

Required fields are shown with yellow backgrounds and asterisks.

Filing by EDGX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

Description

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

EDGX Exchange, Inc. proposes to amend Rules 11.8, 11.9, 11.10, 11.11, and 11.16 regarding the Limit Up-Limit Down Plan.

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 *	Last Name *
Anders	Franzon
Title *	
VP, Associate General Counsel	
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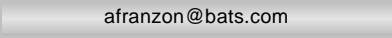
Signature

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	03/26/2015	VP, Associate General Counsel
By	Anders Franzon	
	(Name *)	



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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

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

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

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

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

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Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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

Partial Amendment

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

1. Text of 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 restructure and amend Rules 11.8, 11.9, 11.10, 11.11, and 11.16, in order to conform Exchange Rules to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”) as they relate to the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-Limit Down Plan” or “Plan”).³ 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.⁴

(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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See BZX and BYX Rules 11.18(e). See Securities Exchange Act Release Nos. 69084 (March 8, 2013), 77 FR 16334 (March 14, 2013) (SR-BATS-2015-015); and 69088 (March 8, 2013), 77 FR 16308 (March 14, 2013) (SR-BYX-2013-010). See also Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (the “Limit Up-Limit Down Release”).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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 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 restructure and amend various Exchange Rules related to the applicability of the Plan in order to make the Exchange's Rules identical to the corresponding rules on BZX and BYX, as further described below. In early 2014, 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 11.8, 11.9, 11.10, 11.11, and 11.16 to make such Rules identical to corresponding rules on BZX and BYX related to the Plan. The Exchange does not propose to alter its current system functionality with regard to compliance with the Plan set forth under current Exchange Rules.⁶ Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges.⁷

Background

The Plan is designed to prevent trades in individual NMS Stocks from occurring outside of specified Price Bands.⁸ As described more fully below, the requirements of the Plan are coupled with Trading Pauses to accommodate more fundamental price moves (as opposed to erroneous trades or momentary gaps in liquidity). All trading centers in NMS Stocks, including both those operated by Participants and those operated by members of Participants, are required to establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in the Plan.⁹ As set forth in more detail in the Plan, Price Bands consisting of a Lower Price Band and an Upper Price Band for each NMS Stock are calculated by the

⁶ See Securities Exchange Act Release Nos. 69002 (February 27, 2013), 78 FR 14394 (March 5, 2013) (SR-EDGA-2013-08); and 69003 (February 27, 2013), 78 FR 14380 (March 5, 2013) (SR-EDGX-2013-08).

⁷ See BZX and BYX Rules 11.18(e). The Exchange notes that EDGA intends to file a proposal very similar to this proposal that will align the rules related to the Plan across each of the BGM Affiliated Exchanges.

⁸ Unless otherwise specified, capitalized terms used in this rule filing are based on the defined terms of the Plan.

⁹ The Exchange is a Participant in the Plan.

Processors.¹⁰ When the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band, the Processors shall disseminate such National Best Bid (Offer) with an appropriate flag identifying it as non-executable. When the National Best Bid (Offer) is equal to the Upper (Lower) Price Band, the Processors shall distribute such National Best Bid (Offer) with an appropriate flag identifying it as a Limit State Quotation.¹¹ All trading centers in NMS Stocks must maintain written policies and procedures that are reasonably designed to prevent the display of offers below the Lower Price Band and bids above the Upper Price Band for NMS Stocks. Notwithstanding this requirement, the Processor shall display an offer below the Lower Price Band or a bid above the Upper Price Band, but with a flag that it is non-executable. Such bids or offers shall not be included in the National Best Bid (“NBB”) or National Best Offer (“NBO”) calculations.¹²

Trading in an NMS Stock immediately enters a Limit State if the National Best Offer (Bid) equals but does not cross the Lower (Upper) Price Band.¹³ Trading for an NMS stock exits a Limit State if, within 15 seconds of entering the Limit State, all Limit State Quotations were executed or canceled in their entirety. If the market does not exit a Limit State within 15 seconds, then the Primary Listing Exchange would declare a five-minute Trading Pause pursuant to Section VII of the Limit Up-Limit Down Plan, which would be applicable to all markets trading the security.¹⁴ In addition, the Plan defines a

¹⁰ See Section (V)(A) of the Plan.

¹¹ See Section VI(A) of the Plan.

¹² See Section VI(A)(3) of the Plan.

¹³ See Section VI(B)(1) of the Plan.

¹⁴ The primary listing market would declare a trading pause in an NMS Stock; upon

Straddle State as when the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State. For example, assume the Lower Price Band for an NMS Stock is \$9.50 and the Upper Price Band is \$10.50, such NMS stock would be in a Straddle State if the National Best Bid were below \$9.50, and therefore non-executable, and the National Best Offer were above \$9.50 (including a National Best Offer that could be above \$10.50). If an NMS Stock is in a Straddle State and trading in that stock deviates from normal trading characteristics, the Primary Listing Exchange may declare a Trading Pause for that NMS Stock.

Proposed Amendment to Rule 11.9

Currently, Rule 11.9(a)(8) describes the priority of orders that are re-priced and displayed in accordance with the Plan. The Exchange is proposing to delete this clause and to include this information in Rule 11.16(e)(5) in order to adopt a consistent rule set as between the Exchange and the other BGM Affiliated Exchanges. The proposed rule text for Exchange Rule 11.16(e)(5) is directly based on BZX and BYX Rule 11.18(e)(5), and is described in greater detail below. The Exchange is not proposing to alter the priority handling of orders that are re-priced and displayed in accordance with the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion.

Proposed Amendment to Rule 11.10

In sum, Rule 11.10(a)(3) sets forth the general rule that no executions shall occur

notification by the primary listing market, the Processor would disseminate this information to the public. No trades in that NMS Stock could occur during the trading pause, but all bids and offers may be displayed. See Section VII(A) of the Plan.

outside the Price Bands during Regular Trading Hours. The Exchange proposes to amend Rule 11.10(a)(3) to further state that the Exchange's procedures for handling executing, re-pricing and displaying orders in connection with the Plan are further described in proposed Rule 11.16(e), which is discussed below.

Current Rule 11.10(a)(3)(A) discusses how an order priced within the Price Bands may be executed or posted to the EDGX Book. Current Rule 11.10(a)(3)(B) explains how the Exchange will re-price an order that is priced outside of the Price Bands. The Exchange proposes to delete Rules 11.10(a)(3)(A) and (B) and replace them with Rule 11.16(e)(5). The proposed rule text for Exchange Rule 11.16(e)(5) is directly based on BZX and BYX Rule 11.18(e)(5) and is described more fully below. The Exchange is not proposing to alter the handling and re-pricing of orders that under the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion.

The Exchange also proposes to delete Rule 11.10(a)(3)(C) and does not propose to include it as part of the amended rule set. Rule 11.10(a)(3)(C) states that a description of the behavior of routable market and Limit Orders in response to the Plan is found in Rule 11.11(b)(1). The Exchange believes this provision is no longer necessary as the Exchange's procedures for handling, executing, re-pricing, and displaying orders in connection with the Plan are proposed to be described in a single rule, Rule 11.16(e), rather than multiple rules as is currently the case.

The Exchange proposes to delete Rule 11.10(a)(3)(D), which discusses the handling of orders with a Short Sale instruction¹⁵ under the Plan, and replace it with Rule

¹⁵ A "Short Sale" instruction is defined as "[a]n instruction on an order which shall

11.16(e)(5)(E). The proposed rule text for Exchange Rule 11.16(e)(5)(E) is directly based on BZX and BYX Rule 11.18(e)(5)(E) and is described more fully below. The Exchange is not proposing to alter the handling of orders with a Short Sale instruction under the Plan, but rather, is proposing to relocate the text, with modifications, to Rule 11.16(e)(5)(E) as discussed below.

The Exchange proposes to delete Rule 11.10(a)(3)(E) and replace it with Rule 11.16(e)(2) thru (4). Current Rule 11.10(a)(3)(E) states that pursuant to Section IV of the Plan all Trading Centers in NMS Stocks, including those operated by Members of the Exchange, shall establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of the Plan. The proposed rule text for Exchange Rule 11.16(e)(2) thru (4) expands upon this provision and is directly based on BZX and BYX Rule 11.18(e)(2) thru (4) described more fully below.

