

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2013 - * 045	Amendment No. (req. for Amendments *)
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Filing 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"/>
			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)(5)
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(6)	<input checked="" type="checkbox"/> 19b-4(f)(3)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) <input type="checkbox"/>	Section 806(e)(2) <input type="checkbox"/>
	Section 3C(b)(2) <input type="checkbox"/>

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 action (limit 250 characters, required when Initial is checked \*).

A proposed rule change to establish a revenue sharing program with Interactive Data Corporation.

**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 action.

First Name \* Anders Last Name \* Franzon

Title \* VP, Associate General Counsel

E-mail \* afranzon@bats.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.

(Title \*)

Date 08/15/2013 VP, Associate General Counsel

By Anders Franzon

(Name \*)

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.

Persona Not Validated - 1364234628553,

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

**Form 19b-4 Information \***

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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 \***

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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 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies**

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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, security-based swap submission, or advance notice 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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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 Sent As Paper Document

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

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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 Sent As Paper Document

**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” or the “Exchange 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 proposed rule change to establish a revenue sharing program with Interactive Data Corporation, acting by and through its division, Interactive Data Desktop Solutions, and its subsidiary, Interactive Data Online Properties, Inc. (collectively “IDC”), whereby the Exchange will make available, through IDC, private labeled versions of IDC’s Market–Q and LiveCharts products. 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>

(a) The Exchange proposes to establish the revenue sharing program as described herein. The Exchange does not propose to modify the text of its rules in connection with this proposal.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change 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

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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).

action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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 purpose of the proposed rule change is to establish a non-exclusive revenue sharing program with IDC whereby the Exchange will make available new market data offerings consisting of private labeled versions of IDC's Market-Q and LiveCharts products. Pursuant to an agreement between IDC and the Exchange, the private labeled products will be marketed by the Exchange by featuring and advertising them on the Exchange's website. Market-Q will be marketed under the private label name "BATS Investor Pro" and LiveCharts will be marketed under the private label name "BATS Investor RT" (BATS Investor Pro and BATS Investor RT, collectively, the "Private Labeled Products"). Under the agreement, the Exchange will receive 25% of the total monthly subscription fees received by IDC from parties who have registered to use the Private Labeled Products and who first subscribe as a result of the Exchange's marketing activities under the agreement, less certain fees and taxes. IDC will operate and maintain the Private Labeled Products and will provide first line technical support, accounting and contract administration services for the Private Labeled Products. The Exchange will not bill or contract with any subscriber directly.

Market-Q, which was developed by IDC, is a browser-based, front-end product that provides global real-time pricing information, corporate actions and dividend data,

news, research, and other financial and market data, including charts and alerts. The data includes a broad range of global exchanges and indices, including performance data, historical pricing, fixed income, commodities, foreign exchange, exchange-traded equity and derivative securities.<sup>4</sup> LiveCharts, which was also developed by IDC, is a browser-based, front-end product that provides charting and technical analysis of global real-time market data.<sup>5</sup> BATS Investor Pro and BATS Investor RT will include only market data from the Exchange.<sup>6</sup>

The Exchange intends to submit a separate proposed rule change with pricing details for the Private Labeled Products.

Various data recipients may wish to subscribe to and use the Private Labeled Products. For instance, data recipients that receive real-time market information on public websites or subscribe to dynamic stock tickers, portfolio trackers, price/time graphs and other visual systems can use the Private Labeled Products in lieu of using such products. Such data recipients may prefer the Private Labeled Products to view Exchange data to the extent they are familiar with such products that include data from other markets. The Exchange notes that similar market data products are offered by IDC containing data from other exchanges and market centers.

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<sup>4</sup> <http://www.interactivedata.com/uploads/File/MARketQ.pdf>.

<sup>5</sup> <http://www.esignal.com/livecharts/default.aspx>.

<sup>6</sup> Subscribers of BATS Investor Pro and BATS Investor RT may, for an additional fee, supplement their subscriptions to include market data in addition to Exchange data. This fee is not included as part of the Exchange's revenue sharing program with IDC.

