

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 - 2014 - * 062 Amendment No. (req. for Amendments *)
----------------	--	--

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

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"/>
---	---

Description

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

Proposed to amend Rule 11.1.

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 *)
 VP, Associate General Counsel

Date 11/28/2014
 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.

afranzon@bats.com

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFF 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 Proposed Rule Change

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² BATS Exchange, Inc. (the “Exchange” or “BZX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 11.1 to accept orders beginning at 6:00 a.m. Eastern Time. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.³

(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 February 11, 2014. 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.

The persons on the Exchange staff prepared to respond to questions and comments on the proposed rule change are:

Eric Swanson

Anders Franzon

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

EVP, General Counsel
(913) 815-7000

VP, Associate General Counsel
(913) 815-7154

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

a. Purpose

The Exchange proposes to amend Rule 11.1 to accept orders beginning at 6:00 a.m. Eastern Time. Earlier this year, the Exchange and its affiliate, BATS Y-Exchange, Inc. ("BYX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, BATS Global Markets, Inc., with Direct Edge Holdings LLC, the indirect parent of EDGX Exchange, Inc. ("EDGX"), and EDGA Exchange, Inc. ("EDGA") (together with BZX, BYX and EDGX, the "BGM Affiliated Exchanges").⁴ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to add certain system functionality currently offered by EDGA and EDGX in order to provide a consistent technology offering for users of the BGM Affiliated Exchanges.

The Exchange currently accepts orders commencing at the beginning of the Pre-Opening Trading Session, which is defined in Rule 1.5(r) as the time between 8:00 a.m. and 9:30 a.m. Eastern Time. In contrast, EDGA and EDGX begin accepting orders starting at 6:00 a.m. Eastern Time.⁵ As proposed, the Exchange will accept orders into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will not be eligible for execution until the start of the

⁴ See Securities Exchange Act Release No. 71375 (January 23, 2014), 79 FR 4771 (January 29, 2014) (SR-BATS-2013-059; SR-BYX-2013-039).

⁵ See EDGX Rule 11.1(a)(1) and EDGA Rule 11.1(a)(1).

Pre-Opening Session or Regular Trading Hours, depending on the Time in Force selected by the User. Orders designated for Regular Trading Hours will continue to be queued during the Pre-Opening Session and queued for the Exchange's Opening Auction for Exchange-listed securities or Opening Process for non-Exchange-listed securities.⁶

The Exchange also proposes to specify in Rule 11.1 the order types and order modifiers that the Exchange will not accept before 8:00 a.m. Eastern Time, each of which the Exchange believes is inconsistent with an order that is queued and awaiting placement on an order book as opposed to entered during a trading session where continuous trading is occurring. Specifically, the Exchange will not accept the following orders prior to 8:00 a.m. Eastern Time: BATS Post Only Orders,⁷ Partial Post Only at Limit Orders,⁸ intermarket sweep orders ("ISOs"),⁹ BATS Market Orders¹⁰ with a Time in Force other than Regular Hours Only ("RHO"),¹¹ Minimum Quantity Orders¹² with a Time in Force of RHO, and all orders with a Time in Force of Immediate or Cancel ("IOC") or Fill-or-Kill ("FOK").¹³ The Exchange reiterates that it is proposing to reject the order types and modifiers described above between 6:00 a.m. and 8:00 a.m. because each is inconsistent with an order designated to queue for later entry onto the Exchange's

⁶ The Exchange's Opening Auction for Exchange-listed securities is described in Rule 11.23. The Exchange's Opening Process for non-Exchange-listed securities is described in Rule 11.24.

⁷ A BATS Post Only Order is defined in Rule 11.9(c)(6).

⁸ A Partial Post Only at Limit Order is defined in Rule 11.9(c)(7).

⁹ An ISO is defined in Rule 11.9(d).

¹⁰ A BATS Market Order is defined in Rule 11.9(a)(2).

¹¹ The Time in Force of Regular Hours Only, or RHO, is defined in Rule 11.9(b)(7).

