

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="30"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2014"/> - * <input type="text" value="066"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by **BATS Exchange**  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input 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) * <input type="checkbox"/>	Section 806(e)(2) * <input type="checkbox"/>
Section 3C(b)(2) * <input type="checkbox"/>	

Exhibit 2 Sent As Paper Document <input type="checkbox"/>	Exhibit 3 Sent As Paper Document <input type="checkbox"/>
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**Description**

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

Amendments to the fee schedule of BATS 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 * <input type="text" value="Anders"/>	Last Name * <input type="text" value="Franzon"/>
Title * <input type="text" value="VP, Associate General Counsel"/>	
E-mail * <input type="text" value="afranzon@bats.com"/>	
Telephone * <input type="text" value="(913) 815-7154"/>	Fax <input type="text" value="(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 <input type="text" value="12/03/2014"/>	<input type="text" value="VP, Associate General Counsel"/>
By <input type="text" value="Anders Franzon"/>	<input type="text" value="afranzon@bats.com"/>
(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.

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 \***

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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**

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**

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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 Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> BATS Exchange, Inc. (the “Exchange” or “BATS”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the fee schedule applicable to Members<sup>3</sup> and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are 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 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:

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> A Member is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

Eric Swanson  
EVP, General Counsel  
(913) 815-7000

Anders Franzon  
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 make a number of clarifying, non-substantive changes to the "Options Pricing" section of its fee schedule effective immediately, in order to convert the existing fee schedule into a chart format. The Exchange has already made similar changes to the equities portion of the fee schedule and is now proposing to make such changes as they relate to the fees and rebates applicable to activity on the Exchange's options platform ("BATS Options"). The Exchange believes that these changes will provide greater transparency to Members about how the Exchange assesses fees and calculates rebates, as well as allowing Members to more easily validate their bills on a monthly basis. The Exchange notes that none of these changes substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. Specifically, the Exchange is proposing the following:

- To more clearly separate pricing applicable to BATS Options from the Exchange's current fee schedule, which will remain applicable to the Exchange's equities trading platform ("BATS Equities"). Although the Exchange has always maintained a single fee schedule applicable to BATS Options and BATS Equities, the Exchange believes that separating the fee schedules will reduce potential confusion. Accordingly, in addition to the header of the fee schedule, the Exchange proposes to adopt a new effective date for the proposed BATS Options fee schedule but to retain the existing

effective date for BATS Equities pricing.

- To make clear that rebates are indicated by parentheses.
- To state the following: the rates listed in the Standard Rates table apply unless a Member's transaction is assigned a fee code other than a standard fee code. If a Member's transaction is assigned a fee code other than a standard fee code, the rates listed in the Fee Codes and Associated Fees table will apply. Footnotes provide further explanatory text or, where annotated to fee codes, indicate variable rate changes, provided the conditions in the footnote are met.
- To add a section and chart titled "Standard Rates," which will include the standard fees and rebates for Penny Pilot securities, Non-Penny Pilot securities, and Mini Options for each order capacity, including Customer, Professional, Firm, and Market Maker.
- To add a section titled "Fee Codes and Associated Fees," which will include the fee or rebate, fee code, and a description for each possible execution that could occur on the Exchange or on another venue.
- To add a section titled "Definitions," which will include definitions that are defined in the current fee schedule. These include the definitions listed below, which are identical to definitions contained on the Exchange's current fee schedule, with the exception that the Exchange has combined the definitions of Options Step-Up Add TCV and September Options Step-Up Add TCV into Options Step-Up Add TCV without specifying a baseline month. Instead, the Exchange has proposed to specify the baseline month in the portion of the fee schedule where the Options Step-Up Add TCV is applicable, which the

Exchange believes will help to avoid potential confusion between applicable step-up tiers. “ADAV” means average daily added volume calculated as the number of contracts added and “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day. ADAV and ADV are calculated on a monthly basis, excluding contracts added or removed on any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during regular trading hours (“Exchange System Disruption”) and on any day with a scheduled early market close. Routed contracts are not included in ADAV or ADV calculation. With prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member. “Options Step-Up Add TCV” means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV. “TCV” means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close. “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a “Professional” as defined in Exchange Rule 16.1. “Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC. “Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at

the OCC. “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1. “Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

