

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-71953; File No. SR-BOX-2014-14)

April 16, 2014

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 7130 (Execution and Price/Time Priority) to Include Public Customer Bid/Ask volume information in BOX's Proprietary High Speed Vendor Feed ("HSVF")

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 4, 2014, BOX Options Exchange LLC (the "Exchange") 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 from interested persons.

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

The Exchange proposes to amend Rule 7130 (Execution and Price/Time Priority) to include Public Customer bid/ask volume information in BOX's proprietary High Speed Vendor Feed ("HSVF"). The text of the proposed rule change is available from the principal office of the Exchange, at the Commission's Public Reference Room and also on the Exchange's Internet website at <http://boxexchange.com>.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

examined at the 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 Statutory Basis for, the Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend Rule 7130 (a)(2) (Execution and Price/Time Priority) to specify the addition of Public Customer bid/ask volume information in the BOX High Speed Vendor Feed (“HSVF”). Specifically, the new field will show Public Customer bid/ask volume at the best limit. The HSVF is a proprietary product that contains: (i) trades and trade cancelation information; (ii) best-ranked price level to buy and the best-ranked price level to sell; (iii) instrument summaries (including information such as high, low, and last trade price and traded volume); (iv) the five best limit prices and the best-ranked Legging Order³ (if any), for each option instrument, and the five best limit prices and the best-ranked Implied Order⁴ (if any), for each Complex Order Strategy; (v) request for Quote messages;⁵ (vi) PIP Order, COPIP Order, Improvement Order and Block Trade Order (Facilitation and Solicitation) information;⁶ (vii) orders exposed at NBBO⁷ and Complex Orders exposed;⁸ (viii) instrument dictionary (e.g., strike price, expiration date, underlying symbol, price threshold, and minimum trading increment for instruments traded on BOX); (ix) options class and

³ As set forth in Exchange Rule 7240(c)(1).

⁴ As set forth in Exchange Rule 7240(d)(1).

⁵ See Exchange Rules 100(a)(57), 7070(h) and 8050.

⁶ As set forth in Exchange Rules 7150, 7245, and 7270, respectively.

⁷ As set forth in Exchange Rules 7130(b)(3) and 8040(d)(6), respectively.

⁸ As set forth in Exchange Rule 7240(b)(3)(iii)(B).

instrument status change notices (e.g., whether an instrument or class is in pre-opening, continuous trading, closed, halted, or prohibited from trading); and (x) options class opening time. The HSVF is available to all market participants at no cost.

The HSVF provides data to enhance the ability of subscribers to analyze market conditions and to create and test trading models and analytical strategies. The Exchange believes that the HSVF is a valuable tool that can be used to gain comprehensive insight into the trading activity in a particular option series. The addition of Public Customer bid/ask volume information will further increase the value of this tool by allowing market participants to better gauge Public Customer interest. If no Public Customer orders are present at the best limit, then the bid/ask volume will show 0 (zero). The new field will show the bid/ask volume at the best limit for both regular options and strategy instruments.

2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,⁹ in general, and Section 6(b)(5) of the Act,¹⁰ in particular, in that the HSVF is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general protect investors and the public interest, by including additional information in BOX's market data product. In particular, the HSVF product will now include Public Customer bid/ask volume information. The Exchange believes provides for a more free and open market [sic]. Additionally, this proposed change will enhance subscribers' ability to make more informed and timely trading decisions. As

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

such, BOX believes the proposed rule change is in the public interest, and therefore, consistent with the Act.

In adopting Regulation NMS, the Commission granted self-regulatory organizations and broker-dealers increased authority and flexibility to offer new and unique market data to the public. It was believed that this authority would expand the amount of data available to consumers, and also spur innovation and competition for the provision of market data. The Exchange believes that the proposal is in keeping with those principles by promoting increased transparency through the dissemination of more useful proprietary data.

Additionally, the Exchange chooses to make the data available as proposed in order to improve market quality, to attract order flow, and to increase transparency. The Exchange will continue making the data available until such time as the Exchange changes its rule.

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

The proposed rule change would allow the Exchange to disseminate additional information in its propriety market data product, the HSVF. This enhancement to the HSVF will give market participants greater information on which to base their trading strategies. As such, 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.

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 comments on the proposed rule change.

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

The proposed rule change is effective upon filing pursuant to Section 19(b)(3)(A) of the Act¹¹ and paragraph (f)(6) of Rule 19b-4 thereunder,¹² in that the proposed rule change: (i) does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; and (iii) does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided 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.¹³

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. 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 proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 CFR 240.19b-4(f)(6).

¹³ The Exchange has fulfilled this requirement.

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-BOX-2014-14 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-BOX-2014-14. 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, on official business days between the hours of 10:00 a.m. and 3:00 p.m., located at 100 F Street, NE, Washington, DC 20549. Copies of such 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-BOX-2014-14 and should be submitted on or before [date 21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).