

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71963; File No. SR-EDGX-2014-11)

April 17, 2014

Self-Regulatory Organizations; EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend its ROOC Routing Option under EDGX Rule 11.9(b)(2)(n)

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 April 14, 2014, 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 self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend its ROOC routing option under Rule 11.9(b)(2)(n) to include the ability to route orders to participate in the listing market’s re-opening process following a halt, suspension or pause. The text of the proposed rule change is available on the Exchange’s Internet website at www.directedge.com, at the Exchange’s principal office, and at the Public Reference Room of the Commission.

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

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

1. Purpose

The Exchange proposes to amend its ROOC routing option under Rule 11.9(b)(2)(n) to include the ability to route orders to participate in the listing market’s re-opening process following a halt, suspension or pause. The Exchange offers its Users³ optional routing functionality that allows them to use the Exchange’s facilities to access liquidity on other trading centers. The functionality includes a range of defined routing algorithms that determine the destination or pattern of routing. Exchange Rule 11.9(b)(2) sets forth the particular pattern of routing to other trading centers, known as the “System routing table” as well as the Exchange’s available routing options. All routing is designed to be conducted in a manner consistent with Regulation NMS.

The Exchange currently offers a routing option, known as ROOC, which allows Users to route orders to participate in the opening or closing process of the listing market (New York Stock Exchange (“NYSE”), Nasdaq, NYSE MKT,⁴ or NYSE Arca). Orders to be routed pursuant to the ROOC routing option must be received before the opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening or closing process, they are either

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

⁴ Formally known as NYSE Amex. The Exchange is amending Rule 11.9(b)(2)(n) to reflect the change in this exchange’s name.

posted to the EDGX Book,⁵ executed, or routed like the Exchange's ROUT routing option.⁶

The Exchange proposes to amend the ROOC routing option to allow Users to route orders to participate in the listing market's re-opening process following a halt, suspension or pause,⁷ in addition to the listing market's opening or closing process. Orders that the User wishes to participate in the listing market's re-opening process will be handled in the same manner as orders that are to participate in the opening and closing process. Such orders must be received before the re-opening time on such market. In addition, any shares that remain unexecuted after attempting to execute in the listing market's re-opening process will be either posted to the EDGX Book, executed, or routed pursuant to the Exchange's ROUT routing option.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁸ in general, and furthers the objectives of Section 6(b)(5) of the Act⁹ in particular, in that it is designed 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 Exchange believes that the proposed rule change will increase the flexibility of market participant's [sic] by expanding the ROOC routing option

⁵ The "EDGX Book" is defined as the "System's electronic file of orders." See Exchange Rule 1.5(d).

⁶ See Exchange Rule 11.9(b)(c)(ii).

⁷ The ROOC routing option would route orders to participate in the listing market's re-opening process following a halt, suspension or pause during Regular Trading Hours only. Regular Trading Hours is defined as the "time between 9:30 a.m. and 4:00 p.m. Eastern Time." See Exchange Rule 1.5(y).

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

beyond the listing market's opening and closing process to also include the ability to route orders to participate in re-openings following a halt, suspension or pause. As a result, Users will have access to additional sources of liquidity, potentially benefiting from improved execution prices and a more efficient marketplace. Therefore, the Exchange believes the proposed rule change will provide User with greater control and flexibility over their routing of orders, thereby facilitating transactions in securities and perfecting the mechanism of the national market system.

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 not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the Exchange believes that the proposal will promote competition by enhancing the value of the Exchange's available routing options. However, since the use of the Exchange's routing options is voluntary and Users have numerous alternative mechanisms for order routing, the changes will not impair the ability of Users to use other means to access competing trading venues.

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 filed the proposed rule change pursuant to Section 19(b)(3)(A) of the Act¹⁰ and Rule 19b-4(f)(6) thereunder.¹¹ Because the proposed rule change does not: (i)

¹⁰ 15 U.S.C. 78s(b)(3)(A).

¹¹ 17 CFR 240.19b-4(f)(6).

significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative prior to 30 days from the date on which it was filed, or such shorter time as the Commission may designate, if consistent with the protection of investors and the public interest, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and Rule 19b-4(f)(6) thereunder.¹³

A proposed rule change filed pursuant to Rule 19b-4(f)(6) under the Act¹⁴ normally does not become operative for 30 days after the date of its filing. However, Rule 19b-4(f)(6)¹⁵ permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has asked the Commission to waive the 30-day operative delay so that the proposal may become operative immediately upon filing. The Exchange represents that waiver of the 30-day operative delay would provide Users with greater flexibility and control over their routed orders by expanding the ROOC routing option to include the ability to route orders to participate in re-openings in a timely manner, and, as a result, Users will have access to additional sources of liquidity, potentially benefiting from improved execution prices and a more efficient marketplace. The Exchange further represents that waiving the 30-day operative delay will increase the competitiveness of its routing functionality. The Commission believes that waiving the 30-day operative delay is consistent

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6) requires the Exchange to give the Commission written notice of the Exchange's intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission. The Exchange has satisfied this requirement.

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 240.19b-4(f)(6).

with the protection of investors and the public interest. Therefore, the Commission designates the proposal operative upon filing.¹⁶

At any time within 60 days of the filing of such 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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-EDGX-2014-11 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 Number SR-EDGX-2014-11. 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

¹⁶ For purposes only of waiving the 30-day operative delay, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer

to File Number SR-EDGX-2014-11 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill
Deputy Secretary

¹⁷ 17 CFR 200.30-3(a)(12).