- To add a section titled “General Notes,” that will include the following notes: the Exchange notes that to the extent a Member does not qualify for any of the tiers listed below, the rates listed in the above section titled Fee Codes and Associated Fees will apply; and to the extent a Member qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply.
- To add a series of footnotes describing all tiers applicable to trading on BATS Options, including Customer Penny Pilot Add Tiers, Professional and Firm Penny Pilot Add Tier, Professional, Firm and Market Maker Penny Pilot Take Tier, NBBO Setter Tiers, and Quoting Incentive Program Tiers.
- To add new sections and charts titled “Options Logical Port Fees” and “Options Physical Connection Fees,” which, other than being in chart form, will be identical to the current fee schedule. As it relates to physical connection fees, the Exchange notes that such fees relate only to the total number of physical connections that a Member has to the Systems.<sup>4</sup> More specifically, this means that to the extent that a Member has a physical connection to the Exchange that they use for the purpose of connecting to both BATS Equities and BATS Options Systems, such Member would only be charged for one physical connection. Although this information is

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<sup>4</sup> System is defined in BATS Rule 1.5(aa) and 16.1(a)(59).

duplicative, the Exchange believes it is important with the proposed bifurcation of fees applicable to BATS Equities and BATS Options to include connectivity fees on the fee schedule for BATS Options so that Members that have their only or primary relationship with BATS Options have easy access to information regarding such fees.

(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.<sup>5</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>6</sup> 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 or providers of routing services if they deem fee levels to be excessive.

The Exchange believes that the proposed changes are reasonable and equitable because they are non-substantive and the Exchange is not changing any fees or rebates that apply to trading activity on BATS Options or routed executions. Further, the changes are designed to make the fee schedule easier to read and for Members to validate the bills that they receive from the Exchange. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members, and again,

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<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4).



the Exchange is not making any changes to existing fees and rebates. Finally, the Exchange believes that the proposed fee schedule will be clearer and less confusing for investors and will eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

4. 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. To the contrary, the Exchange believes that the changes will both make the fee schedule easier to read and simultaneously provide Members with an easier way to validate their bills on a monthly basis, both of which the Exchange believes are important components of customer service and which will allow the Exchange to better compete for order flow. The Exchange reiterates that the changes are only to the format of the fee schedule and are entirely non-substantive. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the deemed fee structures to be unreasonable or excessive.

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<sup>7</sup> and Rule 19b-4(f)(2) thereunder,<sup>8</sup> 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.

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.

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of Proposed Rule Change.

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BATS-2014-066)

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, BATS Exchange, Inc. (the “Exchange” or “BATS”) 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<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> 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 the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

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

<sup>2</sup> 17 CFR 240.19b-4.

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

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> A Member is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

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 make a number of clarifying, non-substantive changes to the "Options Pricing" section of its fee schedule effective immediately, in order to convert the existing fee schedule into a chart format. The Exchange has already made similar changes to the equities portion of the fee schedule and is now proposing to make such changes as they relate to the fees and rebates applicable to activity on the Exchange's options platform ("BATS Options"). The Exchange believes that these changes will provide greater transparency to Members about how the Exchange assesses fees and calculates rebates, as well as allowing Members to more easily validate their bills on a monthly basis. The Exchange notes that none of these changes substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. Specifically, the Exchange is proposing the following:

- To more clearly separate pricing applicable to BATS Options from the

Exchange's current fee schedule, which will remain applicable to the Exchange's equities trading platform ("BATS Equities"). Although the Exchange has always maintained a single fee schedule applicable to BATS Options and BATS Equities, the Exchange believes that separating the fee schedules will reduce potential confusion. Accordingly, in addition to the header of the fee schedule, the Exchange proposes to adopt a new effective date for the proposed BATS Options fee schedule but to retain the existing effective date for BATS Equities pricing.

