

OMB APPROVAL

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Page 1 of * 20

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

File No.* SR - 2013 - * 029

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

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)

Section 806(e)(2)

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 *).

Proposal to amend the fees of BATS Y-Exchange, Inc. with respect to the proprietary trader qualification examination and related continuing education.

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 * afranzone@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 08/16/2013

By Anders Franzon

(Name *)

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.

Persona Not Validated - 1364234628553,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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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Exhibit Sent As Paper Document

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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 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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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 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

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

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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 Y-Exchange, Inc. (the “Exchange” or “BYX”) is filing with the Securities and Exchange Commission (“Commission”) proposed rule change to amend Rule 2.5, entitled “Restrictions,” to include the Regulatory Fees that will be charged to certain registered persons at the Exchange for the proficiency examination and continuing education (“CE”) requirements under the Rule. Pursuant to Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2)⁴ thereunder, the Exchange has designated this proposal as one establishing or changing a due, fee, or other charge applicable to its members, and, therefore, the proposed rule change is effective upon filing.

(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 filing 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

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).

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 proposes to add Interpretation and Policy .01(j) to Rule 2.5 to include the examination fee that will be charged to individuals that choose to complete the Proprietary Traders Qualification Examination ("Series 56"). Specifically, the Exchange is proposing to add a \$195 examination fee for this examination. The Exchange also proposes to add Interpretation and Policy .02(f) to Rule 2.5 to include a \$60 session fee for those individuals that must complete the S501 Series 56 Proprietary Trader Continuing Education Program ("S501").

Examination Fee

Recently, the Exchange amended Interpretation and Policy .01(f) to Rule 2.5 to include the registration and qualification requirements for persons registered as Proprietary Traders with the Exchange.⁵ Under this provision, those who wish to register as a Proprietary Trader with the Exchange must complete the Series 56 examination. Thus, the Exchange is proposing to include the \$195 fee that will be charged to individuals who wish to complete this examination. This fee will be collected with the

⁵ See SR-BYX-2013-028 (filed Aug. 15, 2013), available at http://www.batstrading.com/regulation/rule_filings/byx.

administrator of the Series 56, which is currently FINRA. The Exchange will not invoice or collect this fee.

Rule 2.5 does not currently set forth the examination fees for other qualification examinations required or accepted by the Exchange because these programs are within the jurisdiction of the Financial Industry Regulatory Authority (“FINRA”), which collects these examination fees from its members. The Series 56, however, applies to Exchange Members that are not required by Section 15(b)(8)⁶ of the Act to become FINRA Members. Therefore, Exchange believes it is appropriate to include the Series 56 examination fee within Rule 2.5 to make the cost of this examination clear to Exchange Members. The examination fee is designed to reflect the costs of maintaining and developing the Series 56 and to ensure that the examination’s content is and continues to be adequate for testing the competence and knowledge generally applicable to proprietary trading.

Continuing Education Fees

Interpretation and Policy .02(a) to Rule 2.5 requires all Registered Representatives to complete the Regulatory Element of the CE program beginning with the “occurrence of their second registration anniversary date and every three years thereafter or as otherwise prescribed by the Exchange.” Recently, the Exchange amended Interpretation and Policy .02 to enumerate the different CE programs appropriate for each

⁶ 15 U.S.C. 78o(b)(8).

category of registration with the Exchange.⁷ The Exchange is now proposing to outline the necessary fees associated with the Regulatory Element of the S501.⁸

The Exchange has determined that this fee change is necessary to administer the Series 56 CE program. Specifically, the \$60 session fee will be used to fund the CE program administered to Proprietary Traders that have a Series 56 registration and are required to complete the S501. The Exchange believes the \$60 fee is reasonable and proportional based upon the programming of the CE. In addition, the \$60 fee will only be used for the administration of the CE, while the costs associated with the development of the S501 are included in the examination fee. Like the examination fee for the Series 56, the S501 fee will be collected by the administrator of the Program, which is currently FINRA. The Exchange will not invoice or collect this fee. The Exchange is not proposing to include the CE fees for the other CE programs enumerated in the Rule. Like the registration examinations, these CE programs are within FINRA's jurisdiction and FINRA collects the session fees from its members.

Because the CE element is separate and different from the CE programs already administered, the proposed change would put Registered Representatives on notice of the associated fees. The proposed fee would also allow the Exchange to fund the S501, which is more tailored to the Series 56 registration. In addition, the Exchange believes other

⁷ Id.

