁸ The Exchange does not believe that not including certain exemptions currently existing within Rules 2.3(b) and (c) are substantive differences because the Exchange believes that, while not necessarily presented as exemptions to Exchange Rules, such language is otherwise covered by proposed Rule 2.5 Interpretation and Policy .01. For instance, the Exchange does not believe it needs to exempt clerical or administrative personnel from Exchange registration requirements because Exchange Rules, either in their current form or as amended, do not state or imply that such personnel are required to register with the Exchange. The Exchange's registration rules instead require registration with the Exchange of Authorized Traders as well as those personnel responsible for supervision of such personnel and the supervision of a Member firm more generally (i.e., a firm's Chief Compliance Officer and Financial/Operations Principal).

⁸ See Exchange Rule 2.3.

The Exchange is also proposing to make certain amendments to Rule 2.5 in order to conform with BZX and BYX Rule 2.5. Specifically, the Exchange is proposing to amend Interpretation and Policy .03 to Rule 2.5, to conform the numbering of such Interpretation and Policy to BZX and BYX Rule 2.5, Interpretation and Policy .01(c). As such, the Exchange is proposing that such paragraph state that the Exchange requires the General Securities Representative Examination or an equivalent foreign examination module approved by the Exchange in qualifying persons seeking registration as general securities representatives, including as Authorized Traders on behalf of Members. For those persons seeking limited registration as Proprietary Traders as described in proposed paragraph (f), the Exchange requires the Proprietary Traders Qualification Examination. The Exchange uses the Uniform Application for Securities Industry Registration or Transfer as part of its procedure for registration and oversight of Member personnel. The changes do not substantively modify the operation of Interpretation and Policy .03, but rather, serve to modify the numbering of the provision (renumbering it as paragraph (c) of Interpretation and Policy .01), update internal cross-references, and modify the language of the provision to align with that contained within BZX and BYX Rule 2.5, Interpretation and Policy .01(c).

Finally, the Exchange is proposing to make certain non-substantive changes including the deletion of paragraphs (1) through (4) of Interpretation and Policy .03 to Rule 2.5, along with the entirety of Interpretation and Policy .04, .05, and .06 to Rule 2.5 and replacing them with the language from the corresponding BZX and BYX rules contained within proposed Interpretation and Policy .02 (“Continuing Education Requirements”), .03 (“Registration Procedures”), and .04 (“Termination of

Employment”) to Rule 2.5. Such proposed language is substantively identical to the existing Exchange rules and constitutes a reorganization of rule text designed to harmonize the structure of the rules across each of the BGM Affiliated Exchanges rather than to materially amend any Exchange Rules. The Exchange is also proposing to change the numbering and adding titles in several of the Interpretations and Policies to Rule 2.5 to increase clarity in the proposed rules.

The Exchange notes that there are certain additional differences between the rules proposed herein and those of BZX that relate to registration for options trading because BZX has an options trading platform and thus has certain registration requirements that do not apply to the Exchange. Similar to the proposed rules proposed for the Exchange, BYX has no such registration requirements because it also does not have an options trading platform.

The Exchange is proposing to implement the proposed changes on March 2, 2015.

2. Statutory Basis

The Exchange believes that the rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.⁹ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,¹⁰ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

and a national market system, and, in general, to protect investors and the public interest. As mentioned above, the proposed rule changes, combined with the planned filing for EDGA,¹¹ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the registration requirements across each of the exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on EDGA, BZX and/or BYX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Similarly, the Exchange also believes that, by harmonizing the rules and registration requirements across each BGM Affiliated Exchange, the proposal will enhance the Exchange's ability to fairly and efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place.

Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid confusion with respect to Exchange rules.

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

The Exchange does not believe that the proposed rule change will impose any

¹¹ See supra note 7.

burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to implement substantively identical registration rules across each of the BGM Affiliated Exchanges does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BYX, EDGA, and EDGX rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members of the BGM Affiliated Exchanges and an enhanced ability of the BGM Affiliated Exchanges to fairly and efficiently regulate members, which will further enhance competition.

(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 Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder.¹³

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

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 C.F.R. 240.19b-4.

determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the 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-EDGX-2015-06 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-EDGX-2015-06. 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-EDGX-2015-06 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.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

CHAPTER I. ADOPTION, INTERPRETATION AND APPLICATION OF RULES, AND DEFINITIONS

* * *

Rule 1.5. Definitions

Unless the context otherwise requires, for all purposes of these Exchange Rules, terms used in Exchange Rules shall have the meaning assigned in Article I of the Exchange's By-Laws or as set forth below:

(a)-(m) (No changes.)