¹² A Minimum Quantity Order is defined in Rule 11.9(c)(5).

¹³ The Time in Force of Immediate or Cancel, or IOC, is defined in Rule 11.9(b)(1) and the Time in Force of Fill-or-Kill, or FOK, is defined in Rule 11.9(b)(6).

order book. For instance, because orders received prior to 8:00 a.m. are not immediately executable, but rather queued for later participation, BATS Post Only Orders, Partial Post Only at Limit Orders, BATS Market Orders that are not designated as RHO (i.e., not designated to queue), IOC and FOK orders do not make sense in the context of the proposed rule change and, thus, the Exchange is proposing to reject them prior to 8:00 a.m. Specifically with respect to BATS Post Only Orders and Partial Post Only at Limit Orders, although the Exchange could accept such orders and place them on the BATS Book at 8:00 a.m. in the order they were received, as described below, the Exchange does not believe such orders are consistent with the purpose of the amendment given that such orders are typically intended to provide liquidity and during the time period they are queued they will not be executable on the BATS Book. Similarly, because an order designated as an ISO implies that there is currently a protected bid or offer and there are no protected bids or offers prior to 9:30 a.m. Eastern Time, the Exchange proposes to reject any ISOs entered prior to 8:00 a.m. Finally, the Exchange proposes to reject Minimum Quantity Orders designated as RHO, which are also rejected pursuant to the Exchange's Opening Process¹⁴ in order to maintain consistency with such process.

At the commencement of the Pre-Opening Session, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the BATS Book, routed, cancelled, or executed in accordance with the terms of the order. Thus, although orders are queued until 8:00 a.m. Eastern Time, orders will be processed sequentially in exactly the same way they would be if they arrived at the commencement of operations of the

¹⁴ See Rule 11.24(a).

Exchange. The Exchange notes that it does not believe that the proposed functionality will be used in order to achieve executions with latency considerations in mind, as Users seeking executions prior to 8:00 a.m. have other options available to them, as there are several trading venues that are fully open for trading prior to 8:00 a.m.¹⁵ Rather, the functionality is available to Users that simply want their orders entered to the BATS book at the start of the trading day or to queue for the Exchange's Opening Auction or Opening Process, as applicable. All orders queued prior to 8:00 a.m. will be processed ahead of orders that are received after the commencement of the Pre-Opening Session.

b. Statutory Basis

The Exchange believes that the rule change proposed in this submission is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.¹⁶ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,¹⁷ because it is designed to promote just and equitable principles of trade, 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 that allowing for the entry of orders prior to the Pre-Opening Session will allow Users to enter orders in an orderly fashion prior to the commencement of trading on the Exchange, rather than requiring such Users to submit orders when trading commences at 8:00 a.m. Eastern Time. Specifically, the implementation of the proposed rule change will provide Users with greater control and flexibility with respect

¹⁵ See infra note 18.

¹⁶ 15 U.S.C. 78f(b).

¹⁷ 15 U.S.C. 78f(b)(5).

to entering orders, allowing them to enter orders for later participation during the Pre-Opening Session or Regular Trading Hours, rather than waiting for the applicable trading session to begin. This simplifies the order entry process for Users that have orders that they wish to submit to the Exchange prior to 8:00 a.m. by allowing such Users to send rather than hold such orders, which removes impediments to a free and open market and benefits all Users of the Exchange.

The Exchange also believes that rejecting BATS Post Only Orders, Partial Post Only at Limit Orders, ISOs, non-RHO BATS Market Orders, Minimum Quantity Orders with a Time in Force of RHO, IOC and FOK orders prior to 8:00 a.m. Eastern Time is designed to promote just and equitable principles of trade, 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; and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers because, as described above, such order types do not make sense in the context of queuing orders (as opposed to continuous book trading).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to accept orders prior to 8:00 a.m. Eastern Time for participation during the Pre-Opening Session and/or Regular Trading Hours fosters competition in that other exchanges¹⁸ are able to begin accepting orders in such

¹⁸ Nasdaq, for instance, begins accepting orders at 4:00 a.m. Eastern Time. See, Nasdaq Rule 4617. NYSE Arca Equities begins accepting and queues orders beginning at 3:30 a.m. Eastern Time with its first trading session commencing at

securities, while the Exchange cannot accept such orders. Thus, approval of the proposed rule change will promote competition because it will allow the Exchange to offer its Users the ability to enter orders prior to the beginning of the Pre-Opening Session for queuing and thus compete more directly with other exchanges for order flow that a User may not have directed to the Exchange if they were not able to enter orders for queuing.