Proposed Amendment to Rule 11.11

Rule 11.11 discusses the handling of orders that are to be routed to away trading centers. Paragraphs (b) thru (d) of Rule 11.11 discuss the routing of orders under the Plan. The Exchange proposes to delete Rules 11.11(b) thru (d) and replace them with Rule 11.16(e)(5)(D). The Exchange proposes to delete in its entirety Rule 11.11(b)(1) as this provision is no longer necessary as it is covered succinctly in new Rule 11.16(e)(5)(D). Rule 11.11(c), which discusses re-routing of orders under the Plan, will

have the same meaning as defined in Rule 200(a) of Regulation SHO.” See Exchange Rule 11.6(o).

be moved to Rule 11.16(e)(5)(D)(i) with slight modifications. Rule 11.11(d), which discusses the operation of certain routing strategies under the Plan, will be moved to Rule 11.16(e)(5)(D)(ii) without change. Each of these changes are discussed in more detail below.

Proposed Amendment to Rule 11.16

The Exchange is required by the Plan to establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan. In February 2013, the Exchange amended its Rules in connection with the implementation of the Plan.¹⁶ The Exchange now proposes to incorporate the provisions discussed above into Rule 11.16(e) in order to make the Exchange's Rules identical to the corresponding rules on BZX and BYX. The proposed amendments to Rule 11.16(e) are based on BZX and BYX Rules 11.18(e). The Exchange believes that the provisions proposed below are reasonably designed to prevent executions outside the Price Bands as required by the limit up-limit down and trading pause requirements specified in the Plan.

First, the Exchange proposes to add Rule 11.16(e)(1) to provide that all capitalized terms not otherwise defined in paragraph (e) of the Rule shall have the meanings set forth in the Plan or Exchange Rules, as applicable. The Exchange also proposes to add Rules 11.16(e)(2) thru (4) described below. These provisions are based on BXZ and BYX Rules 11.18(e)(2) thru (4) and designed to replace deleted Rule 11.10(a)(3)(E), which states that the Exchange and its Members must establish policies and procedures that are reasonably designed to comply with the Plan. Specifically, the

¹⁶ See supra note 6.

Exchange proposes to add Rule 11.16(e)(2) to provide that the Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks. Further, the Exchange proposes to add Rule 11.16(e)(3) to provide that Exchange Members shall comply with the applicable provisions of the Plan. The Exchange believes the requirements of current Rule 11.10(a)(3)(E) would be sufficiently covered in proposed Rules 11.16(e)(2) and (3), which will help ensure the compliance by its Members with the provisions of the Plan as required pursuant to Section II(B) of the Plan.¹⁷

The Exchange also proposes to add Rule 11.16(e)(4) to replace deleted Rule 11.10(a)(3)(E). Rule 11.16(e)(4) would provide that the Exchange's System¹⁸ shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan. The Exchange believes that this requirement is reasonably designed to help ensure the compliance with the limit up-limit down and trading pause requirements specified in the Plan by preventing executions outside the Price Bands as required pursuant to Section VI(A)(1) of the Plan.¹⁹

As mentioned above, the Exchange proposes to incorporate the provisions of current Rules 11.9(a)(8) and 11.10(a)(3)(A) and (B) within Rule 11.16(e)(5) regarding the treatment of certain trading interest on the Exchange in order to prevent executions outside the Price Bands and to comply with the Plan. The Exchange is proposing to

¹⁷ See Section II(B) of the Plan.

¹⁸ The "System" is defined in Exchange Rule 1.5(cc) as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away."

¹⁹ See Section VI(A)(1) of the Plan.

delete Rules 11.9(a)(8) and 11.10(a)(3)(A) and (B) to include this information in Rule 11.16(e)(5) in order to adopt a consistent rule set as between the Exchange and the other BGM Affiliated Exchanges. Proposed Rule 11.16(e)(5) is based on BZX and BYX Rules 11.18(e)(5).

Current Rule 11.9(a)(8) describes the priority of orders that are re-priced and displayed in accordance with the Plan. Specifically, Rule 11.9(a)(8) states that if the Upper (Lower) Price Band moves so that the price of a buy (sell) order resting on the EDGX Book would consequently be above (below) the Upper (Lower) Price Band, such order will be re-priced and displayed at a price equal to the Upper (Lower) Price Band, provided a new timestamp, and prioritized based on its existing timestamp at the time the new Price Bands are established. If an order is resting on the EDGX Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced but will be provided a new timestamp and prioritized based on its existing timestamp at the time the new Price Bands are established.

Likewise, under proposed Rule 11.16(e)(5), when re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to Rule 11.16(e)(5) shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders. The Exchange is not proposing to alter the priority handling of orders that are re-priced and displayed in accordance with the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce

potential confusion. While the text of current Rule 11.9(a)(8) is not identical to proposed Rule 11.16(e)(5), the Exchange proposes to adopt language identical to BZX and BYX Rules 11.18(e)(5), which it believes more clearly describes system functionality.

Current Rules 11.10(a)(3)(A) and (B) address the handling and re-pricing of orders under the Plan. Rule 11.10(a)(3)(A) discusses how an order priced within the Price Bands may be executed or posted to the EDGX Book by stating that a non-routable buy (sell) order that is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band will be posted to the EDGX Book or executed, unless: (i) the order includes a Time-in-Force Instruction (“TIF”) of Immediate or Cancel (“IOC”) or Fill-or-Kill (“FOK”), in which case it will be cancelled if not executed; or (ii) the User has entered instructions to cancel²⁰ the order. Rule 11.10(a)(3)(B) explains how the Exchange will re-price an order that is priced outside of the Price Bands by stating that a non-routable buy (sell) order at a price greater (less) than the Upper (Lower) Price Band will be re-priced and displayed at the price of the Upper (Lower) Price Band. If the price of the Upper (Lower) Price Band moves above (below) the non-routable buy (sell) order’s displayed price, the buy (sell) order will not be adjusted further and will remain posted at the original price at which it was posted to the EDGX Book. If the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, the buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

²⁰ Under the Cancel Back instruction, a User may instruct the System to immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed or posted by the System to the EDGX Book at its limit price. See Exchange Rule 11.6(b).

Likewise, proposed Rule 11.16(e)(5) discusses the re-pricing and cancellation of interest and specifically provides that the Exchange systems shall re-price and/or cancel buy (sell) interest that is priced or could be executed²¹ above (below) the Upper (Lower) Price Band. The Exchange is not proposing to alter the handling or re-pricing of orders under the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion. The Exchange notes that while the format of current Rules 11.10(a)(3)(A) and (B) are not identical to that of proposed Rule 11.16(e)(5), the Exchange proposes to include the following provisions under Rule 11.16(e)(5) regarding the re-pricing or canceling of certain trading interest that are similar to BZX and BYX Rule 11.18(e)(5), which if believes continue to accurately describe system functionality and provide additional specificity, the specifics of which are described under each subsection of proposed Rule 11.16(e)(5) set forth below.

Market Orders and Orders with a TIF of IOC or FOK.

Proposed Rule 11.16(e)(5)(A) would state that the System will only execute Market Orders or orders with a TIF instruction of IOC or FOK at or within the Price Bands. If a Market Order or order with a TIF instruction of IOC or FOK cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the EDGX Book. This provision is similar to current Rule 11.10(a)(3)(A). The Rule would also state that the display of Market Orders will be handled in accordance with Rule 11.8(a)(4).

Limit Orders.

²¹ The Exchange notes that this includes any interest that is displayed and/or resting at a less aggressive price but executable at a more aggressive price, such as orders subject to price sliding and discretionary order types.

The operation of Limit Orders under the Plan would be set forth in Rule 11.16(e)(5)(B), which would include the following provisions.

- Orders Not Subject to Re-Pricing. Limit Orders will be cancelled if a User has entered instructions not to use the re-pricing process set forth in Rule 11.16(e)(5) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band.
- Incoming Orders. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming Limit Orders to buy (sell) that are priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band.
- Resting Orders. The System shall re-price resting Limit Orders to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting Limit Orders to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of a displayed and re-priced Limit Order is at or within the Price Bands and a User has opted into the Exchange's optional multiple re-pricing process, as described in Rule 11.6(l), the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to paragraph (e) of Rule 11.16 will remain at its new price unless the Price Bands move such that the price of resting Limit Order to buy (sell) would again be above (below) the Upper (Lower) Price Band.