(n) Member

The term "Member" shall mean 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. Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization which is a registered broker or dealer pursuant to Section 15 of the Act, and which has been approved by the Exchange.

(o)-(s) (No changes.)

(t) (Reserved.)[Principal

The term "Principal" shall mean Persons associated with a member who are actively engaged in the management of the member's securities business, including supervision, solicitation, conduct of business or the training of persons associated with a Member for any of these functions. Such persons shall include sole proprietors, officers, partners, managers of business offices engaged in such functions, and directors of corporations.]

(u)-(gg) (No changes.)

* * *

CHAPTER II. MEMBERS OF THE EXCHANGE

* * *

Rule 2.3. Member Eligibility [& Registration]

[(a)] Except as hereinafter provided, any registered broker or dealer [registered pursuant to Section 15 of the Act,] that is and remains a member of another registered national securities exchange or association (other than or in addition to the Exchange's affiliates – BATS Exchange, Inc., BATS Y-Exchange, Inc., or EDGA Exchange, Inc.), or any person associated with such a registered broker or dealer, shall be eligible to be and to remain a Member. [Membership may be granted to a sole proprietor, partnership, corporation, limited liability company or other organization or individual that has been approved by the Exchange.]

[(b)] Registration Requirements

Except as provided in paragraph (d), below, all Authorized Traders shall be registered with the Exchange. Before their registration can become effective, they shall pass the applicable qualification examination as determined by the Exchange. A Member shall not maintain a registration with the Exchange for any person: (1) who is not an Authorized Trader, or (2) where the sole purpose is to avoid the examination requirement prescribed below. A Member shall not make application for the registration of any Authorized Trader where there is no intent to employ such person in the Member's equities securities business.

Any Authorized Trader whose registration has been revoked or whose most recent registration has been terminated for a period of two (2) years or longer immediately preceding the date of receipt by the Exchange of a new application shall be required to pass a new qualification examination as determined by the Exchange.

(c) Registration of Principals

All Authorized Traders who are to function as Principals on the Exchange shall be registered as Principals with the Exchange. Before their registration can become effective, they shall pass the General Securities Principal Examination ("Series 24"). A Member shall not maintain a principal registration with the Exchange for any person: (1) who is no longer functioning as a Principal, or (2) where the sole purpose is to avoid the examination requirement prescribed below. A Member shall not make application for the registration of any person as Principal where there is no intent to employ such person in the Member's equities securities business. Any person whose registration has been revoked or whose most recent registration as a Principal has been terminated for a period of two years or longer immediately preceding the date of receipt by the Exchange of a new application shall be required to pass a new qualification examination for Principals as determined by the Exchange.

(1) Application for Principal Status

(A) An Authorized Trader whose duties are changed so as to require registration as a Principal shall be allowed a period of 90 calendar days following such change to pass the appropriate qualification examination for Principals as determined by the Exchange. Upon elevation, the Member shall submit to the Exchange an amended Uniform Application for Securities Industry Registration or Transfer ("Form U-4") and the applicable fees. In no event

may a person function as a Principal beyond the initial 90 calendar day period following the change in his or her duties without having successfully passed the appropriate qualification examination .

(B) Any person not presently associated with a Member as an Authorized Trader seeking registration as a Principal shall submit the appropriate application for registration and any required registration and examination fees. Such person shall be allowed a period of 90 days after all applicable prerequisites are fulfilled to pass the appropriate qualification examination for Principals as determined by the Exchange. In no event may a person previously unregistered in any capacity applying for principal status function as a Principal until fully qualified.

(2) Requirement of Two Registered Principals for Members

Each Member, except a sole proprietorship or a proprietary trading firm, as defined in Interpretation .06 of Rule 2.5, with 25 or fewer Authorized Traders (“Limited Size Proprietary Firm”), shall have at least two officers or partners who are registered as Principals with respect to the Member’s equities securities business and, at a minimum, one such Principal shall be the Member’s Chief Compliance Officer. This requirement applies to persons seeking admission as Members and existing Members.

Sole proprietorships and Limited Size Proprietary Firms shall register at least one Principal with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required.

