

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-74638; File No. SR-BX-2015-016)

April 2, 2015

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend Rule 4751(h)

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 March 24, 2015, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“SEC” or “Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. 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 Rule 4751(h) to introduce the Market Hours Immediate or Cancel Time in Force for use on BX and to modify the processing of Good-til-market close-designated orders.

The text of the proposed rule change is available on the Exchange’s Website at <http://nasdaqomxbx.cchwallstreet.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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Item IV below. The Exchange 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 Exchange is proposing to expand the number of Time in Force designations currently available for use in the BX System by adopting a Market Hours Immediate or Cancel ("Market Hours IOC" or "MIOC") Time in Force. Time in Force is a characteristic of an order that limits the period of time that the System will hold an order for potential execution. Currently the Exchange offers the following six Times in Force: (1) System Hours Immediate or Cancel; (2) System Hours Day; (3) System Hours Good-till-Cancelled; (4) System Hours Expire Time; (5) Market Hours GTC; and (6) Good-til-market close.³ The Exchange is proposing to add the Market Hours IOC Time in Force, which will cause an order designated as such (or unexecuted portion thereof) to be canceled if, after entry into the System, the order (or unexecuted portion thereof) becomes non-marketable during the period from 9:30 a.m. Eastern Time until 4:00 p.m. Eastern Time ("Regular Market Hours"). The new Time in Force is similar to the System Hours Immediate or Cancel ("SIOC") Time in Force, which, as noted above, is currently available on the Exchange. Like the proposed MIOC Time in Force, an order with a Time in Force of SIOC will cause such an order (or a portion thereof) to be canceled and returned to the entering market participant if, after entry into the System, the order (or unexecuted portion thereof) is not marketable. Unlike the System Hours Immediate or Cancel Time in Force, which is available for entry and potential execution from 7:00 a.m. until 7:00 p.m. Eastern Time ("System Hours"), the

³ See Rules 4751(h)(1) - (8). The Exchange notes that Rules 4751(h)(5) and (6) are currently held in reserve.

proposed MIOC Time in Force is only available for entry and potential execution during Regular Market Hours. As such, MIOC-designated orders will operate in the same manner as SIOC-designated orders, but are limited to entry and potential execution only during Regular Market Hours. The Exchange notes that, because it is an immediate or cancel time in force,⁴ the Exchange believes that it is appropriate to limit MIOC order entry to Regular Market Hours. An order designated with a Time in Force of MIOC that is entered outside of Regular Market Hours will be returned to the entering member firm without attempting to execute.

The Exchange notes that the NASDAQ Stock Market LLC (“NASDAQ”) currently has a MIOC Time in Force, which was adopted in 2006.⁵ The Exchange’s proposed MIOC Time in Force will operate identically, but will be available during a slightly different time period, which is attributable to NASDAQ’s Opening Cross process.⁶ Specifically, the Exchange’s MIOC Time in Force will be available for entry and potential execution from 9:30 a.m. through 4:00 p.m. Eastern Time, whereas NASDAQ’s MIOC Time in Force is available for entry and potential execution beginning after the completion of the NASDAQ Opening Cross⁷ through 4:00 p.m. Eastern Time.⁸ Unlike NASDAQ, BX does not have an opening cross process, but rather opens

⁴ An order designated as “immediate or cancel” represents the entering member firm’s desire for the order to either execute immediately after the System determines whether the order is marketable or be canceled.

⁵ See Securities Exchange Act Release No. 54155 (July 16 [sic], 2006), 71 FR 41291 (July 20, 2006)(SR-NASDAQ-2006-001); see also NASDAQ Rule 4751(h)(5).

⁶ See NASDAQ Rule 4752.

⁷ NASDAQ’s Opening Cross begins at 9:30 a.m. Eastern Time and market hours trading commences when the Opening Cross concludes. See NASDAQ Rule 4752(d).

⁸ The Exchange notes that NASDAQ recently provided the Commission notice of a proposed immediately effective filing to simplify handling of NASDAQ MIOC-designated orders by no longer accepting such orders prior to the completion of the NASDAQ Opening Cross. See SR-NASDAQ-2015-11P.

for trading at 9:30 a.m. Eastern Time.⁹ Otherwise, the Exchange's proposed MIOC Time in Force will operate identically to NASDAQ's.