*Orders with a Pegged Instruction.*²²

Currently, the operation of orders with a Pegged instruction under the Plan is not specifically addressed in the Exchange's Rules. Therefore, the Exchange proposes to adopt Rule 11.16(e)(5)(C) which would state that orders with a Pegged instruction to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher). Rule 11.16(e)(5)(c) is similar to BZX and BYX Rules 11.18(e)(5)(C).

Routeable Orders.

The Exchange proposes to delete Rules 11.11(b) thru (d), which discuss the routing of orders under the Plan, and replace them with Rule 11.16(e)(5)(D). The Exchange is not proposing any changes to its routing functionality in connection with the implementation of the Plan. The Exchange proposes to delete in its entirety Rule 11.11(b)(1), which states when an order may be routed under the Plan, as these provisions are no longer necessary as they are covered succinctly in new Rule 11.16(e)(5)(D). Rule 11.16(e)(5)(D) would state that if routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.11, provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.²³ Rule 11.11(c), which discusses re-routing of orders under the Plan, will be moved to Rule 11.16(e)(5)(D)(i) with slight modifications. Current Rule 11.11(c) states that for routing strategies that access all Protected

²² The "Pegged" instruction is described under Rule 11.6(j).

²³ This provision shall also replace current Rule 11.10(a)(3)(C) which states that the description of the behavior of routeable Market Orders and Limit Orders in response to the Plan is set forth in Rule 11.11(b)(1).

Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange. Likewise, Rule 11.16(e)(5)(D)(i) would state that when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange if such order contains an Aggressive²⁴ or Super Aggressive²⁵ instruction.²⁶ Rule 11.11(d), which discusses the operation of certain routing strategies under the Plan, will be moved to Rule 11.16(e)(5)(D)(ii) without change. Rule 11.16(e)(5)(D)(ii) would state that routing strategies SWPA and SWPB (together, “SWP”), as described in Rule 11.11(g), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band. Proposed Rule 11.16(e)(5)(D)(ii) is similar to BZX and BYX Rule 11.13(a)(3)(I).²⁷

Orders with a Short Sale Instruction.

²⁴ The “Aggressive” instruction is described under Rule 11.6(n)(1).

²⁵ The “Super Aggressive” instruction is described under Rule 11.6(n)(2).

²⁶ The Exchange notes that this provision is not included in BZX or BYX Rule 11.18(e), but the Exchange believes it provides additional detail that was included in current Exchange Rule 11.11(c) that is helpful to retain in proposed Rule 11.16(e)(5)(D)(i).

²⁷ The Exchange notes that its proposal to include current Rule 11.11(d) within proposed Rule 11.16(e)(5)(D)(ii), rather than within its Rule 11.11(g) which describes each of its routing strategies, differs from the location of the same provision under BZX and BYX Rule 11.13(a)(3), which describes BZX and BYX’s routing strategies.

The Exchange proposes to replace current Rule 11.10(a)(3)(D), which discusses the handling of orders with a Short Sale instruction under the Plan, with proposed Rule 11.16(e)(5)(E). The proposed rule text for Exchange Rule 11.16(e)(5)(E) is directly based on BZX and BYX Rule 11.18(e)(5)(E). Current Rule 11.10(a)(3)(D) states that where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price.²⁸ When an order with a Short Sale instruction is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the System will re-price such order, if necessary, at a Permitted Price. Likewise, proposed Rule 11.16(e)(5)(E) would state that where a short sale price restriction under Rule 201 of Regulation SHO is in effect, orders with a Short Sale instruction priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Price. The Exchange is not proposing to alter the handling of orders with a Short Sale instruction that under the Plan, but rather, is proposing to relocate the text, with modifications, to Rule 11.16(e)(5)(E) discussed above.

Other Amendments to Rule 11.16.

The Exchange also proposes to relocate Rule 11.16(c), which discusses the re-opening of trading following a trading halt, to proposed Rule 11.16(e)(6), with minor modifications. Current Rule 11.16(c) states that the re-opening of trading following a

²⁸ The term “Permitted Price” is defined in Rule 11.6(k).

trading halt will be conducted pursuant to procedures adopted by the Exchange and communicated by notice to its Members. The Exchange recently codified its opening process, including its re-opening process following a halt, suspension or pause, under Rule 11.7.²⁹ Therefore, with respect to the re-opening of trading following a Trading Pause, the Exchange proposes to adopt Rule 11.16(e)(6) to provide that the Exchange shall re-open the security as set forth in Rule 11.7(e), which is the Exchange's Rule describing the Exchange's re-opening process following a trading halt, suspension or pause.

The Exchange also proposes to delete Rule 11.16(d) which discusses when the Exchange may resume trading where the Primary Listing Market issues an individual stock trading pause and how individual stock trading pauses are to be handled during Phase I of the Plan. Interpretation and Policy .01 to Rule 11.16 states that the provisions of paragraph (d) of this Rule shall be in effect during a pilot set to end on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market Volatility or February 4, 2014. Phase I of the Plan has expired and the Exchange, therefore, proposes to delete Rule 11.16(d) as well as Interpretation and Policy .01 to Rule 11.16 as they are no longer relevant.

Lastly, the Exchange proposes the following additional amendments to Rule 11.16: (i) renumber paragraph (f) as (d); (ii) delete current Rule 11.16(e) and replace it with new paragraph (f) providing that in the event of a trading halt, all orders will remain on the EDGA Book unless cancelled by the User; and (iii) adopt paragraph (g), which would state that all times referenced in Rule 11.16 shall be Eastern Time.

²⁹ See Securities Exchange Act Release Nos. 73468 (October 29, 2014), 79 FR 65450 (November 4, 2014) (SR-EDGX-2014-18); and 73592 (November 13, 2014), 79 FR 68937 (November 19, 2014) (SR-EDGA-2014-20).

Ministerial Changes

In light of the above restructuring of the Exchange Rules, the Exchange proposes the following ministerial changes to update cross references to Rules that are to be deleted or relocated as described above:

- amend Rule 11.8(a)(4) regarding the display of Market Orders to update a cross-reference to current Rule 11.10(a)(3)(A) to proposed Rule 11.16(e)(5),
- amend Rule 11.8(d)(7) regarding the operation of MidPoint Match Orders under the Plan to update a cross-reference to current Rule 11.10(a)(3) to proposed Rule 11.16(e), and
- amend Rule 11.9(a)(2)(D)(ii) regarding the priority of Market Orders displayed on the EDGX Book to delete a cross-reference to current Rule 11.10(a)(3)(A).

b. Statutory Basis

The Exchange believes that the proposed rule change 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.³⁰ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,³¹ 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. The Exchange does not propose to alter its current system functionality with regard to compliance with

³⁰ 15 U.S.C. 78f(b).

³¹ 15 U.S.C. 78f(b)(5).

the Plan set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. As mentioned above, the proposed rule changes, combined with the planned filing for EDGA,³² would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the compliance with the Plan across each of the BGM Affiliated 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 and understanding of Exchange Rules. 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 across each BGM Affiliated Exchange with respect to the Plan, 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 proposal to remove the references to individual stock trading pauses promotes just and equitable principles of trade and removes impediments to, and perfects the mechanism of, a free and open market and a national market system. By eliminating the reference to trading pauses outside the scope of the Plan in its rules, the Exchange will help to alleviate any potential confusion with respect to such pauses, particularly in

³² See supra note 7.

light of the implementation of the Plan. The proposed rule change is also consistent with Section 11A(a)(1) of the Act³³ in that it seeks to assure fair competition among brokers and dealers and exchange markets.

Finally, the Exchange believes that the non-substantive, ministerial 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 rules across each of the BGM Affiliated Exchanges regarding the Plan does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BYX, BZX, and EDGA rules of similar purpose. The proposed rule change should, therefore, result in less burdensome and more efficient regulatory compliance and understanding of Exchange Rules 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

³³ 15 U.S.C. 78k-1(a)(1).

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 Act³⁴ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁵ 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.³⁶

As described above, the Exchange notes that the proposed change is directly based on the rules of BZX and BYX.³⁷ 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 Act³⁸ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁹

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule changes may become effective and operative

³⁴ 15 U.S.C. 78s(b)(3)(A).

³⁵ 17 C.F.R. 240.19b-4.

³⁶ 17 C.F.R. 240.19b-4(f)(6)(iii).

³⁷ See supra note 3.

