

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 15	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2011 - * 013 Amendment No. (req. for Amendments *)
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Proposed Rule Change by BATS Exchange  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <input type="checkbox"/> 19b-4(f)(1) <input type="checkbox"/> 19b-4(f)(4) <input type="checkbox"/> 19b-4(f)(2) <input type="checkbox"/> 19b-4(f)(5) <input type="checkbox"/> 19b-4(f)(3) <input checked="" type="checkbox"/> 19b-4(f)(6)		

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**  
Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked \*).

Proposal to amend the Rules applicable to the BATS options market ("BATS Options") in order to allow certain products to trade on BATS Options until 4:15 p.m. Eastern Time.

**Contact Information**  
Provide the name, telephone number and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the proposed rule change.

First Name \* Anders Last Name \* Franzon  
 Title \* VP, Associate General Counsel  
 E-mail \* afranzon@batstrading.com  
 Telephone \* (913) 815-7154 Fax (913) 815-7000

**Signature**  
Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

Date 04/26/2011  
 By Anders Franzon (Name \*) VP, Associate General Counsel (Title \*)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

Anders Franzon,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

**Form 19b-4 Information (required)**

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

**Exhibit 1 - Notice of Proposed Rule Change (required)**

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> BATS Exchange, Inc. (the “Exchange” or “BATS”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend the Rules applicable to the BATS options market (“BATS Options”) in order to allow certain products to trade on BATS Options until 4:15 p.m. Eastern Time. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>3</sup> The Exchange requests that the Commission waive the 30-day operative delay contained in Rule 19b-4(f)(6)(iii) under the Act.<sup>4</sup> If such waiver is granted by the Commission, the Exchange shall implement this rule proposal on May 6, 2011.

(a) The text of the proposed rule change is below. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

\* \* \* \* \*

CHAPTER XXI. TRADING SYSTEMS

\* \* \* \* \*

Rule 21.2. Days and Hours of Business

(a) Orders and bids and offers shall be open and available for execution as of 9:30 a.m. Eastern Time and shall close as of 4:00 p.m. Eastern Time except for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>4</sup> Id.

on broad-based indexes, as defined in Rule 29.1(j), which will close as of 4:15 p.m. Eastern Time.

(b) Except as set forth in paragraph (a) above or in [for] unusual conditions as may be determined by the Exchange, hours during which transactions in options on individual stocks may be made on BATS Options shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying BATS Options options.

(c) (No changes.)

\* \* \* \* \*

## CHAPTER XXIX. INDEX RULES

\* \* \* \* \*

### Rule 29.10. Trading Sessions

(a) Days and Hours of Business.

Except as otherwise provided in this Rule or under unusual conditions as may be determined by the Exchange, transactions in index options may be effected on BATS Options between the hours of 9:30 a.m. and [4:00]4:15 p.m. Eastern time. With respect to options on foreign indexes, the Exchange shall determine the days and hours of business.

(b)-(f) (No changes.)

\* \* \* \* \*

(b) Not applicable.

(c) Not applicable.

## 2. Procedures of the Self-Regulatory Organization

The proposed rule filing was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on November 10, 2009. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action is necessary for the filing of this proposal.

Questions regarding this rule filing may be directed to Eric Swanson, Senior Vice President and General Counsel of the Exchange at (913) 815-7000.

3. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change.

(a) Purpose

BATS Options currently allows trading in options contracts from 9:30 a.m. to 4:00 p.m. Eastern Time. The purpose of the proposed rule change is to amend BATS Rules in order to allow trading on BATS Options to 4:15 p.m. Eastern Time for specified products. Specifically, the Exchange proposes to amend Rules 21.2 and 29.10 to extend to 4:15 p.m. Eastern Time the trading hours for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j). The Exchange's rules already permit listing of options on Fund Shares,<sup>5</sup> Index-Linked Securities,<sup>6</sup> and broad-based indices.<sup>7</sup> However, the Exchange's rules currently require trading in all products to end at 4:00 p.m. Eastern Time, whereas other options exchanges permit trading to occur until 4:15 p.m. Eastern Time for the three product types specified in this filing.<sup>8</sup>

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<sup>5</sup> See BATS Rule 19.3(i), which sets forth the listing criteria for Fund Shares.

<sup>6</sup> See BATS Rule 19.3(l), which sets forth the listing criteria for Index-Linked Securities.

<sup>7</sup> Chapter XXIX governs the listing and trading of options on an index. In particular, Rule 29.3 sets forth the listing requirements for options on broad-based indexes.

<sup>8</sup> See e.g., Nasdaq Options Market ("NOM") Chapter VI, Sec. 2 and NOM Chapter XIV, Sec. 10; see also ISE Rule 700(b) – (d).

In addition to the proposed amendments to Rules 21.2(a) and 29.10(a), for the avoidance of doubt, the Exchange proposes to amend its Rule 21.2(b), which states that the hours during which transactions in options on individual stocks shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying such options. As proposed, Rule 21.2(b) will make clear that the products specified in Rule 21.2(a) will be available for trading until 4:15 p.m. Eastern Time, notwithstanding any other language in the Rule.

The Exchange believes the proposed changes are necessary in order to ensure consistency in the trading of such products on BATS Options and other options exchanges.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>9</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act,<sup>10</sup> because it would 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. In particular, the proposed rule change will allow the Exchange to provide a competitive marketplace for Exchange Users to trade options on Fund Shares, Index-Linked Securities and broad-based indices until 4:15 p.m. Eastern Time.