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)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁹ and paragraph (f)(6) of Rule 19b-4 thereunder.²⁰ 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, (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

4:00 a.m. Eastern Time. See "Holiday Hours – All Markets; NYSE Arca Equities," available at <https://www.nyse.com/markets/hours-calendars>.

¹⁹ 15 U.S.C. 78s(b)(3)(A).

²⁰ 17 C.F.R. 240.19b-4.

the date of filing.²¹

As described above, the Exchange notes that the proposed change is directly based on the rules of EDGA and EDGX.²² The Exchange notes that it has included certain additional detail regarding the orders not accepted during the time period prior to 8:00 a.m. and the process for placing queued orders onto the Exchange's order book. Such detail, however, does not represent any material difference from the implementation by EDGA and EDGX of the functionality. Based on the foregoing, the proposed rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act²³ and paragraph (f)(6) of Rule 19b-4 thereunder.²⁴

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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

The proposed rule change is based on EDGA and EDGX Rule 11.1(a). The proposed rule text for Exchange Rule 11.1 is nearly identical to such rules. However, the Exchange has proposed additional language to codify the types of orders and order

²¹ 17 C.F.R. 240.19b-4(f)(6)(iii).

²² See supra note 5.

²³ 15 U.S.C. 78s(b)(3)(A).

²⁴ 17 C.F.R. 240.19b-4.

modifiers that are not accepted prior to 8:00 a.m. Eastern and also to describe the process through which queued orders are placed on the Exchange's order book.

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 – Form of Notice of Proposed Rule Change for Publication in the Federal

Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2014-062)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.1 of BATS 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 _____, 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 Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it 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 11.1 to accept orders beginning at 6:00 a.m. Eastern Time.

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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 amend Rule 11.1 to accept orders beginning at 6:00 a.m. Eastern Time. Earlier this year, the Exchange and its affiliate, BATS Y-Exchange, Inc. ("BYX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, BATS Global Markets, Inc., with Direct Edge Holdings LLC, the indirect parent of EDGX Exchange, Inc. ("EDGX"), and EDGA Exchange, Inc. ("EDGA") (together with BZX, BYX and EDGX, the "BGM Affiliated Exchanges").⁵ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to add certain system functionality currently offered by EDGA and EDGX in order to provide a consistent technology offering for users of the BGM Affiliated Exchanges.

The Exchange currently accepts orders commencing at the beginning of the Pre-

⁵ See Securities Exchange Act Release No. 71375 (January 23, 2014), 79 FR 4771 (January 29, 2014) (SR-BATS-2013-059; SR-BYX-2013-039).

Opening Trading Session, which is defined in Rule 1.5(r) as the time between 8:00 a.m. and 9:30 a.m. Eastern Time. In contrast, EDGA and EDGX begin accepting orders starting at 6:00 a.m. Eastern Time.⁶ As proposed, the Exchange will accept orders into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will not be eligible for execution until the start of the Pre-Opening Session or Regular Trading Hours, depending on the Time in Force selected by the User. Orders designated for Regular Trading Hours will continue to be queued during the Pre-Opening Session and queued for the Exchange's Opening Auction for Exchange-listed securities or Opening Process for non-Exchange-listed securities.⁷

The Exchange also proposes to specify in Rule 11.1 the order types and order modifiers that the Exchange will not accept before 8:00 a.m. Eastern Time, each of which the Exchange believes is inconsistent with an order that is queued and awaiting placement on an order book as opposed to entered during a trading session where continuous trading is occurring. Specifically, the Exchange will not accept the following orders prior to 8:00 a.m. Eastern Time: BATS Post Only Orders,⁸ Partial Post Only at Limit Orders,⁹ intermarket sweep orders ("ISOs"),¹⁰ BATS Market Orders¹¹ with a Time

⁶ See EDGX Rule 11.1(a)(1) and EDGA Rule 11.1(a)(1).