(3) Chief Compliance Officer

Each Member shall designate a Chief Compliance Officer on Schedule A of Form BD. An Individual designated as a Chief Compliance Officer is required to register with the Exchange and pass the Series 24 exam.

(4) Financial/Operations Principal

Each Member subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of the Financial/Operations Principal shall include taking appropriate actions to assure that the Member complies with applicable financial and operations requirements under the Exchange Rules and the Exchange Act, including but not limited to, those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to have successfully completed the Financial and Operations Principal Examination (“Series 27”). Each Financial/Operations Principal designated by the Member shall be registered in that capacity with the Exchange. A Financial/Operations Principal of a Member may be a full-time employee or independent contractor.

(d) Persons Exempt from Registration. The following persons associated with a Member are not required to be registered with the Exchange:

(1) persons associated with a Member whose functions are solely and exclusively clerical or ministerial;

(2) persons associated with a Member who are not actively engaged in the equities securities business; and

(3) persons associated with a Member that are not citizens, nationals, or residents of the United States or any of its territories or possessions and that will conduct all of their equities securities activities in areas outside the jurisdiction of the United States and will not engage in any equities securities activities with or for any citizen, national, or resident of the United States.]

* * *

Rule 2.5. Restrictions

(a)-(e) (No changes.)

Interpretations and Policies

.01 Proficiency Examinations:

(a) The Exchange may require the successful completion of a written proficiency examination to enable it to examine and verify that prospective Members and associated persons of Members have adequate training, experience and competence to comply with the Exchange Rules and policies of the Exchange.

[.02](b) If the Exchange requires the completion of such proficiency examinations, the Exchange may, in exceptional cases and where good cause is shown, waive such proficiency examinations as are required by the Exchange upon written request of the applicant and accept other standards as evidence of an applicant's qualifications. Advanced age, physical infirmity or experience in fields ancillary to the securities business will not individually of themselves constitute sufficient grounds to waive a proficiency examination.

[.03](c) The Exchange requires the General Securities Representative Examination ("Series 7") or an equivalent foreign examination module approved by the Exchange [as defined in .05, below,] in qualifying persons seeking registration as general securities representatives, including as Authorized Traders on behalf of Members. [; or] For those persons seeking limited registration as Proprietary Traders as described in paragraph (f) below, the Exchange requires the Proprietary Traders Qualification Examination ("Series 56") [as a limited representative registration for proprietary traders as defined in .06, below]. The Exchange uses the Uniform Application for Securities Industry Registration or Transfer ("Form U[-]14") as part of its procedure for registration and oversight of Member personnel.

(d) The Exchange requires each Member other than a sole proprietorship or a proprietary trading firm with 25 or fewer Authorized Traders (“Limited Size Proprietary Firm”) to register at least two Principals with the Exchange. A Limited Size Proprietary Firm is required to register at least one Principal with the Exchange. In addition, the Exchange may waive the two Principal requirement in situations that indicate conclusively that only one Principal associated with the Member should be required. For purposes of this paragraph (d), a “Principal” shall be any individual responsible for supervising the activities of a Member’s Authorized Traders and each person designated as a Chief Compliance Officer on Schedule A of Form BD. Each Principal is required to successfully complete the General Securities Principal Examination (“Series 24”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel.

The Exchange will accept the New York Stock Exchange Series 14 Compliance Official Examination in lieu of the Series 24 to satisfy the above requirement for any person designated as a Chief Compliance Officer. Individuals that supervise the activities of General Securities Representatives must successfully complete the Series 7 or an equivalent foreign examination module as a prerequisite to the Series 24 or Series 14 and shall be referred to as General Securities Principals. The Exchange will permit the Series 56 as a prerequisite to the Series 24 or Series 14 for those Principals whose supervisory responsibilities are limited to overseeing the activities of proprietary traders, as defined in paragraph (f) below. These limited representative Principals shall be referred to as Proprietary Trader Principals.

(e) Each Member subject to Exchange Act Rule 15c3-1 shall designate a Financial/Operations Principal. The duties of a Financial/Operations Principal shall include taking appropriate actions to assure that the Member complies with applicable financial and operational requirements under Exchange Rules and the Exchange Act, including but not limited to those requirements relating to the submission of financial reports and the maintenance of books and records. Each Financial/Operations Principal is required to successfully complete the Financial and Operations Principal Examination (“Series 27”). The Exchange uses Form U4 as part of its procedure for registration and oversight of Member personnel. A Financial/Operations Principal of a Member may be a full-time employee of the Member or may be a part-time employee or independent contractor of the Member. The Exchange may waive the requirements of this paragraph (e) if a Member has satisfied the financial and operational requirements of its designated examining authority applicable to registration.