- To make clear that rebates are indicated by parentheses.
- To state the following: the rates listed in the Standard Rates table apply unless a Member's transaction is assigned a fee code other than a standard fee code. If a Member's transaction is assigned a fee code other than a standard fee code, the rates listed in the Fee Codes and Associated Fees table will apply. Footnotes provide further explanatory text or, where annotated to fee codes, indicate variable rate changes, provided the conditions in the footnote are met.
- To add a section and chart titled "Standard Rates," which will include the standard fees and rebates for Penny Pilot securities, Non-Penny Pilot securities, and Mini Options for each order capacity, including Customer, Professional, Firm, and Market Maker.
- To add a section titled "Fee Codes and Associated Fees," which will include the fee or rebate, fee code, and a description for each possible execution that could occur on the Exchange or on another venue.
- To add a section titled "Definitions," which will include definitions that are

defined in the current fee schedule. These include the definitions listed below, which are identical to definitions contained on the Exchange's current fee schedule, with the exception that the Exchange has combined the definitions of Options Step-Up Add TCV and September Options Step-Up Add TCV into Options Step-Up Add TCV without specifying a baseline month. Instead, the Exchange has proposed to specify the baseline month in the portion of the fee schedule where the Options Step-Up Add TCV is applicable, which the Exchange believes will help to avoid potential confusion between applicable step-up tiers. "ADAV" means average daily added volume calculated as the number of contracts added and "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day. ADAV and ADV are calculated on a monthly basis, excluding contracts added or removed on any day that the Exchange's system experiences a disruption that lasts for more than 60 minutes during regular trading hours ("Exchange System Disruption") and on any day with a scheduled early market close. Routed contracts are not included in ADAV or ADV calculation. With prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member. "Options Step-Up Add TCV" means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV. "TCV" means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply, excluding volume on any day that the Exchange

experiences an Exchange System Disruption and on any day with a scheduled early market close. “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a “Professional” as defined in Exchange Rule 16.1. “Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC. “Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC. “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1. “Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

- To add a section titled “General Notes,” that will include the following notes: the Exchange notes that to the extent a Member does not qualify for any of the tiers listed below, the rates listed in the above section titled Fee Codes and Associated Fees will apply; and to the extent a Member qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply.
- To add a series of footnotes describing all tiers applicable to trading on BATS Options, including Customer Penny Pilot Add Tiers, Professional and Firm Penny Pilot Add Tier, Professional, Firm and Market Maker Penny Pilot Take Tier, NBBO Setter Tiers, and Quoting Incentive Program Tiers.

To add new sections and charts titled “Options Logical Port Fees” and “Options Physical Connection Fees,” which, other than being in chart form, will be identical to the current fee schedule. As it relates to physical connection fees, the Exchange notes that

such fees relate only to the total number of physical connections that a Member has to the Systems.<sup>6</sup> More specifically, this means that to the extent that a Member has a physical connection to the Exchange that they use for the purpose of connecting to both BATS Equities and BATS Options Systems, such Member would only be charged for one physical connection. Although this information is duplicative, the Exchange believes it is important with the proposed bifurcation of fees applicable to BATS Equities and BATS Options to include connectivity fees on the fee schedule for BATS Options so that Members that have their only or primary relationship with BATS Options have easy access to information regarding such fees.

## 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.<sup>7</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>8</sup> 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 or providers of routing services if they deem fee levels to be excessive.

The Exchange believes that the proposed changes are reasonable and equitable because they are non-substantive and the Exchange is not changing any fees or rebates

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<sup>6</sup> System is defined in BATS Rule 1.5(aa) and 16.1(a)(59).

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

<sup>8</sup> 15 U.S.C. 78f(b)(4).



that apply to trading activity on BATS Options or routed executions. Further, the changes are designed to make the fee schedule easier to read and for Members to validate the bills that they receive from the Exchange. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members, and again, the Exchange is not making any changes to existing fees and rebates. Finally, the Exchange believes that the proposed fee schedule will be clearer and less confusing for investors and will eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

(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. To the contrary, the Exchange believes that the changes will both make the fee schedule easier to read and simultaneously provide Members with an easier way to validate their bills on a monthly basis, both of which the Exchange believes are important components of customer service and which will allow the Exchange to better compete for order flow. The Exchange reiterates that the changes are only to the format of the fee schedule and are entirely non-substantive. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the deemed fee structures to be unreasonable or excessive.

