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

File No.* SR - 2013 - * 012
Amendment No. (req. for Amendments *)

Filing by BATS Y-Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
☑	☐	☐	☐	☑	☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

- ☐ 19b-4(f)(1)
- ☑ 19b-4(f)(2)
- ☐ 19b-4(f)(3)
- ☐ 19b-4(f)(4)
- ☐ 19b-4(f)(5)
- ☐ 19b-4(f)(6)

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Section 806(e)(1) ☐ Section 806(e)(2) ☐

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 3C(b)(2) ☐

Exhibit 2 Sent As Paper Document ☐ Exhibit 3 Sent As Paper Document ☐

Description

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

Amendments to the fee schedule of BATS Y-Exchange, Inc.

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.

Date 03/27/2013
By Anders Franzon
(Name *)

(Title *)
VP, Associate General Counsel

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,

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * 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 * Add Remove View	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 Add Remove View	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 Add Remove View 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 Add Remove View 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 Add Remove View	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 Add Remove View	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 Add Remove View	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 Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] BATS Y-Exchange, Inc. (the "Exchange" or "BYX") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule applicable to Members[3] and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on April 1, 2013.

(a) The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(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 September 27, 2010. 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 the rule change.

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

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 proposes to modify its fee schedule effective April 1, 2013, in order to amend the rebates that it provides for removing liquidity and to amend the fees that it charges for adding liquidity, as described in further detail below.

Rebates to Remove Liquidity

The Exchange currently offers a tiered pricing structure for executions that remove liquidity. Under the tiered pricing structure, a Member must add a daily average of at least 50,000 shares of liquidity on BYX Exchange in order to receive a rebate to remove liquidity. For Members that meet this requirement, the Exchange provides three different rebates, as described below.

The Exchange currently provides a rebate of $0.0004 per share to remove liquidity for Members that have an average daily volume ("ADV") on the Exchange of at least 0.5% of the total consolidated volume ("TCV"), a rebate of $0.0003 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.25% but less than 0.5% of TCV, and a rebate of $0.0002 per share to remove liquidity for Members that add the requisite number of shares of liquidity on BYX Exchange but do not qualify for a rebate based on TCV as set forth above. As with its other current tiered pricing, the daily average in order to receive the liquidity removal rebate is calculated based on a Member's activity in the month for which the rebates would apply. For Members that do not reach a tier to receive the liquidity removal rebate, the Exchange does not currently provide rebate. The Exchange does not, however, charge such Members, but rather, provides such executions free of charge. The Exchange does not propose modifying the existing rebate structure for Members that do not achieve one of the three enhanced rebate tiers.

The Exchange does not propose to change the requirement that a Member add a daily average of at least 50,000 shares of liquidity on BYX Exchange in order to receive a rebate to remove liquidity. The Exchange proposes to increase by $0.0003 per share the rebates provided to all Members that qualify for a liquidity removal tier. Specifically, the Exchange proposes to provide a rebate of $0.0007 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.5% of TCV, a rebate of $0.0006 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.25% but less than 0.5% of TCV, and a rebate of $0.0005 per share to remove liquidity that add the requisite number of shares of liquidity on BYX Exchange but do not qualify for a rebate based on TCV as set forth above.

Consistent with the current fee structure, the fee structure for executions that remove liquidity from the Exchange described above will not apply to executions that remove liquidity in securities priced under $1.00 per share. The fee for such executions will remain at 0.10% of the total dollar value of the execution. Similarly, as is currently the case for adding liquidity to the Exchange, there will be no liquidity rebate for adding liquidity in securities priced under $1.00 per share.

<u>Fees to Add Liquidity</u>

The Exchange currently maintains a tiered pricing structure for adding displayed liquidity in securities priced $1.00 and above that allows Members to add liquidity at a reduced fee if they reach certain volume thresholds. The tiered pricing structure allows Members that qualify for reduced fees to add liquidity at a further reduced fee to the extent such liquidity sets the national best bid or offer (the "NBBO Setter Program"). The Exchange charges Members that maintain ADV on the Exchange of at least 0.5% of the total TCV during the month a liquidity adding fee of $0.00025 per share on orders that set the NBBO and $0.0003 per share on orders that do not set the NBBO. The Exchange charges Members that maintain ADV on the Exchange of at least 0.25% but less than 0.5% of the total TCV during the month a liquidity adding fee of $0.00035 per share on orders that set the NBBO and $0.0004 per share for orders that do not set the NBBO. The Exchange charges a liquidity adding fee of $0.0005 per share to Members that do not qualify for a reduced fee based on their volume on the Exchange.

