

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-67474; File No. SR-BX-2012-051)

July 20, 2012

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Routing Fees

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 July 10, 2012, NASDAQ OMX BX, Inc. (“BX” or “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II, and III 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 Chapter XV, Section 2 entitled “BX Options Market – Fees and Rebates” to amend a Customer fee for routing options to The NASDAQ Options Market (“NOM”).

The text of the proposed rule change is available on the Exchange’s Website at <http://www.nasdaqtrader.com/micro.aspx?id=BXRulefilings>, 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 recently filed a proposal to adopt fees for routing contracts to markets other than the BX Options market.³ Specifically, the Exchange adopted the following routing fees in Chapter XV, Section 2(4):

Exchange	Customer	Firm/Market Maker/Broker- Dealer	Professional
BATS (Penny Pilot)	\$0.55	\$0.55	\$0.55
BOX	\$0.11	\$0.55	\$0.11
CBOE	\$0.11	\$0.55	\$0.31
CBOE orders greater than 99 contracts in ETFs, ETNs and HOLDRS)	\$0.29	N/A	\$0.31
C2	\$0.55	\$0.55	\$0.55
ISE (Standard)	\$0.11	\$0.55	\$0.29
ISE (Select Symbols)*	\$0.31	\$0.55	\$0.39
NOM	\$0.11	\$0.55	\$0.55
NYSE Arca (Penny Pilot)	\$0.55	\$0.55	\$0.55
NYSE Amex	\$0.11	\$0.55	\$0.31
PHLX (for all options than PHLX Select Symbols)	\$0.11	\$0.55	\$0.36
PHLX Select Symbols **	\$0.50	\$0.55	\$0.55

The Exchange inadvertently noted that the NOM Customer routing fee is \$0.11 per contract. NOM assesses a Customer Fee to Remove Liquidity in Penny Pilot Options of \$0.45 per contract.⁴ The routing fees are proposed to recoup costs that the Exchange incurs for routing and executing certain orders on away markets.

³ See Securities Exchange Act Release No. 67339 (July 3, 2012), 77 FR 405688 (July 10, 2012) (SR-BX-2012-043).

⁴ See NOM Rules at Chapter XV, Section 2(4).

BX currently recoups clearing and transaction charges incurred by the Exchange as well as certain other costs incurred by the Exchange when routing to away markets, such as administrative and technical costs associated with operating the order router, membership fees at away markets, and technical costs associated with routing.⁵ For example, BX incurs costs related to the Nasdaq Options Services LLC (“NOS”), a member of the Exchange and the Exchange’s exclusive order router.⁶ Each time NOS routes an order to an away market, NOS is charged a \$0.06 clearing fee and, in the case of certain exchanges, a transaction fee is also charged in certain symbols, which fees are passed through to the Exchange. The Exchange proposes to recoup a portion of the above costs along with the NOM Customer routing fee of \$0.45 per contract when routing Customer orders to NOM. The Exchange is proposing a NOM Customer routing fee of \$0.55 per contract.⁷ While the Exchange would incur a cost of \$0.56 per contract to route a Customer order to NOM, the Exchange has determined to assess a fee of \$0.55 per contract for routing Customer orders to NOM.

2. Statutory Basis

BX believes that the proposed rule changes are consistent with the provisions of Section 6 of the Act,⁸ in general, and with Section 6(b)(4) of the Act,⁹ in particular, in that they provide for the equitable allocation of reasonable dues, fees and other charges among members and

⁵ In addition to membership fees and transaction fees, the Exchange also incurs an Options Regulatory Fee when routing to an away market that assesses that fee.

⁶ See BX Rules at Chapter VI, Section 11(e) (Order Routing).

⁷ The Exchange calculates its routing fees by totaling its costs which include the remove fee at the away market (\$0.45 per contract), a \$0.06 per contract clearing fee and another \$0.05 per contract fee associated with administrative and technical costs associated with operating NOS. This would total \$0.56 per contract to route a Customer order to NOM.

⁸ 15 U.S.C. 78f.

⁹ 15 U.S.C. 78f(b)(4).

issuers and other persons using any facility or system which BX operates or controls.

The amended NOM Customer routing fee is reasonable because it seeks to recoup costs that are incurred by the Exchange when routing Customer orders to NOM on behalf of members. Each destination market's transaction charge varies and there is a standard clearing charge for each transaction incurred by the Exchange along with other administrative and technical costs¹⁰ that are incurred by the Exchange. The Exchange believes that the proposed NOM Customer routing fee would enable the Exchange to recover the remove fee assessed to each market participant by NOM, plus clearing and other administrative and technical fees for the execution of orders routed to BX and executed on NOM.

The Exchange also believes that the amended NOM Customer routing fee is equitable and not unfairly discriminatory because it would be uniformly applied to all market participant Customer orders that are routed to NOM to cover the cost to route the order. The Exchange applied a similar methodology in calculating the routing fees for each market participant by adding not more than a \$0.11 per contract fee to the away market's remove fee to determine BX routing fees.

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

BX 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. In addition, a BX Participant may designate an order as not available for routing to avoid routing fees.¹¹

¹⁰ The Exchange utilizes the Nasdaq Options Services LLC ("NOS"), a member of the Exchange and the Exchange's exclusive order router to route orders in options listed and open for trading on the BX to destination markets. See Securities Exchange Act Release No. 67256 (June 26, 2012) (SR-BX-2012-030).

¹¹ See BX Rules at Chapter VI, Section 11(e).

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 foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act.¹² 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:

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-2012-051 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 20549-1090.

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

All submissions should refer to File Number SR-BX-2012-051. 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 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-BX-2012-051 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.¹³

Kevin M. O'Neill
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).