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

<sup>10</sup> 15 U.S.C. 78f(b)(5).

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

The proposed rule change does not impose any burden on competition.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any written comments from members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>12</sup> The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, and (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with 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, or such shorter time as designated by the Commission.<sup>13</sup> In addition, the Exchange does not believe that trading options on Fund Shares, Index-Linked Securities, or broad-based indices until 4:15 p.m. Eastern Time presents any

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4.

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

policy issues that have not previously been considered by the Commission. Rather, the Exchange believes that the proposal is a minor change to Exchange's existing rules that is consistent with at least one other national securities exchange that offers trading in such products until 4:15 p.m.<sup>14</sup> Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>15</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>16</sup>

As noted above, the Exchange does not believe that this proposal raises any new or novel issues and believes that it should become effective upon filing so that the Exchange will be able to operate during similar hours to its competitors. In addition, the Exchange has based the proposed changes on the rules of another national securities exchanges, and thus, the proposed rules do not present any new policy issues nor do such proposed rules require significant programming efforts by Users or other market participants that would necessitate a delay. Finally, the Exchange requests this waiver because it expects to have operational and technological changes in place to support the proposed rule change on or around May 6, 2011, and that benefits to Exchange Users expected from the proposed rule change should not be delayed. Accordingly, the Exchange requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.<sup>17</sup> Waiver of this requirement is

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<sup>14</sup> See, e.g., NOM Chapter VI, Sec. 2 and NOM Chapter XIV, Sec. 10; see also ISE Rule 700(b) – (d).

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

<sup>16</sup> 17 CFR 240.19b-4(f)(6).

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



consistent with the protection of investors and the public interest for the reasons described above.

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.

8. Proposed Rule Change Based on Rule of Another Self-Regulatory Organization or of the Commission

The proposed changes to BATS Rules 21.2 and 29.10 are based on NASDAQ Options Market Chapter VI, Sec. 2 and Chapter XIV, Sec. 10, respectively; the proposed changes do not substantively differ from these rules.

9. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 5: Not applicable.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_ ; File No. SR-BATS-2011-013)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Extend the Trading Hours of BATS Options for Certain Products.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 26, 2011, BATS Exchange, Inc. (the “Exchange” or “BATS”) 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 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 is filing with the Commission a proposal to amend the Rules applicable to the BATS options market (“BATS Options”) in order to allow certain products to trade on BATS Options until 4:15 p.m. Eastern Time.

The text of the proposed rule change is available at the Exchange’s Web site at <http://www.batstrading.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

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

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

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 parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

BATS Options currently allows trading in options contracts from 9:30 a.m. to 4:00 p.m. Eastern Time. The purpose of the proposed rule change is to amend BATS Rules in order to allow trading on BATS Options to 4:15 p.m. Eastern Time for specified products. Specifically, the Exchange proposes to amend Rules 21.2 and 29.10 to extend to 4:15 p.m. Eastern Time the trading hours for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j). The Exchange's rules already permit listing of options on Fund Shares,<sup>3</sup> Index-Linked Securities,<sup>4</sup> and broad-based indices.<sup>5</sup> However, the Exchange's rules currently require trading in all products to end at 4:00 p.m. Eastern Time, whereas other options exchanges permit trading to occur until 4:15 p.m. Eastern Time for the three product types specified in this filing.<sup>6</sup>

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<sup>3</sup> See BATS Rule 19.3(i), which sets forth the listing criteria for Fund Shares.

<sup>4</sup> See BATS Rule 19.3(l), which sets forth the listing criteria for Index-Linked Securities.

<sup>5</sup> Chapter XXIX governs the listing and trading of options on an index. In particular, Rule 29.3 sets forth the listing requirements for options on broad-based indexes.

<sup>6</sup> See e.g., Nasdaq Options Market ("NOM") Chapter VI, Sec. 2 and NOM Chapter XIV, Sec. 10; see also ISE Rule 700(b) – (d).

In addition to the proposed amendments to Rules 21.2(a) and 29.10(a), for the avoidance of doubt, the Exchange proposes to amend its Rule 21.2(b), which states that the hours during which transactions in options on individual stocks shall correspond to the normal business days and hours for business set forth in the rules of the primary market trading the securities underlying such options. As proposed, Rule 21.2(b) will make clear that the products specified in Rule 21.2(a) will be available for trading until 4:15 p.m. Eastern Time, notwithstanding any other language in the Rule.

The Exchange believes the proposed changes are necessary in order to ensure consistency in the trading of such products on BATS Options and other options exchanges.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>7</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act,<sup>8</sup> because it would 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. In particular, the proposed rule change will allow the Exchange to provide a competitive marketplace for Exchange Users to trade options on Fund Shares, Index-Linked Securities and broad-based indices until 4:15 p.m. Eastern Time.

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<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change imposes any burden on competition.

(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 written 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 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, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and Rule 19b-4(f)(6)(iii) thereunder.<sup>10</sup>

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.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act.

Comments may be submitted by any of the following methods:

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f)(6).

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 No. SR-BATS-2011-013 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.

All submissions should refer to File No. SR-BATS-2011-013. 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 changes 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 Web site 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 am and 3:00 pm. Copies of such filing will also 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 No. SR-BATS-2011-013 and should be submitted on or before [\_\_\_\_\_21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to  
delegated authority.<sup>11</sup>

Cathy H. Ahn  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).