No Exchange participant is required to subscribe to the Private Labeled Products because the same information is available in the Exchange's other data feeds.<sup>7</sup> Exchange participants can also gain access to BATS quotations and last sale prices that are integrated with the prices that other markets make available through the Security Information Processors ("SIPs") for the national market system plans responsible for disseminating consolidated market information. Indeed, even though the Private Labeled Products may provide to some participants an efficient alternative to the consolidated price information that investors and broker-dealers can receive on a consolidated basis from the SIPs, the Exchange believes that the information that the Exchange contributes to the consolidated tape and the increasingly lower latency of the data feeds offered by the SIPs will continue to satisfy the needs of the vast majority of individual and professional investors. Although certain data recipients might supplement their access to data by subscribing to the Private Labeled Products, it is unlikely that data recipients or distributors will replace the consolidated feeds provided by the SIPs and/or their direct access to BATS data feeds as a result of the availability of the Private Labeled Products. The Exchange represents that it will not distribute information to IDC for inclusion in the Private Labeled Products on a more timely basis than it makes available the data to all

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<sup>7</sup> The Exchange currently offers various data feeds, including, but not limited to, TCP PITCH and Multicast PITCH, which are depth of book data feeds containing real-time quotation and transaction data from the Exchange; DROP, which contains order execution and other information (*e.g.*, modifications and cancellations) specific to the Exchange activity of one or more Exchange participants; and TOP, which contains real-time top of book quotation and transaction information from the Exchange. Beginning July 1, 2013, the Exchange implemented fees for the PITCH (including both TCP PITCH and Multicast PITCH) and TOP data products, and revised the fee for the Last Sale Feed data product. The Exchange continues to offer its other market data products to data recipients free of charge.

Exchange participants that receive such data feeds or that is provided to the SIPs for consolidation and dissemination, nor will IDC have any special or different access to the Exchange's data as a result of IDC's arrangement with the Exchange. In addition, the Exchange represents that IDC has not (and will not) receive any preferential treatment as a result of IDC's arrangement with the Exchange.

All Exchange participants, including IDC, that receive BATS data directly from the Exchange pay connectivity fees to access such data through logical and physical ports connected to the Exchange's systems. Beginning July 1, 2013, the Exchange implemented fees for the PITCH (including both TCP PITCH and Multicast PITCH) and TOP data products, and revised the fee for the Last Sale Feed data product. Accordingly all Exchange participants, including IDC, are charged standard fees for the receipt, use or redistribution of such data feeds. The Exchange continues to offer its other market data products to data recipients free of charge. Under the new agreement with IDC, IDC will continue to receive any of the various BATS data feeds that it currently subscribes to on the same terms as other Exchange participants, and will continue to pay any port fees that it currently pays to the Exchange to receive such data feeds. Additionally, beginning July 1, 2013, IDC became subject to data fees payable to the Exchange for such data feeds on the same terms as all other Exchange participants that receive, use or redistribute BATS data from the Exchange.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>9</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to 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. The Exchange believes the proposed rule will allow Exchange participants to make better-informed and more efficient trading decisions by making available the Private Labeled Products. In addition, the Exchange notes that the revenue sharing program is not exclusive as between the Exchange and IDC. Any recipient of BATS data feeds is permitted to redistribute such data, whether through a revenue sharing arrangement with BATS or otherwise, or provide products and services similar to those being offered by IDC, provided that such recipient (including IDC) has entered into the required contractual arrangements with the Exchange.<sup>10</sup>

Lastly, these products are completely optional in that no consumer is required to purchase any of them and only those consumers that deem such products to be of sufficient overall value and usefulness will purchase them. To the extent consumers do

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

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

<sup>10</sup> Recipients of BATS data feeds, either directly from the Exchange or from a third-party data vendor, that seek to redistribute such data, either internally or externally, are required to execute a BATS Global Markets, Inc. Data Agreement, an Exchange Data Feed Order Form and System Description, List of Affiliates (if applicable), and Service Facilitator List (if applicable).



purchase the Private Labeled Products, the revenue generated will offset the Exchange's fixed costs of operating and regulating its trading platforms, including the continued operation of data feeds that will supply data to be used in the Private Labeled Products. It will also help the Exchange cover its costs in developing and running that platform, as well as ongoing infrastructure costs.

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

The proposed rule change does not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, similar market data products are offered by IDC containing data from other exchanges and market centers. Further, the revenue sharing program is not exclusive as between the Exchange and IDC. Any recipient of BATS data feeds is permitted to redistribute such data, whether through a revenue sharing arrangement with BATS or otherwise, or provide products and services similar to those being offered by IDC, provided that such recipient (including IDC) has entered into the required contractual arrangements with the Exchange. The Exchange represents that it will not distribute information to IDC for inclusion in the Private Labeled Products on a more timely basis than it makes available the data to all Exchange participants that receive such data feeds or that is provided to the SIPs for consolidation and dissemination, nor will IDC have any special or different access to the Exchange's data as a result of IDC's arrangement with the Exchange. In addition, the Exchange represents that IDC has not (and will not) receive any preferential treatment as a result of IDC's arrangement with the Exchange.

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>

The Exchange believes that the proposed filing is non-controversial because it is analogous to similar market data products offered by IDC that include data from other exchanges and because the use of the Private Labeled Products is completely voluntary.