(C) 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.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>9</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>10</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BATS-2014-066 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-2014-066. This file number should

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

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-BATS-2014-066 and should be submitted on or before [\_\_\_\_\_21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>11</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

## BATS BZX Exchange Fee Schedule

Effective December 3, 2014

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### [Options Pricing:

All references to “per contract” mean “per contract executed”

“ADAV” means average daily added volume calculated as the number of contracts added and  
“ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day. For purposes of Options Pricing, “Options Step-Up Add TCV” means ADAV as a percentage of TCV in June 2014 subtracted from current ADAV as a percentage of TCV and “September Options Step-Up Add TCV” means ADAV as a percentage of TCV in September 2014 subtracted from current ADAV as a percentage of TCV. ADAV and ADV are calculated on a monthly basis, excluding contracts added or removed on any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during regular trading hours (“Exchange System Disruption”) and on any day with a scheduled early market close; routed contracts are not included in ADAV or ADV calculation; with prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member

“Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a “Professional” as defined in Exchange Rule 16.1

“Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC

“Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC

“Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1

“Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01

“TCV” means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close

### Fees for Accessing Liquidity for Penny Pilot Securities

Professional, Firm and Market Maker orders:

\$0.48 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book and the Member does not qualify for a lower charge based on the Member's ADV

\$0.47 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 1.00% of average TCV

\$0.47 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

Customer orders:

\$0.45 charge per contract for a Customer order that removes liquidity from the BATS Options order book

#### Liquidity Rebates for Penny Pilot Securities

Professional, Firm and Market Maker orders:

\$0.40 rebate per contract for a Market Maker order that adds liquidity to the BATS Options order book

\$0.40 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book and the Member does not qualify for higher rebate based on qualifying for Options Step-Up Add TCV

\$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has an Options Step-Up Add TCV equal to or greater than 0.50%

\$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

Customer orders:

\$0.25 rebate per contract for a Customer order that adds liquidity to the BATS Options order book and the Member does not qualify for a higher rebate based on the Member's ADV

\$0.45 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 0.05% of average TCV but less than 0.30% of average TCV

\$0.48 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1.00% of average TCV

\$0.50 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 0.80% of average TCV and

has on BZX Equities an ADAV equal to or greater than 0.50% of average TCV, as defined under Equities Pricing

\$0.50 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 0.90% of average TCV and has on BZX Equities an ADAV equal to or greater than 0.25% of average TCV, as defined under Equities Pricing

\$0.50 rebate per contract for a Customer order that adds liquidity to the BATS Options order book where the Member has an ADV equal to or greater than 1.00% of average TCV

#### Fees for Accessing Liquidity in All Other Securities

Professional, Firm and Market Maker orders:

\$0.89 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book

Customer orders:

\$0.80 charge per contract for a Customer order that removes liquidity from the BATS Options order book

#### Liquidity Rebates for All Other Securities

Professional, Firm and Market Maker orders:

\$0.65 rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book

Customer orders:

\$0.85 rebate per contract for a Customer order that adds liquidity to the BATS Options order book

#### Market Opening Procedures

Notwithstanding any other charge or rebate set forth on this fee schedule, all executions that occur as part of the Market Opening Procedures shall be free of charge and no rebate shall be provided

#### Mini Options Pricing

Notwithstanding any other charge or rebate set forth on this fee schedule, all executions in Mini Options (contracts overlying 10 shares of a security) shall be free of charge and no rebate shall be provided

#### NBBO Setter Liquidity Rebates (in addition to any other applicable liquidity rebates)

\$0.02 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1.00% of average TCV

\$0.04 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 1.00% of average TCV

\$0.04 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

Quoting Incentive Program (“QIP”) Liquidity Rebates – additional rebate per contract for an order that adds liquidity to the BATS Options order book in options classes<sup>5</sup> in which a Member is a Market Maker registered on BATS Options pursuant to Rule 22.2.