³⁸ 15 U.S.C. 78s(b)(3)(A).

³⁹ 17 C.F.R. 240.19b-4.

upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act⁴⁰ and paragraph (f)(6) thereunder.⁴¹ The Exchange does not propose to alter its current system functionality with regard to compliance with the Plan set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to have consistent rules across each of the BGM Affiliated Exchanges regarding the applicability of the Plan, which will both more consistently and efficiently regulate members of the BGM Affiliated Exchanges as well as reduce the burden on Members of the Exchange that are also members of EDGA, BZX, and/or BYX in connection with their understanding of Exchange Rules as well as avoid any potential investor confusion during the operative delay period.

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.

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

The proposed rule text for Rule 11.16 is based on BYX Rule 11.18. Proposed

⁴⁰ 15 U.S.C. 78s(b)(3)(A).

⁴¹ 17 C.F.R. 240.19b-4(f)(6).

Rule 11.16 is substantively identical to such rule and is nearly identical in form to such rule text with the exception of certain language that has been omitted from this proposal because the Exchange already has such provisions elsewhere in Exchange Rules and, with respect to such rules, a lack of harmonization is unlikely to cause confusion. Specifically, the Exchange already defines the term “Plan” in Rule 1.5(gg), and thus has not proposed to define the term again in Rule 11.16, whereas BYX defined the term Plan in BYX Rule 11.18(e)(1). Also, the Exchange has proposed to retain language regarding the handling of Market Orders pursuant to the Plan in Rule 11.8(a)(4) rather than re-locating it to Rule 11.16, whereas the corresponding rule text in BYX rules is set forth in BYX Rule 11.18(e)(5)(A).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-EDGX-2015-15)

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rules 11.8, 11.9, 11.10, 11.11, and 11.16 Regarding the Limit Up-Limit Down Plan

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 11.8, 11.9, 11.10, 11.11, and 11.16, in order to conform Exchange Rules to the rules of BATS Exchange, Inc. (“BZX”) and BATS Y-Exchange, Inc. (“BYX”) as they relate to the Plan to Address Extraordinary Market Volatility Pursuant to Rule 608 of Regulation NMS under the Act (the “Limit Up-

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).

Limit Down Plan” or “Plan”).⁵

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 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 restructure and amend various Exchange Rules related to the applicability of the Plan in order to make the Exchange’s Rules identical to the corresponding rules on BZX and BYX, as further described below. In early 2014, 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,

⁵ See BZX and BYX Rules 11.18(e). See Securities Exchange Act Release Nos. 69084 (March 8, 2013), 77 FR 16334 (March 14, 2013) (SR-BATS-2015-015); and 69088 (March 8, 2013), 77 FR 16308 (March 14, 2013) (SR-BYX-2013-010). See also Securities Exchange Act Release No. 67091 (May 31, 2012), 77 FR 33498 (June 6, 2012) (the “Limit Up-Limit Down Release”).

EDGA, and EDGX, the “BGM Affiliated Exchanges”).⁶ 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 11.8, 11.9, 11.10, 11.11, and 11.16 to make such Rules identical to corresponding rules on BZX and BYX related to the Plan. The Exchange does not propose to alter its current system functionality with regard to compliance with the Plan set forth under current Exchange Rules.⁷ Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges.⁸

Background

The Plan is designed to prevent trades in individual NMS Stocks from occurring outside of specified Price Bands.⁹ As described more fully below, the requirements of the Plan are coupled with Trading Pauses to accommodate more fundamental price moves (as opposed to erroneous trades or momentary gaps in liquidity). All trading centers in NMS Stocks, including both those operated by Participants and those operated

⁶ See Securities Exchange Act Release No. 71449 (January 30, 2014), 79 FR 6961 (February 5, 2014) (SR-EDGX-2013-043; SR-EDGA-2013-034).

⁷ See Securities Exchange Act Release Nos. 69002 (February 27, 2013), 78 FR 14394 (March 5, 2013) (SR-EDGA-2013-08); and 69003 (February 27, 2013), 78 FR 14380 (March 5, 2013) (SR-EDGX-2013-08).

⁸ See BZX and BYX Rules 11.18(e). The Exchange notes that EDGA intends to file a proposal very similar to this proposal that will align the rules related to the Plan across each of the BGM Affiliated Exchanges.

⁹ Unless otherwise specified, capitalized terms used in this rule filing are based on the defined terms of the Plan.

by members of Participants, are required to establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in the Plan.¹⁰ As set forth in more detail in the Plan, Price Bands consisting of a Lower Price Band and an Upper Price Band for each NMS Stock are calculated by the Processors.¹¹ When the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band, the Processors shall disseminate such National Best Bid (Offer) with an appropriate flag identifying it as non-executable. When the National Best Bid (Offer) is equal to the Upper (Lower) Price Band, the Processors shall distribute such National Best Bid (Offer) with an appropriate flag identifying it as a Limit State Quotation.¹² All trading centers in NMS Stocks must maintain written policies and procedures that are reasonably designed to prevent the display of offers below the Lower Price Band and bids above the Upper Price Band for NMS Stocks. Notwithstanding this requirement, the Processor shall display an offer below the Lower Price Band or a bid above the Upper Price Band, but with a flag that it is non-executable. Such bids or offers shall not be included in the National Best Bid (“NBB”) or National Best Offer (“NBO”) calculations.¹³

Trading in an NMS Stock immediately enters a Limit State if the National Best Offer (Bid) equals but does not cross the Lower (Upper) Price Band.¹⁴ Trading for an

¹⁰ The Exchange is a Participant in the Plan.

¹¹ See Section (V)(A) of the Plan.

¹² See Section VI(A) of the Plan.

¹³ See Section VI(A)(3) of the Plan.

¹⁴ See Section VI(B)(1) of the Plan.

NMS stock exits a Limit State if, within 15 seconds of entering the Limit State, all Limit State Quotations were executed or canceled in their entirety. If the market does not exit a Limit State within 15 seconds, then the Primary Listing Exchange would declare a five-minute Trading Pause pursuant to Section VII of the Limit Up-Limit Down Plan, which would be applicable to all markets trading the security.¹⁵ In addition, the Plan defines a Straddle State as when the National Best Bid (Offer) is below (above) the Lower (Upper) Price Band and the NMS Stock is not in a Limit State. For example, assume the Lower Price Band for an NMS Stock is \$9.50 and the Upper Price Band is \$10.50, such NMS stock would be in a Straddle State if the National Best Bid were below \$9.50, and therefore non-executable, and the National Best Offer were above \$9.50 (including a National Best Offer that could be above \$10.50). If an NMS Stock is in a Straddle State and trading in that stock deviates from normal trading characteristics, the Primary Listing Exchange may declare a Trading Pause for that NMS Stock.

Proposed Amendment to Rule 11.9

Currently, Rule 11.9(a)(8) describes the priority of orders that are re-priced and displayed in accordance with the Plan. The Exchange is proposing to delete this clause and to include this information in Rule 11.16(e)(5) in order to adopt a consistent rule set as between the Exchange and the other BGM Affiliated Exchanges. The proposed rule text for Exchange Rule 11.16(e)(5) is directly based on BZX and BYX Rule 11.18(e)(5),

¹⁵ The primary listing market would declare a trading pause in an NMS Stock; upon notification by the primary listing market, the Processor would disseminate this information to the public. No trades in that NMS Stock could occur during the trading pause, but all bids and offers may be displayed. See Section VII(A) of the Plan.

and is described in greater detail below. The Exchange is not proposing to alter the priority handling of orders that are re-priced and displayed in accordance with the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion.

Proposed Amendment to Rule 11.10

In sum, Rule 11.10(a)(3) sets forth the general rule that no executions shall occur outside the Price Bands during Regular Trading Hours. The Exchange proposes to amend Rule 11.10(a)(3) to further state that the Exchange's procedures for handling executing, re-pricing and displaying orders in connection with the Plan are further described in proposed Rule 11.16(e), which is discussed below.

Current Rule 11.10(a)(3)(A) discusses how an order priced within the Price Bands may be executed or posted to the EDGX Book. Current Rule 11.10(a)(3)(B) explains how the Exchange will re-price an order that is priced outside of the Price Bands. The Exchange proposes to delete Rules 11.10(a)(3)(A) and (B) and replace them with Rule 11.16(e)(5). The proposed rule text for Exchange Rule 11.16(e)(5) is directly based on BZX and BYX Rule 11.18(e)(5) and is described more fully below. The Exchange is not proposing to alter the handling and re-pricing of orders that under the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion.