⁸ The Exchange has assisted with the development of, and plan to administer, the Series 56 and S501 along with the following participating self-regulatory organizations: BATS Exchange, Inc., Chicago Board Options Exchange ("CBOE"), C2 Options Inc. ("C2"), the Chicago Stock Exchange, Inc., the New York Stock Exchange, LLC, NYSE Arca, Inc., NYSE Amex, LLC, the NASDAQ Stock Market LLC, the National Stock Exchange, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, LLC, EDGA Exchange, Inc. ("EDGA"), EDGX Exchange, Inc. ("EDGX"), International Securities Exchange, LLC, and BOX Options Exchange, LLC.

exchanges will be assessing the same fee for this CE program. The proposed changes are to take effect on August 19, 2013.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ which requires that the rules of an exchange be 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, and processing information with respect to, and facilitation of 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.

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.¹¹ The proposed changes fulfill this requirement because the fees are allocated to all individuals who have or wish to have a Series 56 registration. The proposed fees are reasonably designed to allow FINRA to cover its cost of administering the Series 56 examination program on behalf of the Exchange. The fee for the Series 56 examination is greater than the fee for the CE program because the examination fee is also designed to cover the costs

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

associated with developing both the Series 56 examination and the related S501. The S501 fee is meant only to cover the costs of administering the CE sessions. The Exchange notes that it will not invoice or collect funds from Members that are subject to these fees because these fees will be paid directly to FINRA. The Exchange and the current administrator of the examination and CE program, FINRA, incur costs in maintaining and developing the examination and CE program to ensure the content is and continues to be adequate for testing the competence and knowledge generally applicable to proprietary trading. The Exchange believes it is reasonable and equitable to include these fees in Interpretations and Policies .01(j) and .02(f) to make the costs of the Series 56 and its related CE requirement clear to Members. Moreover, the Exchange believes other exchanges will be assessing the same fees for this examination and related CE program.¹²

Finally, the Exchange believes the proposed rule change is consistent with Section 6(b)(1) of the Act,¹³ which requires that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act such that it can enforce compliance with the Act by persons registered with the Exchange. As previously discussed, the proposed rule change is designed to fund the administration of the Series 56 and S501. Thus, the proposed rule change will help the Exchange enforce compliance with the Act and Exchange Rules by those persons registered as Proprietary Traders.

¹² CBOE, C2, EDGX, and EDGA have already assessed this \$60 fee. Securities Exchange Act Release No. 70064 (July 30, 2013), 78 FR 47469 (Aug. 5, 2013) (SR-CBOE-2013-078); Securities Exchange Act Release No. 70194 (Aug. 14, 2013) (SR-C2-2013-030); Securities Exchange Act Release No. 70162 (Aug. 12, 2013) (SR-EDGX-2013-31); Securities Exchange Act Release No. 70163 (Aug. 12, 2013) (SR-EDGA-2013-24). EDGX and EDGA have also already assessed the \$195 examination fee. Securities Exchange Act Release No. 70162 (Aug. 12, 2013) (SR-EDGX-2013-31); Securities Exchange Act Release No. 70163 (Aug. 12, 2013) (SR-EDGA-2013-24).

¹³ 15 U.S.C. 78f(b)(1).

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In particular, the proposed rule change will not impose any burden on intermarket competition because it will merely serve to aid the Exchange in fulfilling its obligations as a Self-Regulatory Organization by funding the administration of the Series 56 and S501. The proposed rule change will not impose any burden on intramarket competition because all Registered Representatives are required to pass a qualification examination and fulfill the appropriate CE requirement as outlined in Interpretations and Policies .01 and .02 of Rule 2.5, and the fees for the Series 56 and S501 will apply uniformly to all Members. In addition, as noted above, the Exchange believes other exchanges will be assessing the same fees for the Series 56 and related CE program to be collected by FINRA.

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

Not applicable.

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 Act¹⁴ and Rule 19b-4(f)(2) thereunder,¹⁵ the Exchange has designated this proposal as establishing or changing a due, fee, or other

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

charge applicable to the Exchange's Members and non-members, which renders the proposed rule change effective upon filing.

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 is based on fee filings by CBOE, C2, EDGA, and EDGX.¹⁶

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 2–4: Not applicable.

Exhibit 5: Text of Proposed Rule Change.

¹⁶ See supra note 12.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BYX-2013-029)

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Related to Registration and Continuing Education Fees for 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 August 16, 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 Act³ 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 filed a proposal to amend Rule 2.5, entitled “Restrictions,” to include the Regulatory Fees that will be charged to certain registered persons at the Exchange for the proficiency examination and continuing education (“CE”) requirements under the Rule. Changes to Exchange fees pursuant to this proposal are effective upon

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).

filing.