⁷ The Exchange's Opening Auction for Exchange-listed securities is described in Rule 11.23. The Exchange's Opening Process for non-Exchange-listed securities is described in Rule 11.24.

⁸ A BATS Post Only Order is defined in Rule 11.9(c)(6).

⁹ A Partial Post Only at Limit Order is defined in Rule 11.9(c)(7).

¹⁰ An ISO is defined in Rule 11.9(d).

¹¹ A BATS Market Order is defined in Rule 11.9(a)(2).

in Force other than Regular Hours Only (“RHO”),¹² Minimum Quantity Orders¹³ with a Time in Force of RHO, and all orders with a Time in Force of Immediate or Cancel (“IOC”) or Fill-or-Kill (“FOK”).¹⁴ The Exchange reiterates that it is proposing to reject the order types and modifiers described above between 6:00 a.m. and 8:00 a.m. because each is inconsistent with an order designated to queue for later entry onto the Exchange’s order book. For instance, because orders received prior to 8:00 a.m. are not immediately executable, but rather queued for later participation, BATS Post Only Orders, Partial Post Only at Limit Orders, BATS Market Orders that are not designated as RHO (i.e., not designated to queue), IOC and FOK orders do not make sense in the context of the proposed rule change and, thus, the Exchange is proposing to reject them prior to 8:00 a.m. Specifically with respect to BATS Post Only Orders and Partial Post Only at Limit Orders, although the Exchange could accept such orders and place them on the BATS Book at 8:00 a.m. in the order they were received, as described below, the Exchange does not believe such orders are consistent with the purpose of the amendment given that such orders are typically intended to provide liquidity and during the time period they are queued they will not be executable on the BATS Book. Similarly, because an order designated as an ISO implies that there is currently a protected bid or offer and there are no protected bids or offers prior to 9:30 a.m. Eastern Time, the Exchange proposes to reject any ISOs entered prior to 8:00 a.m. Finally, the Exchange proposes to reject

¹² The Time in Force of Regular Hours Only, or RHO, is defined in Rule 11.9(b)(7).

¹³ A Minimum Quantity Order is defined in Rule 11.9(c)(5).

¹⁴ The Time in Force of Immediate or Cancel, or IOC, is defined in Rule 11.9(b)(1) and the Time in Force of Fill-or-Kill, or FOK, is defined in Rule 11.9(b)(6).

Minimum Quantity Orders designated as RHO, which are also rejected pursuant to the Exchange's Opening Process¹⁵ in order to maintain consistency with such process.

At the commencement of the Pre-Opening Session, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the BATS Book, routed, cancelled, or executed in accordance with the terms of the order. Thus, although orders are queued until 8:00 a.m. Eastern Time, orders will be processed sequentially in exactly the same way they would be if they arrived at the commencement of operations of the Exchange. The Exchange notes that it does not believe that the proposed functionality will be used in order to achieve executions with latency considerations in mind, as Users seeking executions prior to 8:00 a.m. have other options available to them, as there are several trading venues that are fully open for trading prior to 8:00 a.m.¹⁶ Rather, the functionality is available to Users that simply want their orders entered to the BATS book at the start of the trading day or to queue for the Exchange's Opening Auction or Opening Process, as applicable. All orders queued prior to 8:00 a.m. will be processed ahead of orders that are received after the commencement of the Pre-Opening Session.

2. Statutory Basis

The Exchange believes that the rule change proposed in this submission 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

¹⁵ See Rule 11.24(a).