ADV of BATS Options Registered Market Maker	Professional/ Firm/Market Maker
ADV equal to or greater than 0.30% but less than 1.00% TCV	\$0.02
ADV equal to or greater than 1.00% TCV	\$0.04

Standard Best Execution Routing or Destination Specific Routing (“BATS Options+”)

Charge per contract for contracts executed using “CYCLE”, “RECYCLE”, “Parallel D”, “Parallel 2D”, or BATS Options+ routing:

		Customer	Professional/ Firm/Market Maker
Mini Options (All Markets)		\$0.12	\$0.12
BOX		\$0.00	\$0.65
AMEX CBOE MIAX	BX Options (Penny Pilot Securities) ISE (Non-Penny Pilot Securities)	\$0.12	\$0.65
ARCA (Penny Pilot Securities) NOM (Penny Pilot Securities) ISE (Penny Pilot Securities) ISE Gemini (Penny Pilot Securities) PHLX (Classic issues) <sup>6</sup> PHLX (Make/Take issues) <sup>6</sup>		\$0.52	\$0.65
BX Options (Non-Penny Pilot Securities) C2		\$0.00	\$0.95
NOM (Non-Penny Pilot Securities) ARCA (Non-Penny Pilot Securities) ISE Gemini (Non-Penny Pilot Securities)		\$0.90	\$0.95

Directed ISO Fee

\$0.65 charge per contract for orders executed at Member directed destinations when bypassing the BATS Options order book, other than as set forth below

\$0.15 charge per contract for orders in Mini Options executed at Member directed destinations  
 \$0.95 for: (1) orders in non-Penny Pilot Securities executed at NOM, ARCA and ISE Gemini,  
 (2) Professional, Firm and Market Maker orders executed at BX Options in non-Penny  
 Pilot Securities, and (3) Professional, Firm and Market Maker orders executed at C2 and  
 PHLX

<sup>5</sup> A Market Maker must be registered with BATS Options in an average of 20% or more of the associated options series in a class in order to qualify for QIP rebates for that class.

<sup>6</sup> Pricing in Make/Take issues is for executions at the identified exchange under which “Post Liquidity” or “Maker” rebates (“Make”) are credited by that exchange and “Take Liquidity” or “Taker” fees (“Take”) are charged by that exchange. Pricing in Classic issues applies to all other executions at such exchanges.

Options Logical Port Fees\*

- \$400.00 per month per logical port other than a Multicast PITCH Spin Server Port, GRP Port or logical port with bulk-quoting capabilities
- Multicast PITCH customers: \$400 per set of primary (A or C feed) Multicast PITCH Spin Server Ports and \$400 per primary (A or C feed) GRP Port\*\*
- \$1,500.00 per month for any logical port with bulk-quoting capabilities

\* Logical port fees are limited to logical ports within the primary data center. No logical port fees will be assessed for redundant secondary data center ports.

\*\* Multicast PITCH is available through one of two primary feeds, either the A or C feed. All secondary feed Multicast PITCH Spin Server and GRP Ports are provided for redundancy at no additional cost.]

BATS Options Exchange Fee Schedule

Effective December 3, 2014

Transaction Fees:

- Rebates indicated by parentheses ().
- The rates listed in the Standard Rates table apply unless a Member’s transaction is assigned a fee code other than a standard fee code. If a Member’s transaction is assigned a fee code other than a standard fee code, the rates listed in the Fee Codes table will apply.
- Footnotes provide further explanatory text or, where annotated to fee codes, indicate variable rate changes, provided the conditions in the footnote are met.