The Exchange also proposes to delete Rule 11.10(a)(3)(C) and does not propose to include it as part of the amended rule set. Rule 11.10(a)(3)(C) states that a description of the behavior of routable market and Limit Orders in response to the Plan is found in Rule 11.11(b)(1). The Exchange believes this provision is no longer necessary as the

Exchange's procedures for handling, executing, re-pricing, and displaying orders in connection with the Plan are proposed to be described in a single rule, Rule 11.16(e), rather than multiple rules as is currently the case.

The Exchange proposes to delete Rule 11.10(a)(3)(D), which discusses the handling of orders with a Short Sale instruction¹⁶ under the Plan, and replace it with Rule 11.16(e)(5)(E). The proposed rule text for Exchange Rule 11.16(e)(5)(E) is directly based on BZX and BYX Rule 11.18(e)(5)(E) and is described more fully below. The Exchange is not proposing to alter the handling of orders with a Short Sale instruction under the Plan, but rather, is proposing to relocate the text, with modifications, to Rule 11.16(e)(5)(E) as discussed below.

The Exchange proposes to delete Rule 11.10(a)(3)(E) and replace it with Rule 11.16(e)(2) thru (4). Current Rule 11.10(a)(3)(E) states that pursuant to Section IV of the Plan all Trading Centers in NMS Stocks, including those operated by Members of the Exchange, shall establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of the Plan. The proposed rule text for Exchange Rule 11.16(e)(2) thru (4) expands upon this provision and is directly based on BZX and BYX Rule 11.18(e)(2) thru (4) described more fully below.

Proposed Amendment to Rule 11.11

¹⁶ A "Short Sale" instruction is defined as "[a]n instruction on an order which shall have the same meaning as defined in Rule 200(a) of Regulation SHO." See Exchange Rule 11.6(o).

Rule 11.11 discusses the handling of orders that are to be routed to away trading centers. Paragraphs (b) thru (d) of Rule 11.11 discuss the routing of orders under the Plan. The Exchange proposes to delete Rules 11.11(b) thru (d) and replace them with Rule 11.16(e)(5)(D). The Exchange proposes to delete in its entirety Rule 11.11(b)(1) as this provision is no longer necessary as it is covered succinctly in new Rule 11.16(e)(5)(D). Rule 11.11(c), which discusses re-routing of orders under the Plan, will be moved to Rule 11.16(e)(5)(D)(i) with slight modifications. Rule 11.11(d), which discusses the operation of certain routing strategies under the Plan, will be moved to Rule 11.16(e)(5)(D)(ii) without change. Each of these changes are discussed in more detail below.

Proposed Amendment to Rule 11.16

The Exchange is required by the Plan to establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the limit up-limit down and trading pause requirements specified in the Plan. In February 2013, the Exchange amended its Rules in connection with the implementation of the Plan.¹⁷ The Exchange now proposes to incorporate the provisions discussed above into Rule 11.16(e) in order to make the Exchange's Rules identical to the corresponding rules on BZX and BYX. The proposed amendments to Rule 11.16(e) are based on BZX and BYX Rules 11.18(e). The Exchange believes that the provisions proposed below are reasonably designed to prevent executions outside the Price Bands as required by the limit up-limit down and trading pause requirements specified in the Plan.

¹⁷ See supra note 7.

First, the Exchange proposes to add Rule 11.16(e)(1) to provide that all capitalized terms not otherwise defined in paragraph (e) of the Rule shall have the meanings set forth in the Plan or Exchange Rules, as applicable. The Exchange also proposes to add Rules 11.16(e)(2) thru (4) described below. These provisions are based on BXZ and BYX Rules 11.18(e)(2) thru (4) and designed to replace deleted Rule 11.10(a)(3)(E), which states that the Exchange and its Members must establish policies and procedures that are reasonably designed to comply with the Plan. Specifically, the Exchange proposes to add Rule 11.16(e)(2) to provide that the Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks. Further, the Exchange proposes to add Rule 11.16(e)(3) to provide that Exchange Members shall comply with the applicable provisions of the Plan. The Exchange believes the requirements of current Rule 11.10(a)(3)(E) would be sufficiently covered in proposed Rules 11.16(e)(2) and (3), which will help ensure the compliance by its Members with the provisions of the Plan as required pursuant to Section II(B) of the Plan.¹⁸

The Exchange also proposes to add Rule 11.16(e)(4) to replace deleted Rule 11.10(a)(3)(E). Rule 11.16(e)(4) would provide that the Exchange's System¹⁹ shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands,

¹⁸ See Section II(B) of the Plan.

¹⁹ The "System" is defined in Exchange Rule 1.5(cc) as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away."

unless such interest is specifically exempted under the Plan. The Exchange believes that this requirement is reasonably designed to help ensure the compliance with the limit up-limit down and trading pause requirements specified in the Plan by preventing executions outside the Price Bands as required pursuant to Section VI(A)(1) of the Plan.²⁰

As mentioned above, the Exchange proposes to incorporate the provisions of current Rules 11.9(a)(8) and 11.10(a)(3)(A) and (B) within Rule 11.16(e)(5) regarding the treatment of certain trading interest on the Exchange in order to prevent executions outside the Price Bands and to comply with the Plan. The Exchange is proposing to delete Rules 11.9(a)(8) and 11.10(a)(3)(A) and (B) to include this information in Rule 11.16(e)(5) in order to adopt a consistent rule set as between the Exchange and the other BGM Affiliated Exchanges. Proposed Rule 11.16(e)(5) is based on BZX and BYX Rules 11.18(e)(5).

Current Rule 11.9(a)(8) describes the priority of orders that are re-priced and displayed in accordance with the Plan. Specifically, Rule 11.9(a)(8) states that if the Upper (Lower) Price Band moves so that the price of a buy (sell) order resting on the EDGX Book would consequently be above (below) the Upper (Lower) Price Band, such order will be re-priced and displayed at a price equal to the Upper (Lower) Price Band, provided a new timestamp, and prioritized based on its existing timestamp at the time the new Price Bands are established. If an order is resting on the EDGX Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced but will be provided a new timestamp and prioritized based on its existing timestamp at the time the

²⁰ See Section VI(A)(1) of the Plan.

new Price Bands are established.

Likewise, under proposed Rule 11.16(e)(5), when re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to Rule 11.16(e)(5) shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders. The Exchange is not proposing to alter the priority handling of orders that are re-priced and displayed in accordance with the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion. While the text of current Rule 11.9(a)(8) is not identical to proposed Rule 11.16(e)(5), the Exchange proposes to adopt language identical to BZX and BYX Rules 11.18(e)(5), which it believes more clearly describes system functionality.

Current Rules 11.10(a)(3)(A) and (B) address the handling and re-pricing of orders under the Plan. Rule 11.10(a)(3)(A) discusses how an order priced within the Price Bands may be executed or posted to the EDGX Book by stating that a non-routable buy (sell) order that is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band will be posted to the EDGX Book or executed, unless: (i) the order includes a Time-in-Force Instruction (“TIF”) of Immediate or Cancel (“IOC”) or Fill-or-Kill (“FOK”), in which case it will be cancelled if not executed; or (ii) the User has entered instructions to cancel²¹ the order. Rule 11.10(a)(3)(B) explains how the

²¹ Under the Cancel Back instruction, a User may instruct the System to

Exchange will re-price an order that is priced outside of the Price Bands by stating that a non-routable buy (sell) order at a price greater (less) than the Upper (Lower) Price Band will be re-priced and displayed at the price of the Upper (Lower) Price Band. If the price of the Upper (Lower) Price Band moves above (below) the non-routable buy (sell) order's displayed price, the buy (sell) order will not be adjusted further and will remain posted at the original price at which it was posted to the EDGX Book. If the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, the buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

Likewise, proposed Rule 11.16(e)(5) discusses the re-pricing and cancellation of interest and specifically provides that the Exchange systems shall re-price and/or cancel buy (sell) interest that is priced or could be executed²² above (below) the Upper (Lower) Price Band. The Exchange is not proposing to alter the handling or re-pricing of orders under the Plan, but rather, is proposing to adopt rule text that is identical to that of its affiliated exchanges to reduce potential confusion. The Exchange notes that while the format of current Rules 11.10(a)(3)(A) and (B) are not identical to that of proposed Rule 11.16(e)(5), the Exchange proposes to include the following provisions under Rule 11.16(e)(5) regarding the re-pricing or canceling of certain trading interest that are

immediately cancel the order when, if displayed by the System on the EDGX Book at the time of entry, or upon return to the System after being routed away, would create a violation of Rule 610(d) of Regulation NMS or Rule 201 of Regulation SHO, or the order cannot otherwise be executed or posted by the System to the EDGX Book at its limit price. See Exchange Rule 11.6(b).

