

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="20"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2015"/> - * <input type="text" value="52"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by **EDGX Exchange, Inc.**  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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

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

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

EDGX Exchange, Inc. proposes a change to Rule 21.8, Order Display and Book Processing.

**Contact Information**

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * <input type="text" value="Anders"/>	Last Name * <input type="text" value="Franzon"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="afranzone@bats.com"/>	
Telephone * <input type="text" value="(913) 815-7154"/>	Fax <input type="text"/>

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date <input type="text" value="10/28/2015"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Anders Franzon"/>	<input type="text" value="afranzone@bats.com"/>
(Name *)	<input type="text" value="afranzone@bats.com"/>

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

Add Remove View

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

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

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

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

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

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

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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**

Add Remove View

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

**Partial Amendment**

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

1. Text of the Proposed Rule Change

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> EDGX Exchange, Inc. (the “Exchange” or “EDGX”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to authorize the Exchange’s equity options platform (“EDGX Options”) to make a modification to Rule 21.8 (Order Display and Book Processing). 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.<sup>3</sup>

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

comments on the proposed rule change are:

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

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

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

(a) Purpose

The Exchange is proposing to modify Rule 21.8, Order Display and Book Processing, which sets forth the priority rules applicable to EDGX Options. Specifically, Rule 21.8 describes the general priority rules for EDGX Options, including that quotes and orders are prioritized by price and then on a pro-rata basis according to size. Rule 21.8 also describes additional priority overlays, including special priority provisions for Customer orders, Directed Market Makers and Primary Market Makers. The purpose of this rule filing is to make a minor modification to the Directed Market Maker and Primary Market Maker priority overlays, as described below.

The Directed Market Maker overlay provides the Directed Market Maker with priority over other participants for a certain percentage of contracts allocated at the same price (60% or 40% depending upon the number of other Market Maker quotes at the NBBO). Similarly, the Primary Market Maker overlay provides Primary Market Makers with priority over other participants for a certain percentage of contracts allocated at the same price (60% or 40% depending upon the number of other Market Maker quotes at the NBBO) and for small size orders. The Exchange proposes to modify both of these priority overlays so that the percentage allocation (60% or 40%) is dependent on the number of Market Maker quotations or other non-Customer orders at the NBBO rather than simply the number of other Market Maker quotations at the NBBO. The Exchange

believes that the amended rule would appropriately recognize that other professional market participants, not just Market Makers, may compete on the Exchange. Further, the rule as amended would be consistent with the priority rules of both the International Securities Exchange LLC (“ISE”)<sup>4</sup> and NASDAQ OMX PHLX LLC (“PHLX”).<sup>5</sup> The Exchange believes that the proposed change will have a positive competitive impact on quoting by reducing the likelihood of a Primary Market Maker or Directed Market Maker will receive the higher 60% allocation by increasing the types of other participants and, in turn, the number of orders from participants, that are considered when allocating executions. In other words, because other non-Customer orders will be considered, not just the quotes of other Market Makers, such other non-Customers will be better incentivized to provide liquidity at the NBBO.

(b) Statutory Basis

The Exchange believes that its proposal 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.<sup>6</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act<sup>7</sup> because it is

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<sup>4</sup> See ISE Rule 713(e) and Supplementary Material .01(b) to Rule 713, which count the number of other “Professional Orders” for application of the priority rule. Professional Orders, in turn, are defined in ISE Rule 100(a)(37C) as orders “for the account of a person or entity that is not a Priority Customer,” and are thus equivalent to non-Customer orders on the Exchange.

<sup>5</sup> See PHLX Rule 1014(g)(ii), which counts the number of “controlled accounts” for application of the priority rule. Controlled accounts are accounts “controlled by or under common control with a broker-dealer”, and thus, apply to a broader range of participants than just market makers or the equivalent.

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(5).

designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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 proposed rule change will allow the Exchange to launch the EDGX Options platform with a priority allocation model that allocates a different percentage of contracts to Directed Market Makers and Primary Market Makers, either 60% or 40%, depending on whether there is more than one non-Customer with an order at the NBBO rather than whether there is more than one Market Maker at the NBBO. The Exchange believes that the change is appropriate and consistent with the Act because it recognizes that other professional participants, not just Market Makers, can compete for orders with Directed Market Makers and Primary Market Makers. As noted above, certain other options exchanges operate with a similar priority rule.<sup>8</sup>

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather to make a modification to the Exchange's priority rule prior to the launch of EDGX Options. As noted above, the change would make the Exchange's priority rule similar to that of certain other options exchanges.<sup>9</sup> As noted above, the Exchange

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<sup>8</sup> See supra notes 4 and 5.