¹⁶ See infra note 19.

of Section 6(b) of the Act.¹⁷ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,¹⁸ because it is designed to promote just and equitable principles of trade, 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 that allowing for the entry of orders prior to the Pre-Opening Session will allow Users to enter orders in an orderly fashion prior to the commencement of trading on the Exchange, rather than requiring such Users to submit orders when trading commences at 8:00 a.m. Eastern Time. Specifically, the implementation of the proposed rule change will provide Users with greater control and flexibility with respect to entering orders, allowing them to enter orders for later participation during the Pre-Opening Session or Regular Trading Hours, rather than waiting for the applicable trading session to begin. This simplifies the order entry process for Users that have orders that they wish to submit to the Exchange prior to 8:00 a.m. by allowing such Users to send rather than hold such orders, which removes impediments to a free and open market and benefits all Users of the Exchange.

The Exchange also believes that rejecting BATS Post Only Orders, Partial Post Only at Limit Orders, ISOs, non-RHO BATS Market Orders, Minimum Quantity Orders with a Time in Force of RHO, IOC and FOK orders prior to 8:00 a.m. Eastern Time is designed to promote just and equitable principles of trade, 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; and is not designed to permit unfair

¹⁷ 15 U.S.C. 78f(b).

¹⁸ 15 U.S.C. 78f(b)(5).

discrimination between customers, issuers, brokers, or dealers because, as described above, such order types do not make sense in the context of queuing orders (as opposed to continuous book trading).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, allowing the Exchange to accept orders prior to 8:00 a.m. Eastern Time for participation during the Pre-Opening Session and/or Regular Trading Hours fosters competition in that other exchanges¹⁹ are able to begin accepting orders in such securities, while the Exchange cannot accept such orders. Thus, approval of the proposed rule change will promote competition because it will allow the Exchange to offer its Users the ability to enter orders prior to the beginning of the Pre-Opening Session for queuing and thus compete more directly with other exchanges for order flow that a User may not have directed to the Exchange if they were not able to enter orders for queuing.

(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

¹⁹ Nasdaq, for instance, begins accepting orders at 4:00 a.m. Eastern Time. See, Nasdaq Rule 4617. NYSE Arca Equities begins accepting and queues orders beginning at 3:30 a.m. Eastern Time with its first trading session commencing at 4:00 a.m. Eastern Time. See "Holiday Hours – All Markets; NYSE Arca Equities," available at <https://www.nyse.com/markets/hours-calendars>.

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act²⁰ and paragraph (f)(6) of Rule 19b-4 thereunder.²¹

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-BATS-2014-062 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-BATS-2014-062. This file number should be included on the subject line if e-mail is used. To help the Commission process and

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 C.F.R. 240.19b-4.

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-BATS-2014-062 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.²²

Kevin M. O'Neill
Deputy Secretary

²² 17 CFR 200.30-3(a)(12).

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

Rules of BATS Exchange, Inc.

CHAPTER XI. TRADING RULES

Rule 11.1. Orders and Modifiers

(a) Hours of Trading and Trading Days

Orders may be entered into the System from 6:00 a.m. until 8:00 p.m. Eastern Time. Orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time are not eligible for execution until the start of the Pre-Opening Session or Regular Trading Hours, depending on the Time in Force selected by the User. The Exchange will not accept the following orders prior to 8:00 a.m. Eastern Time: BATS Post Only Orders, Partial Post Only at Limit Orders, ISOs, BATS Market Orders with a Time in Force other than Regular Hours Only, Minimum Quantity Orders that also include a Time in Force of Regular Hours Only, and all orders with a Time in Force of IOC or FOK. At the commencement of the Pre-Opening Session, orders entered between 6:00 a.m. and 8:00 a.m. Eastern Time will be handled in time sequence, beginning with the order with the oldest time stamp, and will be placed on the BATS Book, routed, cancelled, or executed in accordance with the terms of the order. Orders may be executed on the Exchange or routed away from the Exchange during Regular Trading Hours and during the Pre-Opening and After Hours Trading Sessions.

(b)-(c) (No changes.)