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 add Interpretation and Policy .01(j) to Rule 2.5 to include the examination fee that will be charged to individuals that choose to complete the Proprietary Traders Qualification Examination ("Series 56"). Specifically, the Exchange is proposing to add a \$195 examination fee for this examination. The Exchange also proposes to add Interpretation and Policy .02(f) to Rule 2.5 to include a \$60 session fee for those individuals that must complete the S501 Series 56 Proprietary Trader Continuing Education Program ("S501").

Examination Fee

Recently, the Exchange amended Interpretation and Policy .01(f) to Rule 2.5 to include the registration and qualification requirements for persons registered as

Proprietary Traders with the Exchange.⁵ Under this provision, those who wish to register as a Proprietary Trader with the Exchange must complete the Series 56 examination. Thus, the Exchange is proposing to include the \$195 fee that will be charged to individuals who wish to complete this examination. This fee will be collected with the administrator of the Series 56, which is currently FINRA. The Exchange will not invoice or collect this fee.

Rule 2.5 does not currently set forth the examination fees for other qualification examinations required or accepted by the Exchange because these programs are within the jurisdiction of the Financial Industry Regulatory Authority (“FINRA”), which collects these examination fees from its members. The Series 56, however, applies to Exchange Members that are not required by Section 15(b)(8)⁶ of the Act to become FINRA Members. Therefore, Exchange believes it is appropriate to include the Series 56 examination fee within Rule 2.5 to make the cost of this examination clear to Exchange Members. The examination fee is designed to reflect the costs of maintaining and developing the Series 56 and to ensure that the examination’s content is and continues to be adequate for testing the competence and knowledge generally applicable to proprietary trading.

Continuing Education Fees

Interpretation and Policy .02(a) to Rule 2.5 requires all Registered Representatives to complete the Regulatory Element of the CE program beginning with the “occurrence of their second registration anniversary date and every three years

⁵ See SR-BYX-2013-028 (filed Aug. 15, 2013), available at http://www.batstrading.com/regulation/rule_filings/byx.

⁶ 15 U.S.C. 78o(b)(8).

thereafter or as otherwise prescribed by the Exchange.” Recently, the Exchange amended Interpretation and Policy .02 to enumerate the different CE programs appropriate for each category of registration with the Exchange.⁷ The Exchange is now proposing to outline the necessary fees associated with the Regulatory Element of the S501.⁸

The Exchange has determined that this fee change is necessary to administer the Series 56 CE program. Specifically, the \$60 session fee will be used to fund the CE program administered to Proprietary Traders that have a Series 56 registration and are required to complete the S501. The Exchange believes the \$60 fee is reasonable and proportional based upon the programming of the CE. In addition, the \$60 fee will only be used for the administration of the CE, while the costs associated with the development of the S501 are included in the examination fee. Like the examination fee for the Series 56, the S501 fee will be collected by the administrator of the Program, which is currently FINRA. The Exchange will not invoice or collect this fee. The Exchange is not proposing to include the CE fees for the other CE programs enumerated in the Rule. Like the registration examinations, these CE programs are within FINRA’s jurisdiction and FINRA collects the session fees from its members.

Because the CE element is separate and different from the CE programs already administered, the proposed change would put Registered Representatives on notice of the

⁷ Id.

⁸ The Exchange has assisted with the development of, and plan to administer, the Series 56 and S501 along with the following participating self-regulatory organizations: BATS Exchange, Inc., Chicago Board Options Exchange (“CBOE”), C2 Options Inc. (“C2”), the Chicago Stock Exchange, Inc., the New York Stock Exchange, LLC, NYSE Arca, Inc., NYSE Amex, LLC, the NASDAQ Stock Market LLC, the National Stock Exchange, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX, LLC, EDGA Exchange, Inc. (“EDGA”), EDGX Exchange, Inc. (“EDGX”), International Securities Exchange, LLC, and BOX Options Exchange, LLC.

associated fees. The proposed fee would also allow the Exchange to fund the S501, which is more tailored to the Series 56 registration. In addition, the Exchange believes other exchanges will be assessing the same fee for this CE program. The proposed changes are to take effect on August 19, 2013.

2. Statutory Basis

The Exchange believes that its proposal is consistent with the Securities Exchange Act of 1934 (the “Act”) and the rules and regulations thereunder applicable to the Exchange and, in particular, the requirements of Section 6(b) of the Act.⁹ Specifically, the Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act,¹⁰ which requires that the rules of an exchange be 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, and processing information with respect to, and facilitation of 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.

