

Required fields are shown with yellow backgrounds and asterisks.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2012 - * 009

Amendment No. (req. for Amendments *)

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"/>
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Rule

Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<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



Exhibit 3 Sent As Paper Document

**Description**

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Proposal to amend Rule 11.23 entitled "Auctions" to allow orders designated to participate in the opening auction on the Exchange to participate in Exchange IPO Auctions.

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) 815-7119

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 02/03/2012

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)

Add Remove View

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”),¹ and Rule 19b-4 thereunder,² BATS Exchange, Inc. (the “Exchange” or “BATS”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Rule 11.23 entitled “Auctions” to allow orders designated to participate in the opening auction on the Exchange (“Opening Auction”) to participate in an auction in the initial public offering (“IPO”) for a security on the Exchange (“IPO Auction”). 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.³

(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 XI. TRADING RULES

* * * * *

Rule 11.23. Auctions

(a) Definitions

(1)–(7) (No changes.)

(8) The term “Eligible Auction Order” shall mean any MOO, LOO, LLOO, MOC, LOC, or LLOC order that is entered in compliance with its respective cutoff for an Opening or Closing Auction, any RHO order prior to the Opening Auction,[and] any limit or market order not designated to exclusively participate in the[Opening or] Closing Auction entered during the Quote-Only Period of an IPO[or Halt] Auction, and any limit or market order not designated

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

to exclusively participate in the Opening or Closing Auction entered during the Quote-Only Period of a Halt Auction.

(9)–(11) (No changes.)

(12) The term “Late-Limit-On-Open” or “LLOO” shall mean a BATS limit order that is designated for execution only in the Opening Auction. To the extent a LLOO bid or offer received by the Exchange has a limit price that is more aggressive than the ZBB or ZBO, the price of such bid or offer is adjusted to be equal to the ZBB or ZBO, respectively, at the time of receipt by the Exchange. Where the ZBB or ZBO becomes more aggressive, the limit price of the LLOO bid or offer will be adjusted to the more aggressive price, only to the extent that the more aggressive price is not more aggressive than the original User entered limit price. The limit price will never be adjusted to a less aggressive price. In the event that there is no ZBBO, the NBBO will be used to constrain the limit price. If there is also no NBBO, the LLOO will assume its entered limit price. Notwithstanding the foregoing, a LLOO order entered during the Quote-Only Period of an IPO will be converted to a limit order with a limit price equal to the original User entered limit price and any LLOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(13) (No changes.)

(14) The term “Limit-On-Open” or “LOO” shall mean a BATS limit order that is designated for execution only in the Opening Auction. Notwithstanding the foregoing, a LOO order entered during the Quote-Only Period of an IPO will be converted to a limit order and any LOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(15) (No changes.)

(16) The term “Market-On-Open” or “MOO” shall mean a BATS market order that is designated for execution only in the opening auction. Notwithstanding the foregoing, a MOO order entered during the Quote-Only Period of an IPO will be converted to a market order and any MOO orders not executed in their entirety during the IPO Auction will be cancelled upon completion of the IPO Auction.

(17)–(23)(No changes.)

(b)–(c) (No changes.)

(d) *IPO and Halt Auctions.* For trading in a BATS listed security in an initial public offering (an “IPO”) or following a trading halt in that security, the Exchange will conduct an IPO or Halt Auction, as described below.

(1)-(2) (No changes.)

(3) Transition to Normal Trading.

(A) If any orders are not executed in their entirety during the IPO or Halt Auction, then the remaining shares from such orders that are not automatically cancelled shall be executed in accordance with BATS Rule 11.13 after the completion of the IPO or Halt Auction.

(B) (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

The Exchange recently proposed and received approval of rules governing auctions conducted on the Exchange for securities listed on the Exchange (“Exchange

Auctions”).⁴ Specifically, the Exchange adopted rules for conducting an Opening Auction, a closing auction on the Exchange, an IPO Auction, or an auction in the event of a halt of trading in the security. The purpose of this filing is to allow orders designated to participate in the Opening Auction to also participate in an IPO Auction, as governed by Rule 11.23.