(f) The Exchange permits the Series 56 examination for proprietary traders that engage solely in proprietary trading on the Exchange, subject to the following conditions. For the purposes of this Rule, an Authorized Trader of a Member shall be considered a proprietary trader if:

(1) the Authorized Trader’s activities in the investment banking or securities business are limited solely to proprietary trading;

(2) the Authorized Trader passes the Series 56; and

(3) the Authorized Trader is an associated person of a proprietary trading firm as defined in paragraph (g) below.

(g) For purposes of paragraphs (d) and (f) above, a “proprietary trading firm” shall mean a Member that trades its own capital, that does not have customers, and that is not a member of the Financial Industry Regulatory Authority. In addition, to qualify for this definition, the funds used by a proprietary trading firm must be exclusively firm funds, all trading must be in the firm’s accounts, and traders must be owners of, employees of, or contractors to the firm.

(h) Principals responsible for supervising the activities of General Securities Representatives must successfully complete the Series 7 or an equivalent foreign examination module in addition to the Series 24.

(i) The following sets forth the qualification requirements for each of the registration categories described above:

| <u>CATEGORY OF REGISTRATION</u> | <u>QUALIFICATION EXAMINATION</u> | <u>ALTERNATIVE ACCEPTABLE QUALIFICATIONS</u> |
|--|----------------------------------|---|
| <u>General Securities Representative</u> | <u>Series 7</u> | <u>Equivalent foreign examination module (Series 17 or Series 37/38)</u> |
| <u>Proprietary Trader¹</u> | <u>Series 56</u> | <u>N/A</u> |
| <u>General Securities Principal</u> | <u>Series 24</u> | <u>Compliance Official Examination (Series 14)²</u> |
| <u>Proprietary Trader Principal</u> | <u>Series 24</u> | <u>Compliance Official Examination (Series 14)²</u> |
| <u>Financial/Operations Principal</u> | <u>Series 27</u> | <u>Other examination acceptable to designated examining authority³</u> |

¹ Proprietary traders that have completed the Series 7 should register as General Securities Representatives.

² The Exchange will only permit the Series 14 for those designated as Chief Compliance Officers on Schedule A of Form BD.

³ An examination acceptable to the Member’s designated examining authority is only acceptable to the Exchange if the Exchange waives the requirements of paragraph (e).

[1] Except as provided below, every initial and transfer electronic Form U-4 filing and any amendments to the disclosure information on Form U-4 shall be based on a manually signed Form U-4 provided to the Member or applicant for membership by the person on whose behalf the Form U-4 is being filed. A Member may file electronically amendments to the disclosure

information on Form U-4 without obtaining the subject associated person's manual signature on the form, provided that the Member shall use reasonable efforts to:

(A) provide the associated person with a copy of the amended disclosure information prior to filing; and

(B) obtain the associated person's written acknowledgment (which may be electronic) prior to filing that the information has been received and reviewed.

(2) In the event a member is not able to obtain an associated person's manual signature or written acknowledgement of amended disclosure information on Form U4 prior to filing of such information, the Member is obligated to file the disclosure information as to which it has knowledge. The Member shall use reasonable efforts to provide the associated person with a copy of the amended disclosure information that was filed.

(3) A Member may file electronically amendments to administrative data on Form U-4 without obtaining the subject associated person's signature on the form. The Member shall use reasonable efforts to provide the associated person with a copy of the amended administrative information that was filed.

(4) Initial filings and amendments of the Uniform Termination Notice for Securities Industry Registration ("Form U-5") Filings shall be submitted electronically.

.04 The Exchange requires the Regulatory Element of the Continuing Education Requirement (the "Regulatory Element") for all persons engaged or to be engaged in the equities securities business of a Member who are to function as Principals or Authorized Traders of Members; or such other continuing education administered by FINRA on behalf of the Exchange for Authorized Traders of Members registered solely as proprietary traders as defined in .06 below (together with Regulatory Element, "Continuing Education").