The Exchange is also proposing to modify the processing of orders designated as Good-till-market close ("GTMC").¹⁰ As noted above, the Exchange currently has a GTMC Time in Force, which allows an order designated as such to be executed from 7:00 a.m. to 7:00 p.m. Eastern Time. GTMC-designated orders entered after 4:00 p.m. Eastern Time, however, are converted to a Time in Force of SIOC. In lieu of converting such orders, the Exchange is proposing to no longer accept GTMC orders for execution after 4:00 p.m. Eastern Time. As a consequence, the Exchange is adding rule text to the rule noting the GTMC orders entered after 4:00 p.m. Eastern Time will not be accepted and is deleting text concerning conversion of the order. The Exchange notes that NASDAQ recently made similar changes to its GTMC Time in Force, whereby it will no longer accept GTMC-designated orders after initiation of its Lockdown Period, the time at which no further orders for participation in the NASDAQ Closing Cross or the continuous market will be accepted, which begins at 4:00 p.m. Eastern Time.¹¹

2. Statutory Basis

BX believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,¹² in general, and with Section 6(b)(5) of the Act,¹³ in particular, in that the proposal

⁹ The official opening price for a security listed on the Exchange is the price of the first trade executed at or after 9:30 a.m. See Rule 4752(b).

¹⁰ See Rule 4751(h)(8).

¹¹ See Securities Exchange Act Release No. 73943 (December 24, 2014), 80 FR 69 (January 2, 2015)(SR-NASDAQ-2014-123); see also Securities Exchange Act Release No. 74342 (February 20, 2015), 80 FR 10562 (February 26, 2015)(SR-NASDAQ-2015-014)(delaying implementation of the changes made by SR-NASDAQ-2014-123 until April 13, 2015).

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(4) [sic] and (5).

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 regulating, clearing, settling, processing information with respect to, and 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; and also in that it is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. The Exchange believes that offering market participants with an additional Time in Force, which NASDAQ has had since 2006, is indicative of the Exchange's maturation as an equities market. Allowing Exchange participants the ability to more precisely select when their order may be executed removes impediments and perfects the mechanism of the market because it benefits all market participants and ensures that BX is able to compete with other market venues by providing similar tools and functionality. This functionality is nearly identical to the MIOC Time in Force that has been available on NASDAQ since 2006 and is well known to its market participants. Lastly, offering MIOC to BX market participants raises no issues concerning unfair discrimination as the new Time in Force is available to all BX market participants.

The proposed changes to the processing of GTMC-designated orders further these objectives because the changes simplify processing of such orders when entered after the close of Regular Market Hours. Rather than converting GTMC-designated orders to an order with a different time-in-force if entered after the market close, the Exchange will no longer accept them after 4:00 p.m. Eastern Time, which is consistent with a market participant's intent to execute during the period from 7:00 a.m. and 4:00 p.m. To the extent a member firm would like to participate in post-market hours trading, it may enter a new order eligible to participate in post-

market trading. Moreover, simplifying the processing of GTMC-designated orders will remove complication in the handling of such orders, thereby further improving the operation of the market.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. Specifically, the Exchange believes that the proposal will enhance BX's competitiveness by providing its market participants with an additional option to limit when their orders may be executed. As discussed above, the MIOC Time in Force is available on NASDAQ, and providing it on BX will allow it to compete with NASDAQ and any other market venue that provides similar Time in Force functionality. This may, in turn, increase the extent of liquidity available on BX and increase its ability to compete with other execution venues to attract orders that are seeking immediate execution during Regular Market Hours. The Exchange further believes that the introduction of the MIOC Time in Force will not impair in any manner the ability of market participants or other execution venues to compete. The proposed changes to GTMC Time in Force are designed to promote consistency and stability in the closing process and in the handling of orders after Regular Market Hours has [sic] ended. Such changes do not place a burden on competition between market participants as the changes are applied consistently to all BX market participants. Moreover, the proposed changes may foster competition among exchanges and other markets, to the extent they make BX a more attractive venue to market participants.

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

No written comments were either solicited or received.

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)(iii) of the Act¹⁴ and Rule 19b-4(f)(6) thereunder.¹⁵ Because the proposed rule change does not:

(i) significantly affect the protection of investors or the public interest; (ii) impose any significant burden on competition; and (iii) become operative for 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 Act¹⁶ and Rule 19b-4(f)(6)(iii) thereunder.¹⁷ The Exchange represents that this proposed rule change will be implemented during the Second Quarter of 2015 subject to the issuance of an Equity Trader Alert that will provide at least 30 days of notice prior to the operative date for the respective amendments to Rule 4751(h).

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.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(6).

¹⁶ 15 U.S.C. 78s(b)(3)(A).

¹⁷ 17 CFR 240.19b-4(f)(6). In addition, Rule 19b-4(f)(6)(iii) 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.

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-BX-2015-016 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-BX-2015-016. 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 a.m. and 3:00 p.m. Copies of such filing also will be available for inspection and copying at the principal offices 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-BX-2015-016, 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.¹⁸

Brent J. Fields
Secretary

¹⁸ 17 CFR 200.30-3(a)(12).