²² The Exchange notes that this includes any interest that is displayed and/or resting at a less aggressive price but executable at a more aggressive price, such as orders subject to price sliding and discretionary order types.

similar to BZX and BYX Rule 11.18(e)(5), which if believes continue to accurately describe system functionality and provide additional specificity, the specifics of which are described under each subsection of proposed Rule 11.16(e)(5) set forth below.

Market Orders and Orders with a TIF of IOC or FOK.

Proposed Rule 11.16(e)(5)(A) would state that the System will only execute Market Orders or orders with a TIF instruction of IOC or FOK at or within the Price Bands. If a Market Order or order with a TIF instruction of IOC or FOK cannot be fully executed at or within the Price Bands, the System shall cancel any unexecuted portion of the order without posting such order to the EDGX Book. This provision is similar to current Rule 11.10(a)(3)(A). The Rule would also state that the display of Market Orders will be handled in accordance with Rule 11.8(a)(4).

Limit Orders.

The operation of Limit Orders under the Plan would be set forth in Rule 11.16(e)(5)(B), which would include the following provisions.

- Orders Not Subject to Re-Pricing. Limit Orders will be cancelled if a User has entered instructions not to use the re-pricing process set forth in Rule 11.16(e)(5) and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band.
- Incoming Orders. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming Limit Orders to buy (sell) that are priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band.
- Resting Orders. The System shall re-price resting Limit Orders to buy (sell) to

the Upper (Lower) Price Band if Price Bands move such that the price of resting Limit Orders to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of a displayed and re-priced Limit Order is at or within the Price Bands and a User has opted into the Exchange's optional multiple re-pricing process, as described in Rule 11.6(l), the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to paragraph (e) of Rule 11.16 will remain at its new price unless the Price Bands move such that the price of resting Limit Order to buy (sell) would again be above (below) the Upper (Lower) Price Band.

*Orders with a Pegged Instruction.*²³

Currently, the operation of orders with a Pegged instruction under the Plan is not specifically addressed in the Exchange's Rules. Therefore, the Exchange proposes to adopt Rule 11.16(e)(5)(C) which would state that orders with a Pegged instruction to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher). Rule 11.16(e)(5)(c) is similar to BZX and BYX Rules 11.18(e)(5)(C).

Routable Orders.

The Exchange proposes to delete Rules 11.11(b) thru (d), which discuss the routing of orders under the Plan, and replace them with Rule 11.16(e)(5)(D). The

²³ The "Pegged" instruction is described under Rule 11.6(j).

Exchange is not proposing any changes to its routing functionality in connection with the implementation of the Plan. The Exchange proposes to delete in its entirety Rule 11.11(b)(1), which states when an order may be routed under the Plan, as these provisions are no longer necessary as they are covered succinctly in new Rule 11.16(e)(5)(D). Rule 11.16(e)(5)(D) would state that if routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.11, provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.²⁴ Rule 11.11(c), which discusses re-routing of orders under the Plan, will be moved to Rule 11.16(e)(5)(D)(i) with slight modifications. Current Rule 11.11(c) states that for routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange. Likewise, Rule 11.16(e)(5)(D)(i) would state that when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange if such order contains an Aggressive²⁵ or Super Aggressive²⁶ instruction.²⁷ Rule 11.11(d), which discusses the operation of certain routing strategies

²⁴ This provision shall also replace current Rule 11.10(a)(3)(C) which states that the description of the behavior of routable Market Orders and Limit Orders in response to the Plan is set forth in Rule 11.11(b)(1).

²⁵ The "Aggressive" instruction is described under Rule 11.6(n)(1).

²⁶ The "Super Aggressive" instruction is described under Rule 11.6(n)(2).

²⁷ The Exchange notes that this provision is not included in BZX or BYX Rule 11.18(e), but the Exchange believes it provides additional detail that was included in current Exchange Rule 11.11(c) that is helpful to retain in proposed Rule

under the Plan, will be moved to Rule 11.16(e)(5)(D)(ii) without change. Rule 11.16(e)(5)(D)(ii) would state that routing strategies SWPA and SWPB (together, “SWP”), as described in Rule 11.11(g), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band. Proposed Rule 11.16(e)(5)(D)(ii) is similar to BZX and BYX Rule 11.13(a)(3)(I).²⁸

Orders with a Short Sale Instruction.

The Exchange proposes to replace current Rule 11.10(a)(3)(D), which discusses the handling of orders with a Short Sale instruction under the Plan, with proposed Rule 11.16(e)(5)(E). The proposed rule text for Exchange Rule 11.16(e)(5)(E) is directly based on BZX and BYX Rule 11.18(e)(5)(E). Current Rule 11.10(a)(3)(D) states that where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price.²⁹ When an order with a Short Sale instruction is

11.16(e)(5)(D)(i).

²⁸ The Exchange notes that its proposal to include current Rule 11.11(d) within proposed Rule 11.16(e)(5)(D)(ii), rather than within its Rule 11.11(g) which describes each of its routing strategies, differs from the location of the same provision under BZX and BYX Rule 11.13(a)(3), which describes BZX and BYX’s routing strategies.

²⁹ The term “Permitted Price” is defined in Rule 11.6(k).

entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect, the System will re-price such order, if necessary, at a Permitted Price. Likewise, proposed Rule 11.16(e)(5)(E) would state that where a short sale price restriction under Rule 201 of Regulation SHO is in effect, orders with a Short Sale instruction priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Price. The Exchange is not proposing to alter the handling of orders with a Short Sale instruction that under the Plan, but rather, is proposing to relocate the text, with modifications, to Rule 11.16(e)(5)(E) discussed above.

Other Amendments to Rule 11.16.

The Exchange also proposes to relocate Rule 11.16(c), which discusses the re-opening of trading following a trading halt, to proposed Rule 11.16(e)(6), with minor modifications. Current Rule 11.16(c) states that the re-opening of trading following a trading halt will be conducted pursuant to procedures adopted by the Exchange and communicated by notice to its Members. The Exchange recently codified its opening process, including its re-opening process follow a halt, suspension or pause, under Rule 11.7.³⁰ Therefore, with respect to the re-opening of trading following a Trading Pause, the Exchange proposes to adopt Rule 11.16(e)(6) to provide that the Exchange shall re-open the security as set forth in Rule 11.7(e), which is the Exchange's Rule describing the Exchange's re-opening process following a trading halt, suspension or pause.

³⁰ See Securities Exchange Act Release Nos. 73468 (October 29, 2014), 79 FR 65450 (November 4, 2014) (SR-EDGX-2014-18); and 73592 (November 13, 2014), 79 FR 68937 (November 19, 2014) (SR-EDGA-2014-20).

The Exchange also proposes to delete Rule 11.16(d) which discusses when the Exchange may resume trading where the Primary Listing Market issues an individual stock trading pause and how individual stock trading pauses are to be handled during Phase I of the Plan. Interpretation and Policy .01 to Rule 11.16 states that the provisions of paragraph (d) of this Rule shall be in effect during a pilot set to end on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market Volatility or February 4, 2014. Phase I of the Plan has expired and the Exchange, therefore, proposes to delete Rule 11.16(d) as well as Interpretation and Policy .01 to Rule 11.16 as they are no longer relevant.

Lastly, the Exchange proposes the following additional amendments to Rule 11.16: (i) renumber paragraph (f) as (d); (ii) delete current Rule 11.16(e) and replace it with new paragraph (f) providing that in the event of a trading halt, all orders will remain on the EDGA Book unless cancelled by the User; and (iii) adopt paragraph (g), which would state that all times referenced in Rule 11.16 shall be Eastern Time.