Additionally, the Exchange believes the proposed rule change is consistent with the Section 6(b)(5) requirement that the rules of an exchange not be designed to permit unfair discrimination between customers, issuers, brokers, or dealers.¹¹ The proposed changes fulfill this requirement because the fees are allocated to all individuals who have or wish to have a Series 56 registration. The proposed fees are reasonably designed to allow FINRA to cover its cost of administering the Series 56 examination program on

⁹ 15 U.S.C. 78f(b).

¹⁰ 15 U.S.C. 78f(b)(5).

¹¹ Id.

behalf of the Exchange. The fee for the Series 56 examination is greater than the fee for the CE program because the examination fee is also designed to cover the costs associated with developing both the Series 56 examination and the related S501. The S501 fee is meant only to cover the costs of administering the CE sessions. The Exchange notes that it will not invoice or collect funds from Members that are subject to these fees because these fees will be paid directly to FINRA. The Exchange and the current administrator of the examination and CE program, FINRA, incur costs in maintaining and developing the examination and CE program to ensure the content is and continues to be adequate for testing the competence and knowledge generally applicable to proprietary trading. The Exchange believes it is reasonable and equitable to include these fees in Interpretations and Policies .01(j) and .02(f) to make the costs of the Series 56 and its related CE requirement clear to Members. Moreover, the Exchange believes other exchanges will be assessing the same fees for this examination and related CE program.¹²

Finally, the Exchange believes the proposed rule change is consistent with Section 6(b)(1) of the Act,¹³ which requires that the Exchange be organized and have the capacity to be able to carry out the purposes of the Act such that it can enforce compliance with the Act by persons registered with the Exchange. As previously discussed, the proposed rule change is designed to fund the administration of the Series 56 and S501. Thus, the

¹² CBOE, C2, EDGX, and EDGA have already assessed this \$60 fee. Securities Exchange Act Release No. 70064 (July 30, 2013), 78 FR 47469 (Aug. 5, 2013) (SR-CBOE-2013-078); Securities Exchange Act Release No. 70194 (Aug. 14, 2013) (SR-C2-2013-030); Securities Exchange Act Release No. 70162 (Aug. 12, 2013) (SR-EDGX-2013-31); Securities Exchange Act Release No. 70163 (Aug. 12, 2013) (SR-EDGA-2013-24). EDGX and EDGA have also already assessed the \$195 examination fee. Securities Exchange Act Release No. 70162 (Aug. 12, 2013) (SR-EDGX-2013-31); Securities Exchange Act Release No. 70163 (Aug. 12, 2013) (SR-EDGA-2013-24).

¹³ 15 U.S.C. 78f(b)(1).

proposed rule change will help the Exchange enforce compliance with the Act and Exchange Rules by those persons registered as Proprietary Traders.

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

The Exchange does not believe that the proposed rule changes will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In particular, the proposed rule change will not impose any burden on intermarket competition because it will merely serve to aid the Exchange in fulfilling its obligations as a Self-Regulatory Organization by funding the administration of the Series 56 and S501. The proposed rule change will not impose any burden on intramarket competition because all Registered Representatives are required to pass a qualification examination and fulfill the appropriate CE requirement as outlined in Interpretations and Policies .01 and .02 of Rule 2.5, and the fees for the Series 56 and S501 will apply uniformly to all Members. In addition, as noted above, the Exchange believes other exchanges will be assessing the same fees for the Series 56 and related CE program to be collected by FINRA.

(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 Act¹⁴ and paragraph (f) of Rule 19b-4 thereunder.¹⁵ At any time within 60 days of

¹⁴ 15 U.S.C. 78s(b)(3)(A).

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. Please include File No. SR-BYX-2013-029 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-2013-029. 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

¹⁵ 17 CFR 240.19b-4(f).

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-2013-029 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.¹⁶

Kevin M. O'Neill
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

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

Rules of BATS Y-Exchange, Inc.

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CHAPTER II. MEMBERS OF THE EXCHANGE

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Rule 2.5. Restrictions

(a)–(e) (No changes.)

Interpretations and Policies

.01 Proficiency Examinations:

(a)–(i) (No changes.)

(j) There shall be a \$195 examination fee for each individual who chooses to complete the Series 56 examination, which fee shall be collected by the administrator of the examination.

.02 Continuing Education Requirements:

(a)–(e) (No changes.)

(f) There shall be a session fee of \$60 for each individual who is required to complete the S501 Series 56 Proprietary Trader Continuing Education Program pursuant to this Rule, which fee shall be collected by the administrator of this Program.

.03–.04 (No changes.)