Standard Rates:

	<u>Penny Pilot Securities</u>	<u>Non-Penny Pilot Securities</u>	<u>Mini Options</u>
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	<u>Add</u>		<u>Remove</u>		<u>Add</u>		<u>Remove</u>		<u>Add</u>		<u>Remove</u>	
	<u>Code</u>	<u>Rates</u>	<u>Code</u>	<u>Rates</u>	<u>Code</u>	<u>Rates</u>	<u>Code</u>	<u>Rates</u>	<u>Code</u>	<u>Rates</u>	<u>Code</u>	<u>Rates</u>
<u>Customer</u>	<u>PY</u>	<u>(\$0.25)</u> <u>(\$0.45)</u> <u>(\$0.48)</u> <u>(\$0.50)</u>	<u>PC</u>	<u>\$0.45</u>	<u>NY</u>	<u>(\$0.85)</u>	<u>NC</u>	<u>\$0.80</u>	<u>MA</u>	<u>Free</u>	<u>MR</u>	<u>Free</u>
<u>Professional</u>	<u>PA</u>	<u>(\$0.40)</u> <u>(\$0.44)</u>	<u>PP</u>	<u>\$0.48</u> <u>\$0.47</u>	<u>NA</u>	<u>(\$0.65)</u>	<u>NP</u>	<u>\$0.89</u>				
<u>Firm</u>	<u>PF</u>	<u>(\$0.40)</u> <u>(\$0.44)</u>										
<u>Market Maker</u>	<u>PM</u>	<u>(\$0.40)</u>										

Fee Codes and Associated Fees:

<u>Fee Code</u>	<u>Description</u>	<u>Fee/(Rebate)</u>
<u>2C</u>	<u>Routed to C2 (Customer)</u>	<u>Free</u>
<u>2F</u>	<u>Routed to C2 (Pro/Firm/MM)</u>	<u>0.95</u>
<u>AC</u>	<u>Routed to ARCA (Customer), Penny Pilot</u>	<u>0.52</u>
<u>AD</u>	<u>Routed to ARCA (Customer), Non-Penny</u>	<u>0.90</u>
<u>AF</u>	<u>Routed to ARCA (Pro/Firm/MM), Penny Pilot</u>	<u>0.65</u>
<u>AG</u>	<u>Routed to ARCA (Pro/Firm/MM), Non-Penny</u>	<u>0.95</u>
<u>BC</u>	<u>Routed to BX Options (Customer), Penny Pilot</u>	<u>0.12</u>
<u>BD</u>	<u>Routed to BX Options (Customer), Non-Penny</u>	<u>Free</u>
<u>BF</u>	<u>Routed to BX Options (Pro/Firm/MM), Penny Pilot</u>	<u>0.65</u>
<u>BG</u>	<u>Routed to BX Options (Pro/Firm/MM), Non-Penny</u>	<u>0.95</u>
<u>CC</u>	<u>Routed to CBOE (Customer)</u>	<u>0.12</u>
<u>CF</u>	<u>Routed to CBOE (Pro/Firm/MM)</u>	<u>0.65</u>
<u>D1</u>	<u>Directed ISO to NOM, ARCA, ISE Gemini, Non-Penny</u>	<u>0.95</u>
<u>D2</u>	<u>Directed ISO to BX Options (Pro/Firm/MM), Non-Penny</u>	<u>0.95</u>
<u>D3</u>	<u>Directed ISO to C2, PHLX (Pro/Firm/MM)</u>	<u>0.95</u>
<u>D4</u>	<u>Directed ISO (unless otherwise specified)</u>	<u>0.65</u>
<u>DM</u>	<u>Directed ISO, Mini Option</u>	<u>0.15</u>
<u>GC</u>	<u>Routed to ISE Gemini (Customer), Penny Pilot</u>	<u>0.52</u>
<u>GD</u>	<u>Routed to ISE Gemini (Customer), Non-Penny</u>	<u>0.90</u>
<u>GF</u>	<u>Routed to ISE Gemini (Pro/Firm/MM), Penny Pilot</u>	<u>0.65</u>
<u>GG</u>	<u>Routed to ISE Gemini (Pro/Firm/MM), Non-Penny</u>	<u>0.95</u>
<u>HC</u>	<u>Routed to PHLX (Customer)</u>	<u>0.52</u>
<u>HF</u>	<u>Routed to PHLX (Pro/Firm/MM)</u>	<u>0.65</u>
<u>IC</u>	<u>Routed to ISE (Customer), Penny Pilot</u>	<u>0.52</u>
<u>ID</u>	<u>Routed to ISE (Customer), Non-Penny</u>	<u>0.12</u>
<u>IF</u>	<u>Routed to ISE (Pro/Firm/MM), Penny Pilot</u>	<u>0.65</u>
<u>IG</u>	<u>Routed to ISE (Pro/Firm/MM), Non-Penny</u>	<u>0.65</u>
<u>MA</u>	<u>Adds liquidity, Mini Option</u>	<u>Free</u>