The Exchange proposes to increase its fees to add displayed liquidity for all Members by $0.0002 per share. Specifically, the Exchange proposes to charge Members that maintain ADV on the Exchange of at least 0.5% of the total TCV during the month a liquidity adding fee of $0.00045 per share on orders that set the NBBO and $0.0005 per share on orders that do not set the NBBO. The Exchange proposes to charge Members that maintain ADV on the Exchange of at least 0.25% but less than 0.5% of the total TCV during the month a liquidity adding fee of $0.00055 per share on orders that set the NBBO and $0.0006 per share for orders that do not set the NBBO. The Exchange proposes to charge Members that do not qualify for a reduced fee based on their volume on the Exchange a liquidity adding fee of $0.0007 per share.

The Exchange notes that it does not propose to modify its existing definitions of "ADV" or "TCV" in connection with the changes described above. The Exchange notes that the definition of ADV used in conjunction with TCV for the NBBO Setter Program and the tiered pricing structures for executions that add and remove liquidity includes both a Member's liquidity adding and removing activity. However, as today, the 50,000 shares added requirement necessary to achieve tiered pricing to remove liquidity only includes added volume.

(b) Statutory Basis

The Exchange believes that the proposed rule change 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 of the Act.[4] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[5] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The changes to Exchange execution fees and rebates proposed by this filing are intended to attract order flow to the Exchange by continuing to offer competitive pricing while also allowing the Exchange to continue to offer incentives to providing aggressively priced displayed liquidity. While Members that add liquidity to the Exchange will be paying higher fees due to the proposal, the increased revenue received

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4 15 U.S.C. 78f.

5 15 U.S.C. 78f(b)(4).

by the Exchange will be used to continue to fund programs that the Exchange believes will attract additional liquidity to the Exchange.

With respect to the proposed changes to the tiered pricing structure for removing liquidity from the Exchange, the Exchange believes that its proposal is reasonable because it will continue to be available to Members that achieve a relatively low threshold of added liquidity, and thus who contribute to the depth of liquidity generally available on the Exchange. By providing higher potential rebates to all qualifying Members, the Exchange is further incentivizing Members to participate in the growth of the Exchange. The increased rebates also provide additional incentive to Members that do not qualify for the tier to increase their participation on the Exchange in order to qualify. Volume-based tiers such as the liquidity removal tiers maintained by the Exchange have been widely adopted in the equities markets, and are equitable and not unfairly discriminatory because they are open to all members on an equal basis and provide rebates that are reasonably related to the value to an exchange’s market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery process. Accordingly, the Exchange believes that the proposal is equitably allocated and not unfairly discriminatory because it is consistent with the overall goals of enhancing market quality.

With respect to the increases to the fees charged to add displayed liquidity, the Exchange believes that the proposed fees are reasonable as such fees are still comparable to other market centers that charge to add displayed liquidity and represent only a slight increase from the current fee levels. The Exchange notes that at least one market center charges a higher fee to add displayed liquidity.[6]

The Exchange believes that any additional revenue it receives based on the increases to fees set forth above will allow the Exchange to devote additional capital to its operations and to continue to offer competitive pricing, which, in turn, will benefit Members of the Exchange. Further, the Exchange again notes that the tiered fee structure whereby Members meeting certain volume thresholds will receive reduced fees on their added liquidity executions is equitable and not unfairly discriminatory because it will be open to all Members on an equal basis the reduced fee is reasonably related to the value to the Exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery process.