(1) Requirements

No Member shall permit any Authorized Trader or Principal to continue to, and no Authorized Trader or Principal shall continue to, perform his or her respective duties on behalf of such Member unless such person has complied with the requirements of this Interpretation .04. Each Authorized Trader or Principal shall complete the Continuing Education requirement on the occurrence of their second registration anniversary date and every three years thereafter, or as otherwise prescribed by the Exchange. On each occasion, the Continuing Education requirement must be completed within 120 days after the respective registration anniversary date. A person's initial registration date, also known as the "base date," shall establish the cycle of anniversary dates for purposes of this Rule. The content of the Continuing Education requirement shall be determined by the Exchange and shall be appropriate to either the registered representative or principal status of persons subject to this Interpretation.

(2) Failure to Complete

Unless otherwise determined by the Exchange, any Authorized Traders or Principals who have not completed the Continuing Education requirement within the prescribed time frames will have their registrations deemed inactive until such time as such requirements have been satisfied. Any person whose registration has been deemed inactive under this Interpretation shall cease all activities as an Authorized Trader or Principal and is prohibited from performing any duties and functioning in any capacity requiring registration. A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and meeting the qualification requirements of the applicable provisions of these Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for a registered person to satisfy the Continuing Education requirement.

(3) Disciplinary Actions

Unless otherwise determined by the Exchange, an Authorized Trader or Principal will be required to re-satisfy the Continuing Education requirement in the event such person:

(A) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Act;

(B) is subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding; or

(C) is ordered as a sanction in a disciplinary action to retake the Continuing Education requirement by any securities governmental agency or self-regulatory organization.

The retaking of the Continuing Education requirement shall commence with participation within 120 days of the Authorized Trader or Principal becoming subject to the statutory disqualification, in the case of (A) above, or the disciplinary action becoming final, in the case of (B) and (C) above. The date of the disciplinary action shall be treated as such person's new base date with the Exchange.

(4) Reassociation in a Registered Capacity

Any Principal or Authorized Trader who has terminated association with a member and who has, within two years of the date of termination, become reassociated in a registered capacity with a Member shall satisfy the Continuing Education requirement at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date rather than based on the date of reassociation in a registered capacity.]

.02 Continuing Education Requirements:

(a) Requirements

No Member shall permit any Authorized Trader, Principal, or Financial/Operations Principal (each a “Registered Representative”) to continue to, and no Registered Representative shall continue to, perform duties as a Registered Representative on behalf of such Member, unless such person has complied with the continuing education requirements in this Rule. Each Registered Representative shall complete the Regulatory Element of the continuing education program on the occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by the Exchange. On each occasion, the Regulatory Element must be completed within 120 days after the person’s registration anniversary date. A person’s initial registration date, also known as the “base date,” shall establish the cycle of anniversary dates for purposes of this Rule. The content of the Regulatory Element of the program shall be determined by the Exchange for each registration category of persons subject to the Rule. A person qualified solely as a Proprietary Trader shall comply with the continuing education requirements appropriate for the Series 56. All other Registered Representatives shall comply with the continuing education requirements applicable to their particular registration.

(b) Failure to Complete

Unless otherwise determined by the Exchange, Registered Representatives who have not completed the Regulatory Element of the program within the prescribed time frames will have their registration deemed inactive until such time as the requirements of the program have been satisfied. Any person whose registration has been deemed inactive under this Rule shall cease all activities as a Registered Representative and is prohibited from performing any duties and functioning in any capacity requiring registration. A registration that is inactive for a period of two years will be administratively terminated. A person whose registration is so terminated may reactivate the registration only by reapplying for registration and satisfying applicable registration and qualification requirements of the Exchange’s Rules. The Exchange may, upon application and a showing of good cause, allow for additional time for a Registered Representative to satisfy the program requirements.

(c) Disciplinary Actions

Unless otherwise determined by the Exchange, a Registered Representative will be required to retake the Regulatory Element and satisfy all of its requirements in the event such person:

(1) is subject to any statutory disqualification as defined in Section 3(a)(39) of the Exchange Act,

(2) is subject to suspension or to the imposition of a fine of \$5,000 or more for violation of any provision of any securities law or regulation, or any agreement with or rule or standard of conduct of any securities governmental agency, securities self-regulatory organization, or as imposed by any such regulatory or self-regulatory organization in connection with a disciplinary proceeding, or

(3) is ordered as a sanction in a disciplinary action to retake the Regulatory Element by any securities governmental agency or securities self-regulatory organization.