Ministerial Changes

In light of the above restructuring of the Exchange Rules, the Exchange proposes the following ministerial changes to update cross references to Rules that are to be deleted or relocated as described above:

- amend Rule 11.8(a)(4) regarding the display of Market Orders to update a cross-reference to current Rule 11.10(a)(3)(A) to proposed Rule 11.16(e)(5),
- amend Rule 11.8(d)(7) regarding the operation of MidPoint Match Orders under the Plan to update a cross-reference to current Rule 11.10(a)(3) to proposed Rule 11.16(e), and

- amend Rule 11.9(a)(2)(D)(ii) regarding the priority of Market Orders displayed on the EDGX Book to delete a cross-reference to current Rule 11.10(a)(3)(A).

2. Statutory Basis

The Exchange believes that the proposed rule change 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.³¹ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,³² 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. The Exchange does not propose to alter its current system functionality with regard to compliance with the Plan set forth under current Exchange Rules. Rather, the proposed rule change is designed to provide a consistent rule set across each of the BGM Affiliated Exchanges. As mentioned above, the proposed rule changes, combined with the planned filing for EDGA,³³ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the compliance with the Plan across each of the BGM Affiliated 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

³¹ 15 U.S.C. 78f(b).

³² 15 U.S.C. 78f(b)(5).

³³ See supra note 8.

purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. 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 across each BGM Affiliated Exchange with respect to the Plan, 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 proposal to remove the references to individual stock trading pauses promotes just and equitable principles of trade and removes impediments to, and perfects the mechanism of, a free and open market and a national market system. By eliminating the reference to trading pauses outside the scope of the Plan in its rules, the Exchange will help to alleviate any potential confusion with respect to such pauses, particularly in light of the implementation of the Plan. The proposed rule change is also consistent with Section 11A(a)(1) of the Act³⁴ in that it seeks to assure fair competition among brokers and dealers and exchange markets.

Finally, the Exchange believes that the non-substantive, ministerial 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

³⁴ 15 U.S.C. 78k-1(a)(1).

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 rules across each of the BGM Affiliated Exchanges regarding the Plan does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BYX, BZX, and EDGA rules of similar purpose. The proposed rule change should, therefore, result in less burdensome and more efficient regulatory compliance and understanding of Exchange Rules 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 Act³⁵ and paragraph (f)(6) of Rule 19b-4 thereunder.³⁶ 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

³⁵ 15 U.S.C. 78s(b)(3)(A).

³⁶ 17 C.F.R. 240.19b-4.

the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

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 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-2015-15 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-2015-15. 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-2015-15 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.³⁷

Kevin M. O'Neill
Deputy Secretary

³⁷ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

CHAPTER XI. TRADING RULES

* * * * *

Rule 11.8. Order Types

(No change).

(a) (No change).

(1) – (3) (No change).

(4) **Display.** Under Rule [11.10(a)(3)(A)]11.16(e)(5), where a non-routable buy (sell) Market Order is entered into the System and the NBO (NBB) is greater (less) than the Upper (Lower) Price Band, such order will be posted by the System to the EDGX Book and priced at the Upper (Lower) Price Band, unless (i) the order includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User entered a Cancel Back instruction. A Market Order to buy (sell) that is posted by the System to the EDGX Book and displayed at the Upper (Lower) Price Band will be re-priced and displayed at the Upper (Lower) Price Band if Price Bands move such that the price of the resting Market Order to buy (sell) would be above (below) the Upper (Lower) Price Band or if the Price Bands move such that the order is no longer posted and displayed at the most aggressive permissible price. The System shall re-price such displayed interest to the most aggressive permissible price until the order is executed in its entirety or cancelled. A Market Order that includes both a TIF instruction of Day or RHO and a Short Sale instruction that cannot be executed because of the existence of a Short Sale Circuit Breaker will be posted and displayed by the System to the EDGX Book and priced in accordance with the Short Sale Re-Price instruction described in Rule 11.6(l)(2).

(5) – (7) (No change).

(b) - (c) (No change).

(d) (No change).

(1) – (6) (No change).

(7) **Limit-Up/Limit Down.** Pursuant to Rule [11.10(a)(3)]11.16(e), MPM Orders will not trade with any other orders when the midpoint of the NBBO is below the Lower Price Band or above the Upper Price Band. MPM Orders will continue to execute at the midpoint of the NBBO as long as the execution price is between the Lower and Upper Price Bands.

(e) – (f) (No change).

Rule 11.9. Priority of Orders

(a) (No change.)

(1) (No change.)

(2) (No change).

(A) – (C) (No change).

(D) (No change).

(i) (No change).

(ii) orders re-ranked subject to the Re-Pricing instruction to comply with Rule 201 of Regulation SHO under Rule 11.6(1)(2), including Market Orders that are displayed on the EDGX Book pursuant to Rule 11.8(a)(4) [and Rule 11.10(a)(3)(A)], maintain the same priority as Limit Orders at that price.

(3) – (7) (No change).

[(8) If the Upper (Lower) Price Band moves so that the price of a buy (sell) order resting on the EDGX Book would consequently be above (below) the Upper (Lower) Price Band, such order will be re-priced and displayed at a price equal to the Upper (Lower) Price Band, provided a new time stamp, and prioritized based on its existing time stamp at the time the new Price Bands are established. If an order is resting on the Book at a price equal to the Upper (Lower) Price Band, such order will not be re-priced but will be provided a new time stamp and prioritized based on its existing time stamp at the time the new Price Bands are established.]

(b) (No change.)

Rule 11.10. Order Execution

(a) (No change).

(1) - (2) (No change.)

(3) Compliance with the requirements of the Plan. Except as provided in Section VI of the Plan, for any executions to occur during Regular Trading Hours, such executions must occur at a price that is greater than or equal to the Lower Price Band and less than or equal to the Upper Price Band, when such Price Bands are disseminated. The Exchange's procedures for handling executing, re-pricing and displaying orders in connection with the Plan are further

described in Rule 11.16(e).

[(A) Where a non-routable buy (sell) order is entered into the System at a price less (greater) than or equal to the Upper (Lower) Price Band, such order will be posted to the EDGX Book or executed, unless (i) the order that includes a TIF instruction of IOC or FOK, in which case it will be cancelled if not executed, or (ii) the User has entered instructions to cancel the order.

(B) When a non-routable buy (sell) order arrives at a price greater (less) than the Upper (Lower) Price Band, the Exchange will re-price such order and display such buy (sell) order at the price of the Upper (Lower) Price Band. If the price of the Upper (Lower) Price Band moves above (below) a non-routable buy (sell) order's displayed posting price, such buy (sell) order will not be adjusted further and will remain posted at the original price at which it was posted to the EDGX Book. If the Upper (Lower) Price Band crosses a non-routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(C) A description of the behavior of routable market and Limit Orders in response to the Plan is found in Rule 11. 11(b)(1).

(D) Where a short sale order is entered into the System with a limit price below the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order to the Lower Price Band as long as the Lower Price Band is at a Permitted Price. When a short sale order is entered into the System with a limit price above the Lower Price Band and a short sale price test restriction under Rule 201 of Regulation SHO is in effect for the covered security, the System will re-price such order, if necessary, at a Permitted Price pursuant to Exchange Rule 11.6(k).

(E) Pursuant to Section IV of the Plan, all Trading Centers in NMS Stocks, including those operated by Members of the Exchange, shall establish, maintain, and enforce written policies and procedures that are reasonably designed to comply with the requirements specified in Section VI of the Plan, and to comply with the Trading Pauses specified in Section VII of the Plan.]

(4)-(5) (No change.)

(b)-(f) (No change.)

Rule 11.11. Routing to Away Trading Centers

(No change).

(a) (No change.)

(b) The Plan. The Exchange will handle routable orders in connection with the Plan as described in Rule 11.16(e).

[(1) In order to comply with the Plan, a routable buy (sell) Market or routable marketable Limit Order will be routed by the Exchange only when the NBO (NBB) is or becomes executable according to the Plan, which would be when the NBO is less than or equal to the Upper Price Band (NBB is greater than or equal to the Lower Price Band). According to the Plan, the NBO (NBB) is or becomes non-executable when the NBO is greater than the Upper Price Band (the NBB is less than the Lower Price Band) (“Non-Executable”).

Except for routing strategies SWPA and SWPB, for purposes of the below subparagraphs, routing strategies that access all Protected Quotations include ROUT, ROUX, ROUC, ROUE and ROOC. Routing strategies that do not access all Protected Quotations include all other routing strategies listed in paragraph (g), as described below.