In addition, the Private Labeled Products will allow Exchange participants to make

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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).

better-informed and more efficient trading decisions. Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>14</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>15</sup>

A proposed rule change filed under Rule 19b-4(f)(6) normally does not become operative prior to 30 days after the date of filing. Rule 19b-4(f)(6)(iii), however, permits the Commission to designate a shorter time if such action is consistent with the protection of investors and the public interest. The Exchange requests the Commission to waive the noted operative delay so that the Exchange may implement the proposal immediately and, in turn, may commence provision of the Private Labeled Products. Such a waiver would allow the Exchange, via IDC, to begin making the Private Labeled Products available to market participants, enabling Exchange participants to make better-informed and more efficient trading decisions. The Exchange believes that waiver of the operative delay is consistent with the protection of investors and the public interest because the Private Labeled Products are completely optional and can be used by a wide variety of market participants for a wide variety of purposes.

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

Not applicable.

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4.

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

10. Advance Notices Filed Pursuant to Section 806(e) of the Payment, Clearing and Settlement Supervision Act

Not applicable.

11. 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-2013-045)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Establish a Revenue Sharing Program.

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 August 15, 2013, 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 filed a proposed rule change to establish a revenue sharing program with Interactive Data Corporation, acting by and through its division, Interactive Data Desktop Solutions, and its subsidiary, Interactive Data Online Properties, Inc. (collectively “IDC”), whereby the Exchange will make available, through IDC, private labeled versions of IDC’s Market–Q and LiveCharts products.

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.

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

<sup>2</sup> 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 purpose of the proposed rule change is to establish a non-exclusive revenue sharing program with IDC whereby the Exchange will make available new market data offerings consisting of private labeled versions of IDC's Market-Q and LiveCharts products. Pursuant to an agreement between IDC and the Exchange, the private labeled products will be marketed by the Exchange by featuring and advertising them on the Exchange's website. Market-Q will be marketed under the private label name "BATS Investor Pro" and LiveCharts will be marketed under the private label name "BATS Investor RT" (BATS Investor Pro and BATS Investor RT, collectively, the "Private Labeled Products"). Under the agreement, the Exchange will receive 25% of the total monthly subscription fees received by IDC from parties who have registered to use the Private Labeled Products and who first subscribe as a result of the Exchange's marketing activities under the agreement, less certain fees and taxes. IDC will operate and maintain the Private Labeled Products and will provide first line technical support, accounting and contract administration services for the Private Labeled Products. The Exchange will not bill or contract with any subscriber directly.

Market-Q, which was developed by IDC, is a browser-based, front-end product that provides global real-time pricing information, corporate actions and dividend data, news, research, and other financial and market data, including charts and alerts. The data includes a broad range of global exchanges and indices, including performance data, historical pricing, fixed income, commodities, foreign exchange, exchange-traded equity and derivative securities.<sup>3</sup> LiveCharts, which was also developed by IDC, is a browser-based, front-end product that provides charting and technical analysis of global real-time market data.<sup>4</sup> BATS Investor Pro and BATS Investor RT will include only market data from the Exchange.<sup>5</sup>

The Exchange intends to submit a separate proposed rule change with pricing details for the Private Labeled Products.

Various data recipients may wish to subscribe to and use the Private Labeled Products. For instance, data recipients that receive real-time market information on public websites or subscribe to dynamic stock tickers, portfolio trackers, price/time graphs and other visual systems can use the Private Labeled Products in lieu of using such products. Such data recipients may prefer the Private Labeled Products to view Exchange data to the extent they are familiar with such products that include data from other markets. The Exchange notes that similar market data products are offered by IDC containing data from other exchanges and market centers.

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<sup>3</sup> <http://www.interactivedata.com/uploads/File/MARketQ.pdf>.

<sup>4</sup> <http://www.esignal.com/livecharts/default.aspx>.

<sup>5</sup> Subscribers of BATS Investor Pro and BATS Investor RT may, for an additional fee, supplement their subscriptions to include market data in addition to Exchange data. This fee is not included as part of the Exchange's revenue sharing program with IDC.