<sup>9</sup> Id.

believes that the proposed change will have a positive competitive impact on quoting by reducing the likelihood of a Primary Market Maker or Directed Market Maker will receive the higher 60% allocation by increasing the types of other participants and, in turn, the number of orders from participants, that are considered when allocating executions. In other words, because other non-Customer orders will be considered, not just the quotes of other Market Makers, such other non-Customers will be better incentivized to provide liquidity at the NBBO.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>10</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>11</sup> 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, and (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

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<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4.

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, or such shorter time as designated by the Commission.<sup>12</sup>

The Exchange believes that the proposed rule change is particularly appropriate for filing on an immediately effective basis under paragraph (f)(6) of Rule 19b-4. The Exchange believes that the rule change proposed herein is a minor change. Further, the proposed change is based on existing ISE and PHLX rules and does not raise any new policy issues. The Exchange notes that although there are other differences in the priority rules of ISE and PHLX as compared to the Exchange's priority rule,<sup>13</sup> the Exchange does not believe that such differences are relevant to the proposed change or materially change the policy considerations as to whether under the allocation pursuant to the applicable priority overlays only other Market Maker quotes should be considered or other Market Maker quotes and non-Customer orders should be considered in combination. Because this filing is based on a rule currently in place on other options exchanges and does not present any new or novel issues that have not been previously considered by the Commission, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>14</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>15</sup>

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

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<sup>12</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>13</sup> See infra Section 8.

<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4.

upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act<sup>16</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>17</sup> The Exchange intends to commence operations on EDGX Options on November 2, 2015. Thus, waiver of the 30-day operative delay will allow the Exchange to launch EDGX Options with the proposed priority allocation model rather than making a change to such model soon after launch. Waiver of the operative delay is consistent with the protection of investors and the public interest for the reasons described above.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

The proposed rule change is based on Supplementary Material .01(b) and .03(c)(ii) to ISE Rule 713 as well as PHLX Rule 1014(g)(ii).<sup>18</sup> The Exchange notes that there are other differences in the priority rules of ISE and PHLX as compared to the Exchange's priority rule. However, the Exchange does not believe that these differences are material and further believes that many of the differences are reflective of different terminology used or other processes or features of the applicable market model rather than a significant substantive difference in the priority mechanism of the Exchange versus ISE or PHLX. For instance, although ISE does alter the allocation based on both

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<sup>16</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>17</sup> 17 CFR 240.19b-4(f)(6).

<sup>18</sup> See supra notes 4 and 5.

ISE market maker quotes and non-Customer orders, rather than two different allocations, 60% or 40%, as is true with respect to the Exchange's rule, the ISE rule applicable to ISE Primary Market Makers provides for three different allocations. Specifically, pursuant to Supplementary Material .01(b) to ISE Rule 713, a Primary Market Maker will have participation rights of either sixty percent (60%) if there is only one other non-Customer order or market maker quotation at the best price, forty percent (40%) if there are two other non-Customer orders and/or market maker quotations at the best price, or thirty percent (30%) if there are more than two other non-Customer orders and/or market maker quotations at the best price.

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

Exhibit 2–4: Not applicable.

Exhibit 5: Text of Proposed Rule Change

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-EDGX-2015-52)

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 21.8, Order Display and Book Processing

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> 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 Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> 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 authorize the Exchange’s equity options platform (“EDGX Options”) to make a modification to Rule 21.8 (Order Display and Book Processing).

The text of the proposed rule change is available at the Exchange’s website

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

at [www.batstrading.com](http://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 is proposing to modify Rule 21.8, Order Display and Book Processing, which sets forth the priority rules applicable to EDGX Options. Specifically, Rule 21.8 describes the general priority rules for EDGX Options, including that quotes and orders are prioritized by price and then on a pro-rata basis according to size. Rule 21.8 also describes additional priority overlays, including special priority provisions for Customer orders, Directed Market Makers and Primary Market Makers. The purpose of this rule filing is to make a minor modification to the Directed Market Maker and Primary Market Maker priority overlays, as described below.

The Directed Market Maker overlay provides the Directed Market Maker with priority over other participants for a certain percentage of contracts allocated at the same price (60% or 40% depending upon the number of other Market Maker quotes at the NBBO). Similarly, the Primary Market Maker overlay provides Primary Market Makers

with priority over other participants for a certain percentage of contracts allocated at the same price (60% or 40% depending upon the number of other Market Maker quotes at the NBBO) and for small size orders. The Exchange proposes to modify both of these priority overlays so that the percentage allocation (60% or 40%) is dependent on the number of Market Maker quotations or other non-Customer orders at the NBBO rather than simply the number of other Market Maker quotations at the NBBO. The Exchange believes that the amended rule would appropriately recognize that other professional market participants, not just Market Makers, may compete on the Exchange. Further, the rule as amended would be consistent with the priority rules of both the International Securities Exchange LLC (“ISE”)<sup>5</sup> and NASDAQ OMX PHLX LLC (“PHLX”).<sup>6</sup> The Exchange believes that the proposed change will have a positive competitive impact on quoting by reducing the likelihood of a Primary Market Maker or Directed Market Maker will receive the higher 60% allocation by increasing the types of other participants and, in turn, the number of orders from participants, that are considered when allocating executions. In other words, because other non-Customer orders will be considered, not just the quotes of other Market Makers, such other non-Customers will be better