Specifically, the Exchange proposes to amend several portions of Rule 11.23 to allow MOO, LOO, and LLOO orders to participate in IPO Auctions. Under the proposal, MOO orders would behave like market orders participating in an IPO Auction currently behave. LOO and LLOO orders would behave like limit orders participating in an IPO Auction currently behave. In order to affect the change, the Exchange proposes to amend the definition of Eligible Auction Orders for IPO Auctions to include those orders designated to exclusively participate in the Opening Auction. The Exchange also proposes modifications to the definitions of MOO, LOO, and LLOO orders and to make clear that these Opening Auction orders that are not executed as part of the IPO Auction would be cancelled immediately following the IPO Auction, exactly as currently occurs in the Opening Auction.

(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.⁵ In

⁴ See Securities Exchange Act Release No. 65619 (October 25, 2011), 76 FR 67238 (October 31, 2011) (SR-BATS-2011-032).

⁵ 15 U.S.C. 78f(b).

particular, the proposal is consistent with Section 6(b)(5) of the Act,⁶ 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. The proposed rule change is also consistent with Section 11A(a)(1) of the Act⁷ in that it seeks to assure fair competition among brokers and dealers by providing IPO Auction functionality that is consistent with that of other market centers for which market participants have already designed their trading systems.⁸ The Exchange believes that the proposed rule change promotes just and equitable principles of trade in that it promotes transparency and uniformity across markets concerning the eligibility of certain order types for IPO Auctions.

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 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78k-1(a)(1).

⁸ See NYSE Arca Equities Rule 7.31(t). The Exchange is proposing to provide functionality analogous to that already available at NYSE Arca, which allows Auction-Only Orders, which consists of only MOO and LOO orders, to participate in the next auction that occurs after the order is entered. For example, a MOO or LOO order entered at NYSE Arca at any time will participate in the next occurring auction and the remaining non-executed shares are cancelled upon completion of the auction. The Exchange is proposing to apply this functionality only to IPO Auctions, while NYSE Arca applies the functionality to all auctions.

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 Act⁹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁰ 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.¹¹ The proposed changes will allow the Exchange to include MOO, LOO, and LLOO orders for participation in IPO Auctions and is analogous to the rules of other self-regulatory organizations.¹² Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹³ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁴

⁹ 15 U.S.C. 78s(b)(3)(A).

¹⁰ 17 CFR 240.19b-4.

¹¹ 17 CFR 240.19b-4(f)(6)(iii).

¹² See NYSE Arca Equities Rule 7.31(t).

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

The Exchange requests that the Commission waive the 30-day operative waiting period contained in Exchange Act Rule 19b-4(f)(6)(iii).¹⁵ The Exchange requests this waiver so that the proposal may become operative immediately upon filing. The Exchange has recently conducted several IPO Auctions for Exchange listed securities, and expects that there will be additional IPO Auctions on the Exchange in the future. The Exchange believes that the changes proposed in this filing should be operative immediately so that in any future IPO Auction, the Exchange is not unnecessarily rejecting orders that otherwise could participate in such IPO Auction. Instead of rejecting liquidity by maintaining a restrictive view of order types eligible to participate in IPO Auctions, the Exchange is proposing a change that will allow additional order types to be entered into and participate in IPO Auctions. Additional liquidity allowed to be entered into IPO Auctions conducted by the Exchange will benefit the price discovery process. Waiver of the operative delay will also help to ensure uniformity across market centers concerning the eligibility of orders designated for participation in the Opening Auction for participation in IPO Auctions. The change will allow certain market participants to participate in IPO Auctions on the Exchange in the same way that they participate in IPO auctions on other market centers. Therefore, the proposed change will help to avoid confusion amongst participants that are accustomed to sending specific order types into IPO auctions conducted by other market centers. Based on the foregoing, the Exchange believes that promptly implementing this change is consistent with the public interest and the protection of investors.