4. <u>Self-Regulatory Organization's Statement on Burden on Competition</u>

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for order execution is extremely competitive, Members may choose to preference other market centers ahead of the Exchange if they believe that they can receive better fees or rebates elsewhere. Further, because certain of the proposed changes are intended to provide incentives to Members that will result in increased activity on the Exchange, such changes are necessarily competitive. The Exchange also believes that its pricing for displayed orders is

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6 NASDAQ OMX BX charges up to $0.0018 per share, with the potential for a slightly lower fee to the extent a participant meets certain quoting criteria.

appropriately competitive vis-à-vis the Exchange's competitors. Further, the Exchange believes that continuing to incentivize the entry of aggressively priced, displayed liquidity fosters intra-market competition to the benefit of all market participants that enter orders to the Exchange. However, the Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange does not believe that any of the changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors.

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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act[7] and Rule 19b-4(f)(2) thereunder,[8] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge applicable to the Exchange's Members and non-members, which renders the proposed rule change effective upon filing.

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7 15 U.S.C. 78s(b)(3)(A)(ii).

8 17 CFR 240.19b-4(f)(2).

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.

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.

Exhibits 2 – 4: Not applicable.

Exhibit 5: Text of Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____________; File No. SR-BYX-2013-012)

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.

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 March 27, 2013, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act[3] and Rule 19b-4(f)(2) thereunder,[4] which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the fee schedule applicable to Members[5] and non-members of the Exchange pursuant to BYX Rules 15.1(a) and (c). While changes to

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 15 U.S.C. 78s(b)(3)(A)(ii).

4 17 CFR 240.19b-4(f)(2).

5 A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on April 1, 2013.

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.

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 proposes to modify its fee schedule effective April 1, 2013, in order to amend the rebates that it provides for removing liquidity and to amend the fees that it charges for adding liquidity, as described in further detail below.

Rebates to Remove Liquidity

The Exchange currently offers a tiered pricing structure for executions that remove liquidity. Under the tiered pricing structure, a Member must add a daily average of at least 50,000 shares of liquidity on BYX Exchange in order to receive a rebate to remove liquidity. For Members that meet this requirement, the Exchange provides three different rebates, as described below.

The Exchange currently provides a rebate of $0.0004 per share to remove liquidity for Members that have an average daily volume ("ADV") on the Exchange of at least 0.5% of the total consolidated volume ("TCV"), a rebate of $0.0003 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.25% but less than 0.5% of TCV, and a rebate of $0.0002 per share to remove liquidity for Members that add the requisite number of shares of liquidity on BYX Exchange but do not qualify for a rebate based on TCV as set forth above. As with its other current tiered pricing, the daily average in order to receive the liquidity removal rebate is calculated based on a Member's activity in the month for which the rebates would apply. For Members that do not reach a tier to receive the liquidity removal rebate, the Exchange does not currently provide rebate. The Exchange does not, however, charge such Members, but rather, provides such executions free of charge. The Exchange does not propose modifying the existing rebate structure for Members that do not achieve one of the three enhanced rebate tiers.

The Exchange does not propose to change the requirement that a Member add a daily average of at least 50,000 shares of liquidity on BYX Exchange in order to receive a rebate to remove liquidity. The Exchange proposes to increase by $0.0003 per share the rebates provided to all Members that qualify for a liquidity removal tier. Specifically, the Exchange proposes to provide a rebate of $0.0007 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.5% of TCV, a rebate of $0.0006 per share to remove liquidity for Members that have an ADV on the Exchange of at least 0.25% but less than 0.5% of TCV, and a rebate of $0.0005 per share to remove liquidity that add the requisite number of shares of liquidity on BYX Exchange but do not qualify for a rebate based on TCV as set forth above.

Consistent with the current fee structure, the fee structure for executions that remove liquidity from the Exchange described above will not apply to executions that remove liquidity in securities priced under $1.00 per share. The fee for such executions will remain at 0.10% of the total dollar value of the execution. Similarly, as is currently the case for adding liquidity to the Exchange, there will be no liquidity rebate for adding liquidity in securities priced under $1.00 per share.