<u>MC</u>	<u>Routed to MIAX (Customer)</u>	<u>0.12</u>
<u>MF</u>	<u>Routed to MIAX (Pro/Firm/MM)</u>	<u>0.65</u>
<u>MR</u>	<u>Removes liquidity, Mini Option</u>	<u>Free</u>
<u>NA<sup>4,5</sup></u>	<u>Adds liquidity (Pro/Firm/MM), Non-Penny</u>	<u>(0.65)</u>
<u>NC</u>	<u>Removes liquidity (Customer), Non-Penny</u>	<u>0.80</u>
<u>NP</u>	<u>Removes liquidity (Pro/Firm/MM), Non-Penny</u>	<u>0.89</u>
<u>NY</u>	<u>Adds liquidity (Customer), Non-Penny</u>	<u>(0.85)</u>
<u>OC</u>	<u>Routed to BOX (Customer)</u>	<u>Free</u>
<u>OF</u>	<u>Routed to BOX (Pro/Firm/MM)</u>	<u>0.65</u>
<u>OO</u>	<u>BATS Options Opening</u>	<u>Free</u>
<u>PA<sup>2,4,5</sup></u>	<u>Adds liquidity (Pro), Penny Pilot</u>	<u>(0.40)</u>
<u>PC</u>	<u>Removes liquidity (Customer) Penny Pilot</u>	<u>0.45</u>
<u>PF<sup>2,4,5</sup></u>	<u>Adds liquidity (Firm), Penny Pilot</u>	<u>(0.40)</u>
<u>PM<sup>4,5</sup></u>	<u>Adds liquidity (MM), Penny Pilot</u>	<u>(0.40)</u>
<u>PP<sup>3</sup></u>	<u>Removes liquidity (Pro/Firm/MM), Penny Pilot</u>	<u>0.48</u>
<u>PY<sup>1</sup></u>	<u>Adds liquidity, (Customer), Penny Pilot</u>	<u>(0.25)</u>
<u>QC</u>	<u>Routed to NOM (Customer), Penny Pilot</u>	<u>0.52</u>
<u>QD</u>	<u>Routed to NOM (Customer), Non-Penny</u>	<u>0.90</u>
<u>QF</u>	<u>Routed to NOM (Pro/Firm/MM), Penny Pilot</u>	<u>0.65</u>
<u>QG</u>	<u>Routed to NOM (Pro/Firm/MM), Non-Penny</u>	<u>0.95</u>
<u>XC</u>	<u>Routed to AMEX (Customer)</u>	<u>0.12</u>
<u>XF</u>	<u>Routed to AMEX (Pro/Firm/MM)</u>	<u>0.65</u>
<u>ZC</u>	<u>Routed (Customer), Mini Option</u>	<u>0.12</u>
<u>ZF</u>	<u>Routed (Prof/Firm/MM), Mini Option</u>	<u>0.12</u>

#### Definitions:

- All references to “per contract” mean “per contract executed”.
- “ADAV” means average daily added volume calculated as the number of contracts added and “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.
  - ADAV and ADV are calculated on a monthly basis, excluding contracts added or removed on any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during regular trading hours (“Exchange System Disruption”) and on any day with a scheduled early market close.
  - Routed contracts are not included in ADAV or ADV calculation.
  - With prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member.
- “Options Step-Up Add TCV” means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV.
- “TCV” means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply.

excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close.