No Exchange participant is required to subscribe to the Private Labeled Products because the same information is available in the Exchange's other data feeds.<sup>6</sup> Exchange participants can also gain access to BATS quotations and last sale prices that are integrated with the prices that other markets make available through the Security Information Processors ("SIPs") for the national market system plans responsible for disseminating consolidated market information. Indeed, even though the Private Labeled Products may provide to some participants an efficient alternative to the consolidated price information that investors and broker-dealers can receive on a consolidated basis from the SIPs, the Exchange believes that the information that the Exchange contributes to the consolidated tape and the increasingly lower latency of the data feeds offered by the SIPs will continue to satisfy the needs of the vast majority of individual and professional investors. Although certain data recipients might supplement their access to data by subscribing to the Private Labeled Products, it is unlikely that data recipients or distributors will replace the consolidated feeds provided by the SIPs and/or their direct access to BATS data feeds as a result of the availability of the Private Labeled Products. The Exchange represents that it will not distribute information to IDC for inclusion in the Private Labeled Products on a more timely basis than it makes available the data to all

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<sup>6</sup> The Exchange currently offers various data feeds, including, but not limited to, TCP PITCH and Multicast PITCH, which are depth of book data feeds containing real-time quotation and transaction data from the Exchange; DROP, which contains order execution and other information (*e.g.*, modifications and cancellations) specific to the Exchange activity of one or more Exchange participants; and TOP, which contains real-time top of book quotation and transaction information from the Exchange. Beginning July 1, 2013, the Exchange implemented fees for the PITCH (including both TCP PITCH and Multicast PITCH) and TOP data products, and revised the fee for the Last Sale Feed data product. The Exchange continues to offer its other market data products to data recipients free of charge.



Exchange participants that receive such data feeds or that is provided to the SIPs for consolidation and dissemination, nor will IDC have any special or different access to the Exchange's data as a result of IDC's arrangement with the Exchange. In addition, the Exchange represents that IDC has not (and will not) receive any preferential treatment as a result of IDC's arrangement with the Exchange.

All Exchange participants, including IDC, that receive BATS data directly from the Exchange pay connectivity fees to access such data through logical and physical ports connected to the Exchange's systems. Beginning July 1, 2013, the Exchange implemented fees for the PITCH (including both TCP PITCH and Multicast PITCH) and TOP data products, and revised the fee for the Last Sale Feed data product. Accordingly all Exchange participants, including IDC, are charged standard fees for the receipt, use or redistribution of such data feeds. The Exchange continues to offer its other market data products to data recipients free of charge. Under the new agreement with IDC, IDC will continue to receive any of the various BATS data feeds that it currently subscribes to on the same terms as other Exchange participants, and will continue to pay any port fees that it currently pays to the Exchange to receive such data feeds. Additionally, beginning July 1, 2013, IDC became subject to data fees payable to the Exchange for such data feeds on the same terms as all other Exchange participants that receive, use or redistribute BATS data from the Exchange.

## 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,<sup>7</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>8</sup> in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to 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. The Exchange believes the proposed rule will allow Exchange participants to make better-informed and more efficient trading decisions by making available the Private Labeled Products. In addition, the Exchange notes that the revenue sharing program is not exclusive as between the Exchange and IDC. Any recipient of BATS data feeds is permitted to redistribute such data, whether through a revenue sharing arrangement with BATS or otherwise, or provide products and services similar to those being offered by IDC, provided that such recipient (including IDC) has entered into the required contractual arrangements with the Exchange.<sup>9</sup>

Lastly, these products are completely optional in that no consumer is required to purchase any of them and only those consumers that deem such products to be of sufficient overall value and usefulness will purchase them. To the extent consumers do

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

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

<sup>9</sup> Recipients of BATS data feeds, either directly from the Exchange or from a third-party data vendor, that seek to redistribute such data, either internally or externally, are required to execute a BATS Global Markets, Inc. Data Agreement, an Exchange Data Feed Order Form and System Description, List of Affiliates (if applicable), and Service Facilitator List (if applicable).

purchase the Private Labeled Products, the revenue generated will offset the Exchange's fixed costs of operating and regulating its trading platforms, including the continued operation of data feeds that will supply data to be used in the Private Labeled Products. It will also help the Exchange cover its costs in developing and running that platform, as well as ongoing infrastructure costs.

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

The proposed rule change does not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. As discussed above, similar market data products are offered by IDC containing data from other exchanges and market centers. Further, the revenue sharing program is not exclusive as between the Exchange and IDC. Any recipient of BATS data feeds is permitted to redistribute such data, whether through a revenue sharing arrangement with BATS or otherwise, or provide products and services similar to those being offered by IDC, provided that such recipient (including IDC) has entered into the required contractual arrangements with the Exchange. The Exchange represents that it will not distribute information to IDC for inclusion in the Private Labeled Products on a more timely basis than it makes available the data to all Exchange participants that receive such data feeds or that is provided to the SIPs for consolidation and dissemination, nor will IDC have any special or different access to the Exchange's data as a result of IDC's arrangement with the Exchange. In addition, the Exchange represents that IDC has not (and will not) receive any preferential treatment as a result of IDC's arrangement with the Exchange.

(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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>11</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:

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-2013-045 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.

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

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

All submissions should refer to File No. SR-BATS-2013-045. 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-2013-045 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>12</sup>

Kevin M. O'Neill  
Deputy Secretary

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