<u>Fees to Add Liquidity</u>

The Exchange currently maintains a tiered pricing structure for adding displayed liquidity in securities priced $1.00 and above that allows Members to add liquidity at a reduced fee if they reach certain volume thresholds. The tiered pricing structure allows Members that qualify for reduced fees to add liquidity at a further reduced fee to the extent such liquidity sets the national best bid or offer (the "NBBO Setter Program"). The Exchange charges Members that maintain ADV on the Exchange of at least 0.5% of the total TCV during the month a liquidity adding fee of $0.00025 per share on orders that set the NBBO and $0.0003 per share on orders that do not set the NBBO. The Exchange charges Members that maintain ADV on the Exchange of at least 0.25% but less than 0.5% of the total TCV during the month a liquidity adding fee of $0.00035 per share on orders that set the NBBO and $0.0004 per share for orders that do not set the NBBO. The Exchange charges a liquidity adding fee of $0.0005 per share to Members that do not qualify for a reduced fee based on their volume on the Exchange.

The Exchange proposes to increase its fees to add displayed liquidity for all Members by $0.0002 per share. Specifically, the Exchange proposes to charge Members that maintain ADV on the Exchange of at least 0.5% of the total TCV during the month a liquidity adding fee of $0.00045 per share on orders that set the NBBO and $0.0005 per share on orders that do not set the NBBO. The Exchange proposes to charge Members that maintain ADV on the Exchange of at least 0.25% but less than 0.5% of the total TCV during the month a liquidity adding fee of $0.00055 per share on orders that set the NBBO and $0.0006 per share for orders that do not set the NBBO. The Exchange proposes to charge Members that do not qualify for a reduced fee based on their volume on the Exchange a liquidity adding fee of $0.0007 per share.

The Exchange notes that it does not propose to modify its existing definitions of "ADV" or "TCV" in connection with the changes described above. The Exchange notes that the definition of ADV used in conjunction with TCV for the NBBO Setter Program and the tiered pricing structures for executions that add and remove liquidity includes both a Member's liquidity adding and removing activity. However, as today, the 50,000 shares added requirement necessary to achieve tiered pricing to remove liquidity only includes added volume.

2. Statutory Basis

The Exchange believes that the proposed rule change 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 of the Act.[6] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[7] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a

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[6] 15 U.S.C. 78f.

[7] 15 U.S.C. 78f(b)(4).

highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The changes to Exchange execution fees and rebates proposed by this filing are intended to attract order flow to the Exchange by continuing to offer competitive pricing while also allowing the Exchange to continue to offer incentives to providing aggressively priced displayed liquidity. While Members that add liquidity to the Exchange will be paying higher fees due to the proposal, the increased revenue received by the Exchange will be used to continue to fund programs that the Exchange believes will attract additional liquidity to the Exchange.

With respect to the proposed changes to the tiered pricing structure for removing liquidity from the Exchange, the Exchange believes that its proposal is reasonable because it will continue to be available to Members that achieve a relatively low threshold of added liquidity, and thus who contribute to the depth of liquidity generally available on the Exchange. By providing higher potential rebates to all qualifying Members, the Exchange is further incentivizing Members to participate in the growth of the Exchange. The increased rebates also provide additional incentive to Members that do not qualify for the tier to increase their participation on the Exchange in order to qualify. Volume-based tiers such as the liquidity removal tiers maintained by the Exchange have been widely adopted in the equities markets, and are equitable and not unfairly discriminatory because they are open to all members on an equal basis and provide rebates that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery process. Accordingly, the Exchange believes that the proposal is equitably allocated and not unfairly discriminatory because it is consistent with the overall goals of enhancing market quality.

With respect to the increases to the fees charged to add displayed liquidity, the Exchange believes that the proposed fees are reasonable as such fees are still comparable to other market centers that charge to add displayed liquidity and represent only a slight increase from the current fee levels. The Exchange notes that at least one market center charges a higher fee to add displayed liquidity.[8]

The Exchange believes that any additional revenue it receives based on the increases to fees set forth above will allow the Exchange to devote additional capital to its operations and to continue to offer competitive pricing, which, in turn, will benefit Members of the Exchange. Further, the Exchange again notes that the tiered fee structure whereby Members meeting certain volume thresholds will receive reduced fees on their added liquidity executions is equitable and not unfairly discriminatory because it will be open to all Members on an equal basis the reduced fee is reasonably related to the value to the Exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and introduction of higher volumes of orders into the price and volume discovery process.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. Because the market for order execution is extremely competitive, Members may choose to preference other market centers ahead of the

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[8] NASDAQ OMX BX charges up to $0.0018 per share, with the potential for a slightly lower fee to the extent a participant meets certain quoting criteria.