The retaking of the Regulatory Element shall commence with participation within 120 days of the Registered Representative becoming subject to the statutory disqualification, in the case of (1) above, or the disciplinary action becoming final, in the case of (2) or (3) above. The date of the disciplinary action shall be treated as such person's base date for purposes of this Rule.

(d) Reassociation in a Registered Capacity

Any Registered Representative who has terminated association with a registered broker or dealer and who has, within two (2) years of the date of termination, become reassociated in a registered capacity with a registered broker or dealer shall participate in the Regulatory Element at such intervals that may apply (second anniversary and every three years thereafter) based on the initial registration anniversary date, rather than based on the date of reassociation in a registered capacity.

(e) The following sets forth the Regulatory Elements appropriate for each registration category:

| <u>CATEGORY OF REGISTRATION</u> | <u>REGULATORY ELEMENT</u> |
|--|---|
| <u>General Securities Representative</u> | <u>S101 General Program</u> |
| <u>Proprietary Trader</u> | <u>S501 Series 56 Proprietary Trader Continuing Education Program</u> |
| <u>General Securities Representative Principal</u> | <u>S201 Supervisor Program</u> |
| <u>Proprietary Trader Principal</u> | <u>S201 Supervisor Program</u> |
| <u>Financial/Operations Principal</u> | <u>S201 Supervisor Program</u> |

.03 Registration Procedures.

Persons associated with a Member registering with the Exchange shall electronically file a Form U4 with the Central Registration Depository ("CRD") System by appropriately checking the Exchange as a requested registration on the electronic Form U4 filing. Any person required to complete Form U4 shall promptly electronically file any required amendments to Form U4 with the CRD System.

.04 Termination of Employment.

(a) The discharge or termination of employment of any person registered with the Exchange, together with the reasons therefor, shall be electronically reported to the CRD System, by a Member immediately following the date of termination, but in no event later than thirty (30) days following termination on a Uniform Termination Notice for Securities Industry Registration ("Form U5"). A copy of said termination notice shall be provided concurrently to the person whose association has been terminated.

(b) The Member shall electronically report to the CRD System, by means of an amendment to the Form U5 filed pursuant to paragraph (a) above, in the event that the Member learns of facts or circumstances causing any information set forth in the notice to become inaccurate or incomplete. Such amendment shall be provided concurrently to the person whose association has been terminated no later than thirty (30) days after the Member learns of the facts or circumstances giving rise to the amendment.

[.05 The Exchange considers an “equivalent foreign examination module” to include:

(A) those requirements that enable a person to be authorized or approved to conduct business in accordance with the requirements of The Financial Services Authority and passing the Modified General Securities Representative Qualification Examination; or

(B) those requirements that enable a person to be registered and in good standing as a representative with any Canada stock exchange, or with a securities regulator of any Canadian Province or Territory, or with the Investment Dealers Association of Canada, and completion of the training course of the Canadian Securities Institute, and passing the Canada Module of the General Securities Registered Representative Examination.

.06 The Exchange permits the Series 56 examination for proprietary traders that engage solely in proprietary trading on the Exchange, subject to the following conditions:

(1) For the purposes of this Rule, a Member shall be considered a proprietary trading firm if the Member has the following characteristics:

(A) The Member is not required by Section 15(b)(8) of the Exchange Act to become a FINRA member;

(B) All funds used or proposed to be used by the Member are the Member’s own capital, traded through the Member’s own accounts;

(C) The Member does not, and will not, have “customers,” where customer shall not include a broker or dealer; and

(D) All Principals and Authorized Traders registered on behalf of the Member acting or to be acting in the capacity of a trader must be owners of, employees of, or contactors to the Member.

(2) For the purposes of this Rule, an Authorized Trader of a Member shall be considered a proprietary trader if:

(A) His/her activities in the investment banking or securities business are limited solely to proprietary trading;

(B) He/she passes the Series 56; and

(C) He/she is an associated person of a proprietary trading firm as defined in Interpretation .06(1) to Rule 2.5.]

Rule 2.6. Application Procedures for Membership or to become an Associated Person of a Member

(a)-(f) (No changes.)

(g) Each applicant shall file with the Exchange a list and descriptive identification of those persons associated with the applicant who are its executive officers, directors, principal shareholders, and general partners. Such persons shall file with the Exchange a Uniform Application for Securities Industry Registration or Transfer (“Form U4”). Applicants approved as Members of the Exchange must keep such information current with the Exchange.