(i) Routable Market Orders. For routing strategies that access all Protected Quotations, if the NBO (NBB) is Non-Executable and a buy (sell) Market Order is placed, the System will default to re-price such buy (sell) market order and display it at the price of the Upper (Lower) Price Band and will continue to re-price it to the price of the Upper (Lower) Price Band as the Upper (Lower) Price Band adjusts, so long as the buy (sell) Market Order does not move above (below) its market collar price, as defined in Rule 11.8(a)(7), or alternatively, such buy (sell) Market Order may be cancelled pursuant to User instruction. For all other routing strategies that do not access all Protected Quotations, routable Market Orders will not be re-priced and displayed at the price of the Upper (Lower) Price Band and will instead be cancelled if the NBO (NBB) is Non-Executable.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.

(ii) Routable Limit Orders. If the price of (i) a routable buy (sell) Limit Order that is entered into the System or (ii) the unfilled balance of such order that is returned from routing to away Trading Centers is greater (less) than the Upper (Lower) Price Band and is ineligible for routing as a result of the NBO (NBB) being or having become Non-Executable, then the System will default to re-price such buy (sell) order and display it at the price of the Upper (Lower) Price Band, or alternatively, it may be cancelled pursuant to User instruction. For routing strategies that access all Protected Quotations, if the Upper (Lower) Price Band subsequently moves above (below) the routable buy (sell) order’s posting price, such routable order will continue to be re-priced to the Upper (Lower) Price Band until the order reaches its limit price. For all other routing strategies that do not access all Protected Quotations, the routable order will not be re-priced to a price above (below) the original price at which it was posted to the EDGX Book.

If the Upper (Lower) Price Band crosses a routable buy (sell) order resting on the

EDGX Book, such buy (sell) order will be re-priced to the price of the Upper (Lower) Price Band.]

(c) (Reserved.)[Re-routing. For routing strategies that access all Protected Quotations, when the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange.]

(d) (Reserved.)[Routing strategies SWPA and SWPB (together, “SWP”), as described in paragraph (g), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.]

(e) - (i) (No change.)

* * * * *

Rule 11.16. Trading Halts Due to Extraordinary Market Volatility

(No change.)

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

(c) [Re-opening of Trading

(1) The re-opening of trading following a trading halt under this Rule will be conducted pursuant to procedures adopted by the Exchange and communicated by notice to its Members.

(2) If the primary listing market halts trading in all stocks, trading will halt on the Exchange in those stocks until trading has resumed on the primary listing market or notice has been received from the primary listing market that trading may resume. If the primary listing market does not re-open a security within 15 minutes following the end of the 15-minute halt period, the Exchange may resume trading in that security.

[(d) If a primary listing market issues an individual stock trading pause in any NMS Stock, other than rights and warrants, the Exchange will pause trading in that security until trading has resumed on the primary listing market. If, however, trading has not resumed on the primary listing market and ten minutes have passed since the individual stock trading pause message has been received from the responsible single plan processor, the Exchange may resume trading in such stock.

During Phase 1 of the Plan, an individual stock trading pause in Tier 1 NMS Stocks that are subject to the requirements of the Plan shall be subject to Section VII (Trading Pauses) of the Plan. Tier 1 NMS Stocks not yet subject to the requirements of the Plan and Tier 2 NMS Stocks shall be subject to the requirements set forth in this subsection of the Rule. Once the Plan has

been fully implemented and all NMS stocks are subject to the Plan, this subsection of the Rule will no longer apply.

(e) On the occurrence of any trading halt pursuant to this Rule 11.16, all outstanding Post Only orders in the System will be cancelled.]

[(f)](d) Nothing in this Rule 11.16 should be construed to limit the ability of the Exchange to otherwise halt, suspend, or pause the trading in any stock or stocks traded on the Exchange pursuant to any other Exchange rule or policy.

[Interpretations and Policies:

.01 The provisions of paragraph (d) of this Rule shall be in effect during a pilot set to end on the earlier of the initial date of operations of the Regulation NMS Plan to Address Extraordinary Market Volatility or February 4, 2014.]

(e) Limit Up-Limit Down Mechanism

(1) Definitions. All capitalized terms not otherwise defined in this paragraph (e) shall have the meanings set forth in the Plan or Exchange Rules, as applicable.

(2) Exchange Participation in the Plan. The Exchange is a Participant in, and subject to the applicable requirements of, the Plan, which establishes procedures to address extraordinary volatility in NMS Stocks.

(3) Member Compliance. Members shall comply with the applicable provisions of the Plan.

(4) Exchange Compliance with the Plan. The System shall not display or execute buy (sell) interest above (below) the Upper (Lower) Price Bands, unless such interest is specifically exempted under the Plan.

(5) Re-pricing and Cancellation of Interest. Depending on a User's instructions, the System shall re-price and/or cancel buy (sell) interest that is priced or could be executed above (below) the Upper (Lower) Price Band. When re-pricing resting orders because such orders are above (below) the Upper (Lower) Price Band, the Exchange will provide new timestamps to such orders. The Exchange will also provide new timestamps to resting orders at the less aggressive price to which such orders are re-priced. Any resting interest that is re-priced pursuant to this Rule shall maintain priority ahead of interest that was originally less aggressively priced, regardless of the original timestamps for such orders.

(A) Market Orders and Orders with TIF of IOC or FOK. The System will only execute Market Orders or orders with a TIF of IOC or FOK at or within the Price Bands. Market Orders will be handled in accordance with Rule 11.8(a)(4).

(B) Limit-priced Interest. Limit-priced interest will be cancelled if a User has

entered instructions not to use the re-pricing process and such interest to buy (sell) is priced above (below) the Upper (Lower) Price Band. If re-pricing is permitted based on a User's instructions, both displayable and non-displayable incoming limit-priced interest to buy (sell) that is priced above (below) the Upper (Lower) Price Band shall be re-priced to the Upper (Lower) Price Band. The System shall re-price resting limit-priced interest to buy (sell) to the Upper (Lower) Price Band if Price Bands move such that the price of resting limit-priced interest to buy (sell) would be above (below) the Upper (Lower) Price Band. If the Price Bands move again and the original limit price of displayed and re-priced interest is at or within the Price Bands and a User has opted into the Exchange's optional multiple re-pricing process, as described in Rule 11.6(l), the System shall re-price such displayed limit interest to the most aggressive permissible price up to the order's limit price. All other displayed and non-displayed limit interest re-priced pursuant to this paragraph (e) will remain at its new price unless the Price Bands move such that the price of resting limit-priced interest to buy (sell) would again be above (below) the Upper (Lower) Price Band.

(C) Pegged Interest. Orders with a Pegged instruction to buy (sell) shall peg to the specified pegging price or the Upper (Lower) Price Band, whichever is lower (higher).

(D) Routable Orders. If routing is permitted based on a User's instructions, orders shall be routed away from the Exchange pursuant to Rule 11.11, provided that the System shall not route buy (sell) interest at a price above (below) the Upper (Lower) Price Band.

(i) Re-routing. When the Upper (Lower) Price Band adjusts such that the NBO (NBB) becomes executable, a routable buy (sell) Market or marketable Limit Order will be eligible to be re-routed by the Exchange if such order contains an Aggressive or Super Aggressive instruction.

(ii) Routing strategies SWPA and SWPB (together, "SWP"), as described in Rule 11.11(g), are eligible for routing in accordance with the Plan as follows: the System will immediately cancel orders utilizing an SWP routing strategy when an order to buy utilizing an SWP routing strategy has a limit price that is greater than the Upper Price Band or if a sell order utilizing an SWP routing strategy has a limit price that is less than the Lower Price Band.

(E) Sell Short Orders. During a short sale price test restriction pursuant to Rule 201 of Regulation SHO, orders with a Short Sale instruction priced below the Lower Price Band shall be re-priced to the higher of the Lower Price Band or the Permitted Price, as defined in Rule 11.6(k).

(6) Re-opening of Trading following a Trading Pause. At the end of the Trading Pause, the Exchange shall re-open the security as set forth in Rule 11.7(e).

(f) On the occurrence of any trading halt pursuant to this Rule, except where a User has designated that its orders be cancelled, all outstanding orders in the System will remain on the EDGX Book.

(g) All times referenced in this Rule 11.16 shall be Eastern Time.

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