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

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 rule change to permit certain additional order types to participate in IPO Auctions is based on NYSE Arca Equities Rule 7.31(t). NYSE Arca Auction-Only Orders include only MOO and LOO orders, which are eligible to participate in the next auction that occurs after the order is entered. The Exchange is proposing to apply analogous functionality to IPO Auctions by allowing MOO, LOO and LLOO orders to participate in an IPO Auction. The Exchange notes that NYSE Arca applies its Auction-Only Order functionality to all auctions.

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-2012-009)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Modify Exchange Rule 11.23 Relating to Auctions of Exchange-Listed Securities.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on February 3, 2012, 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 Rule 11.23 entitled “Auctions” to allow orders designated to participate in the opening auction on the Exchange (“Opening Auction”) to participate in an auction in the initial public offering (“IPO”) for a security on the Exchange (“IPO Auction”).

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

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 parts 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 proposed and received approval of rules governing auctions conducted on the Exchange for securities listed on the Exchange ("Exchange Auctions").³ Specifically, the Exchange adopted rules for conducting an Opening Auction, a closing auction on the Exchange, an IPO Auction, or an auction in the event of a halt of trading in the security. The purpose of this filing is to allow orders designated to participate in the Opening Auction to also participate in an IPO Auction, as governed by Rule 11.23.

Specifically, the Exchange proposes to amend several portions of Rule 11.23 to allow MOO, LOO, and LLOO orders to participate in IPO Auctions. Under the proposal, MOO orders would behave like market orders participating in an IPO Auction currently behave. LOO and LLOO orders would behave like limit orders participating in an IPO Auction currently behave. In order to affect the change, the Exchange proposes to amend

³ See Securities Exchange Act Release No. 65619 (October 25, 2011), 76 FR 67238 (October 31, 2011) (SR-BATS-2011-032).

the definition of Eligible Auction Orders for IPO Auctions to include those orders designated to exclusively participate in the Opening Auction. The Exchange also proposes modifications to the definitions of MOO, LOO, and LLOO orders and to make clear that these Opening Auction orders that are not executed as part of the IPO Auction would be cancelled immediately following the IPO Auction, exactly as currently occurs in the Opening Auction.

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.⁴ In particular, the proposal is consistent with Section 6(b)(5) of the Act,⁵ 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. The proposed rule change is also consistent with Section 11A(a)(1) of the Act⁶ in that it seeks to assure fair competition among brokers and dealers by providing IPO Auction functionality that is consistent with that of other market centers for which market participants have already designed their trading systems.⁷ The Exchange believes that the proposed rule change

⁴ 15 U.S.C. 78f(b).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78k-1(a)(1).

⁷ See NYSE Arca Equities Rule 7.31(t). The Exchange is proposing to provide functionality analogous to that already available at NYSE Arca, which allows Auction-Only Orders, which consists of only MOO and LOO orders, to participate in the next auction that occurs after the order is entered. For example, a MOO or LOO order entered at NYSE Arca at any time will participate in the next occurring auction and the remaining non-executed shares are cancelled upon

promotes just and equitable principles of trade in that it promotes transparency and uniformity across markets concerning the eligibility of certain order types for IPO Auctions.

(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 Act⁸ and Rule 19b-4(f)(6)(iii) thereunder.⁹

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.

completion of the auction. The Exchange is proposing to apply this functionality only to IPO Auctions, while NYSE Arca applies the functionality to all auctions.

⁸ 15 U.S.C. 78s(b)(3)(A).

⁹ 17 CFR 240.19b-4(f)(6).

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:

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 No. SR-BATS-2012-009 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-2012-009. 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 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 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 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-2012-009 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.¹⁰

Kevin M. O'Neill
Deputy Secretary

¹⁰ 17 CFR 200.30-3(a)(12).