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<sup>5</sup> See ISE Rule 713(e) and Supplementary Material .01(b) to Rule 713, which count the number of other “Professional Orders” for application of the priority rule. Professional Orders, in turn, are defined in ISE Rule 100(a)(37C) as orders “for the account of a person or entity that is not a Priority Customer,” and are thus equivalent to non-Customer orders on the Exchange.

<sup>6</sup> See PHLX Rule 1014(g)(ii), which counts the number of “controlled accounts” for application of the priority rule. Controlled accounts are accounts “controlled by or under common control with a broker-dealer”, and thus, apply to a broader range of participants than just market makers or the equivalent.

incentivized to provide liquidity at the NBBO.

## 2. Statutory Basis

The Exchange believes that its proposal 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.<sup>7</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act<sup>8</sup> because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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 proposed rule change will allow the Exchange to launch the EDGX Options platform with a priority allocation model that allocates a different percentage of contracts to Directed Market Makers and Primary Market Makers, either 60% or 40%, depending on whether there is more than one non-Customer with an order at the NBBO rather than whether there is more than one Market Maker at the NBBO. The Exchange believes that the change is appropriate and consistent with the Act because it recognizes that other professional participants, not just Market Makers, can compete for orders with Directed Market Makers and Primary Market Makers. As noted above, certain other options exchanges operate with a similar priority rule.<sup>9</sup>

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> See supra notes 5 and 6.

(B) 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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather to make a modification to the Exchange's priority rule prior to the launch of EDGX Options. As noted above, the change would make the Exchange's priority rule similar to that of certain other options exchanges.<sup>10</sup> As noted above, the Exchange believes that the proposed change will have a positive competitive impact on quoting by reducing the likelihood of a Primary Market Maker or Directed Market Maker will receive the higher 60% allocation by increasing the types of other participants and, in turn, the number of orders from participants, that are considered when allocating executions. In other words, because other non-Customer orders will be considered, not just the quotes of other Market Makers, such other non-Customers will be better incentivized to provide liquidity at the NBBO.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

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

Because the foregoing proposed rule change does not: (A) significantly affect the

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<sup>10</sup> Id.

protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f)(6) of Rule 19b-4 thereunder,<sup>12</sup> the Exchange has designated this rule filing as non-controversial. The Exchange 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 summarily may 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

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4.

(<http://www.sec.gov/rules/sro.shtml>); or

- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-EDGX-2015-52 on the subject line.

Paper Comments:

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

All submissions should refer to File No. SR-EDGX-2015-52. 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-2015-52 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.<sup>13</sup>

Robert W. Errett  
Deputy Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

### **Rules of EDGX Exchange, Inc.**

\* \* \* \* \*

## **CHAPTER XXI. TRADING SYSTEMS**

\* \* \* \* \*

### **Rule 21.8. Order Display and Book Processing**

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

(f) *Directed Market Maker Participation Entitlements.* An Options Member may designate a Market Maker (“Directed Market Maker”) on orders it enters into the System (“Directed Orders”). The Directed Market Maker must be registered with the Exchange as a Market Maker in the relevant option class at the time of receipt of the Directed Order to be eligible to receive the Directed Market Maker participation entitlement. Only Customer Orders will be eligible to be directed by an Options Member. The Directed Market Maker participation entitlement shall not be in effect unless the Customer Overlay is in effect and the participation entitlement shall only apply to any remaining balance after Customer orders have been satisfied. The Directed Market Maker participation entitlements are as follows:

(1) For each incoming order, if the Directed Market Maker has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(g) *Primary Market Maker Participation Entitlements.* A Primary Market Maker may be appointed by the Exchange in option classes in accordance with Rule 22.2. The Primary Market Maker participation entitlements shall not be in effect unless the Customer Overlay is in effect and the participation entitlements shall only apply to any remaining balance after Customer orders have been satisfied. The Primary Market Maker participation entitlements are as follows:

(1) For each incoming order, if the Primary Market Maker has a priority quote at the NBBO, its participation entitlement is equal to the greater of (i) the proportion of the total size at the best price represented by the size of its quote, or (ii) sixty percent (60%) of the contracts to be allocated if there is only one (1) other Market Maker quotation or non-Customer order at the NBBO and forty percent (40%) if

there are two (2) or more other Market Maker quotes and/or non-Customer orders at the NBBO.

(2) (No change.)

(h)-(k) (No changes.)

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