Exchange if they believe that they can receive better fees or rebates elsewhere. Further, because certain of the proposed changes are intended to provide incentives to Members that will result in increased activity on the Exchange, such changes are necessarily competitive. The Exchange also believes that its pricing for displayed orders is appropriately competitive vis-à-vis the Exchange's competitors. Further, the Exchange believes that continuing to incentivize the entry of aggressively priced, displayed liquidity fosters intra-market competition to the benefit of all market participants that enter orders to the Exchange. However, the Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange does not believe that any of the changes represent a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors.

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

No written comments were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act[9] and paragraph (f) of Rule 19b-4 thereunder.[10] 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

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9 15 U.S.C. 78s(b)(3)(A)(ii).

10 17 CFR 240.19b-4(f).

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. Please include File No. SR-BYX-2013-012 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-BYX-2013-012. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 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-BYX-2013-012 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.[11]

Kevin M. O'Neill
Deputy Secretary

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[11] 17 CFR 200.30-3(a)(12).

Note: Proposed new language is underlined. Proposed deletions are enclosed in brackets.

BATS BYX Exchange Fee Schedule
Effective [March 1]April 1, 2013

The following is the Schedule of Fees (pursuant to Rule 15.1(a) and (c)) for BATS Y-Exchange, Inc. ("BYX Exchange" or "BYX").

All references to "per share" mean "per share executed."

Rebates for Accessing Liquidity for All Securities Priced $1.00 or Above

$0.0007[4] rebate per share that removes liquidity from the BYX Exchange order book for executions by Members that: (i) have an ADV[1] equal to or greater than 0.5% of average TCV[2], and (ii) add a daily average (calculated monthly) of at least 50,000 shares of liquidity on BYX Exchange

$0.0006[3] rebate per share that removes liquidity from the BYX Exchange order book for executions by Members that: (i) have an ADV[1] equal to or greater than 0.25% but less than 0.5% of average TCV[2], and (ii) add a daily average (calculated monthly) of at least 50,000 shares of liquidity on BYX Exchange

$0.0005[2] rebate per share that removes liquidity from the BYX Exchange order book for executions by Members that add a daily average (calculated monthly) of at least 50,000 shares of liquidity on BYX Exchange but do not qualify for an enhanced rebate based on average TCV[2] as set forth above

No rebate to remove liquidity for executions by Members that do not qualify for an enhanced rebate as set forth above

Liquidity Fees for All Securities Priced $1.00 or Above

$0.00045[25] charge per share for adding displayed liquidity to the BYX Exchange order book that sets the national best bid or offer ("NBBO") for Members who have an ADV[1] equal to or greater than 0.5% of average TCV[2]

$0.0005[3] charge per share for adding displayed liquidity to the BYX Exchange order book for all other executions by Members who have an ADV[1] equal to or greater than 0.5% of average TCV[2]

$0.00055[35] charge per share for adding displayed liquidity to the BYX Exchange order book that sets the NBBO for Members who have an ADV[1] equal to or greater than 0.25% but less than 0.5% of average TCV[2]

$0.0006[4] charge per share for adding displayed liquidity to the BYX Exchange order book for all other executions by Members who have an ADV[1] equal to or greater than 0.25% but less than 0.5% of average TCV[2]

$0.0007[5] charge per share for adding displayed liquidity to the BYX Exchange order book for executions by Members that do not qualify for a reduced charge as set forth above

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[1] "ADV" means average daily volume calculated as the number of shares added or removed, combined, per day on a monthly basis; routed shares are not included in ADV calculation; with prior notice to the Exchange, a Member may aggregate ADV with other Members that control, are controlled by, or are under common control with such Member (as evidenced on such Member's Form BD).

[2] "TCV" means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply.