

SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34-68833; File No. SR-BOX-2013-04)

February 5, 2013

Self-Regulatory Organizations; BOX Options Exchange LLC; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Make the Market Data Product, the BOX High Speed Vendor Feed (“HSVF”), Available To All Market Participants

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on January 25, 2013 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, 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 make the direct market data product, the BOX HSVF, available to all market participants. 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 examined at the places

---

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

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

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, Proposed Rule Change

1. Purpose

The purpose of the proposed rule change is to amend Rule 7130(a)(2) to make the BOX High Speed Vendor Feed (“HSVF”) data product available to all market participants.<sup>3</sup> The BOX HSVF is a proprietary product that provides: (i) trades and trade cancellation 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 for each option instrument; (v) request for Quote messages<sup>4</sup>; (vi) PIP Order, Improvement Order and Block Trade Order (Facilitation and Solicitation) information<sup>5</sup>; (vii) orders exposed at NBBO<sup>6</sup>; (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 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.

---

<sup>3</sup> Currently, the HSVF is only available to firms, or organizations registered with the Exchange for purposes of participating in options trading on BOX (“BOX Options Participants” or “Participants”).

<sup>4</sup> See Exchange Rules 100(a)(57), 7070(h) and 8050.

<sup>5</sup> As set forth in Exchange Rules 7150 and 7270, respectively.

<sup>6</sup> As set forth in Exchange Rules 7130(b)(3) and 8040(d)(6), respectively.

The HSVF is currently offered to BOX Options Participants at no cost.<sup>7</sup> This proposed rule change will allow the Exchange to make the HSVF available to all market participants at no cost. If the Exchange decides to establish monthly fees for the HSVF, it will do so by way of a separate proposed rule change.

The HSVF provides data that should enhance the ability of subscribers to analyze market conditions, and to create and test trading models and analytical strategies. The Exchange believes that HSVF is a valuable tool that can be used to gain comprehensive insight into the trading activity in a particular option series.

## 2. Statutory Basis

The Exchange believes that the proposal is consistent with the requirements of Section 6(b) of the Act,<sup>8</sup> in general, and Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that 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 making BOX's market data product open to all market participants. In particular, the HSVF product will now be available to any market participant that wishes to subscribe to it. The Exchange believes this removes impediments to and better provides for a free and open market. Additionally, this proposed change will enhance subscribers' ability to make more informed and timely trading decisions. As such, BOX believes the proposed rule change is in the public interest, and therefore, consistent with the Act.

---

<sup>7</sup> See Exchange Rule 7130(a)(2).

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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

The proposed rule change would allow the Exchange to disseminate its propriety market data product, the HSVF, to both Participants and other subscribers on a voluntary basis. BOX is not required to make this data available and it is not necessary for Participants to subscribe to the HSVF in order to trade on BOX. Additionally, the HSVF is similar to propriety data products currently offered by other exchanges, and subscribing 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

Because the foregoing proposed rule change: (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) by its terms does not become operative for 30 days after the date of this filing, 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)<sup>10</sup> of the Act and Rule 19b-4(f)(6) thereunder.<sup>11</sup>

---

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

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

A proposed rule change filed under 19b-4(f)(6) normally may not become operative prior to 30 days after the date of filing.<sup>12</sup> However, Rule 19b-4(f)(6)(iii)<sup>13</sup> 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 requested that the Commission waive the 30-day operative delay. The Exchange notes that waiver of the 30-day operative delay will allow the Exchange to immediately offer the product to all market participants. The Commission believes that waiving the 30-day operative delay is consistent with the protection of investors and the public interest because such waiver would allow all market participants to have immediate access to HSVF. For this reason, the Commission designates the proposed rule change to be operative upon filing.<sup>14</sup>

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.

---

<sup>12</sup> 17 CFR 240.19b-4(f)(6)(iii). In addition, Rule 19b-4(f)(6) requires a self-regulatory organization to give the Commission written notice of its intent to file 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.

<sup>13</sup> Id.

<sup>14</sup> For the 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).

#### 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](mailto:rule-comments@sec.gov). Please include File Number SR-BOX-2013-04 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.

All submissions should refer to File Number SR-BOX-2013-04. 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 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-2013-04 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.<sup>15</sup>

Kevin M. O'Neill  
Deputy Secretary

---

<sup>15</sup> 17 CFR 200.30-3(a)(12).