

August 7, 2015

Self-Regulatory Organizations; NASDAQ OMX BX, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to a Delay of Implementation Relate to the Volume-Based and Multi-Trigger Threshold

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 August 6, 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 extend the implementation timeframe for adopting two new BX Market Maker³ risk protections, a volume-based threshold and a multi-trigger threshold.

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.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The term “BX Market Maker” means a Participant that has registered as a Market Maker on BX pursuant to Chapter VII, Section 2, and which remains in good standing pursuant to Chapter VII, Section 4.

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 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 purpose of the proposal is to extend the implementation of the timeframe for the Exchange's amendments to BX's Rules at Chapter VII, Section 6(f) entitled "Market Maker Quotations."⁴ In its rule change adopting the two new risk protections in Chapter VII, Section 6(f), the Exchange stated that it proposed to "...implement this rule within thirty (30) days of the operative date." The Exchange stated that it would issue an Options Trader Alert in advance to inform market participants of such date.⁵ At this time, the Exchange desires to extend the implementation of this rule change to within (60) days of the operative date. The Exchange will announce the date of implementation by issuing an Options Trader Alert.

⁴ This rule became immediately effective on June 23, 2015. Securities Exchange Release No. 75392 (July 8, 2015), 80 FR 41114 (July 14, 2015) (SR-BX-2015-036).

⁵ See note 4.

By way of background, the risk protections provided for in Chapter VII, Section 6(f) are intended to assist BX Market Makers in controlling their trading risks.⁶ Specifically, the risk protections establish: (1) a threshold used to calculate each BX Market Maker’s total volume executed in all series of an underlying security within a specified time period and to compare that to a pre-determined threshold (“Volume-Based Threshold”), and (2) a threshold used to measure the number of times the System has triggered⁷ based on the Risk Monitor Mechanism (“Percentage-Based Threshold”) pursuant to Chapter VI, Section 19 and Volume-Based Thresholds within a specified time period and to compare that total to a pre-determined threshold (“Multi-Trigger Threshold”).⁸

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act⁹ in general, and furthers the objectives of Section 6(b)(5) of the Act¹⁰ in particular, in that it is designed to promote just and equitable principles of trade, to remove impediments to

⁶ Pursuant to BX Rules at Chapter VII, Section 5, entitled “Obligations of Market Makers”, in registering as a market maker, an Options Participant commits himself to various obligations. Transactions of a BX Market Maker must constitute a course of dealings reasonably calculated to contribute to the maintenance of a fair and orderly market, and Market Makers should not make bids or offers or enter into transactions that are inconsistent with such course of dealings. Further, all Market Makers are designated as specialists on BX for all purposes under the Act or rules thereunder. See Chapter VII, Section 2.

⁷ A trigger is defined as the event which causes the System to automatically remove all quotes in all options series in an underlying issue.

⁸ The details of the two risk protections are described in the initial filing. See Securities Exchange Release No. 75392 (July 8, 2015), 80 FR 41114 (July 14, 2015) (SR-BX-2015-036).

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

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, by enhancing the risk protections available to Exchange members. The proposal promotes policy goals of the Commission, which has encouraged execution venues, exchange and non-exchange alike, to enhance risk protection tools and other mechanisms to decrease risk and increase stability.

The delay of the implementation of BX Rules at Chapter VII, Section 6(f) will permit the Exchange an additional thirty days within which to implement these risk protections that will be utilized by BX Market Makers.

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. With respect to the risk protections, the proposal will not impose a burden on intra-market or inter-market competition; rather it provides BX Market Makers with the opportunity to avail themselves of similar risk tools that are currently available on other exchanges.¹¹ The proposal does not impose a burden on inter-market competition, because members may choose to become market makers on a number of other options exchanges, which may have similar but not identical features.¹² The proposed rule change is meant to protect BX Market Makers from inadvertent exposure to excessive risk. Accordingly, the proposed rule change will have no impact on competition.

¹¹ See Section 8 of Form 19b-4, infra.

¹² See BATS Rule 21.16, BOX Rules 8100 and 8110, C2 Rule 8.12, CBOE Rule 8.18, ISE Rule 804(g), MIAX Rule 612, NYSE MKT Rule 928NY and NYSE Arca Rule 6.40.

The delay of the implementation of BX Rules at Chapter VII, Section 6(f) will permit the Exchange additional time to implement these risk protections that will be utilized by BX Market Makers.

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

Because the foregoing 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) by its terms, become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act¹³ and subparagraph (f)(6) of Rule 19b-4 thereunder.¹⁴ The Exchange has requested that the Commission waive the thirty-day operative delay so that the proposal may become operative immediately. The Exchange states that waiving the thirty-day operative delay will enable it to implement these risk protections within the new timeframe. The Commission believes that waiving the thirty-day operative delay is consistent with the protection of investors and the public

¹³ 15 U.S.C. 78s(b)(3)(a)(ii).

¹⁴ 17 CFR 240.19b-4(f)(6). 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.

interest. Therefore, the Commission hereby waives the thirty-day operative delay and designates the proposal effective upon filing.¹⁵

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: (i) necessary or appropriate in the public interest; (ii) for the protection of investors; or (iii) 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-2015-049 on the subject line.

Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

¹⁵ For purposes 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).

All submissions should refer to File Number SR-BX-2015-049. 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 Web site (<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-2015-049 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.¹⁶

Jill M. Peterson
Assistant Secretary

¹⁶ 17 CFR 200.30-3(a)(12).