- “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation (“OCC”), excluding any transaction for a “Professional” as defined in Exchange Rule 16.1.
- “Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC.
- “Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC.
- “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.
- “Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

General Notes:

- The Exchange notes that to the extent a Member does not qualify for any of the tiers listed below, the rates listed in the above section titled “Fee Codes and Associated Fees” will apply.
- To the extent a Member qualifies for higher rebates and/or lower fees than those provided by a tier for which such Member qualifies, the higher rebates and/or lower fees shall apply.

Footnotes:

<sup>1</sup> Customer Penny Pilot Add Tiers

Applicable to fee code PY.

<u>Tier</u>	<u>Rebate per contract for a Customer order to Add for Penny Pilot Securities</u>	<u>Required Criteria</u>
<u>Customer Add Volume Tier 1</u>	<u>(\$0.45)</u>	<u>Member has an ADV equal to or greater than 0.05% of average TCV</u>
<u>Customer Add Volume Tier 2</u>	<u>(\$0.48)</u>	<u>Member has an ADV equal to or greater than 0.30% of average TCV</u>
<u>Customer Add Volume Tier 3</u>	<u>(\$0.50)</u>	<u>Member has an ADV equal to or greater than 1.00% of average TCV</u>
<u>Customer Cross-Asset Add Tier 1</u>	<u>(\$0.50)</u>	<u>(1) Member has an ADV equal to or greater than 0.80% of average TCV</u> <u>(2) Member has on BZX Equities an ADAV equal to or greater than 0.50% of</u>

		<u>average TCV</u>
<u>Customer Cross-Asset Add Tier 2</u>	<u>(\$0.50)</u>	(1) <u>Member has an ADV equal to or greater than 0.90% of average TCV</u> (2) <u>Member has on BZX Equities an ADAV equal to or greater than 0.25% of average TCV</u>

### <sup>2</sup> Professional and Firm Penny Pilot Add Volume Tiers

Applicable to the following fee codes: PA and PF.

<u>Tier</u>	<u>Rebate per contract for a Professional/ Firm order to Add for Penny Pilot Securities</u>	<u>Required Criteria</u>
<u>Professional/Firm Step-up Add Volume Tier 1</u>	<u>(\$0.44)</u>	<u>Member has an Options Step-up Add TCV from June 2014 baseline equal to or greater than 0.50%</u>
<u>Professional/Firm Step-up Add Volume Tier 2</u>	<u>(\$0.44)</u>	(1) <u>Member has an Options Step-Up Add TCV from September 2014 baseline equal to or greater than 0.30%</u> (2) <u>Member has an ADV equal to or greater than 0.40% of average TCV</u>

### <sup>3</sup> Professional, Firm and Market Maker Penny Pilot Take Volume Tiers

Applicable to fee code PP.

<u>Tier</u>	<u>Fee per contract for a Professional/Firm/ Market Maker Order to Remove for Penny Pilot Securities</u>	<u>Required Criteria</u>
<u>Non-Customer Take Volume Tier</u>	<u>\$0.47</u>	<u>Member has an ADV equal to or greater than 1.00% of average TCV</u>
<u>Non-Customer Step-Up Take Volume Tier</u>	<u>\$0.47</u>	(1) <u>Member has an Options Step-Up Add TCV from September 2014 baseline equal to or greater than 0.30%</u> (2) <u>Member has an ADV equal to or greater than 0.40% of average TCV</u>

<sup>4</sup> NBBO Setter Tiers

Applicable to the following fee codes: PA, PF, PM and NA.

<u>Tier</u>	<u>Additional rebate per contract for a Professional/Firm/ Market Maker order to Add</u>	<u>Required Criteria</u>
<u>NBBO Setter Tier 1</u>	<u>(\$0.02)</u>	<u>(1) Member has an ADV equal to or greater than 0.30% of average TCV</u> <u>(2) Any order establishing a new NBBO</u>
<u>NBBO Setter Tier 2</u>	<u>(\$0.04)</u>	<u>(1) Member has an ADV equal to or greater than 1.00% of average TCV</u> <u>(2) Any order establishing a new NBBO</u>
<u>NBBO Setter Tier 3</u>	<u>(\$0.04)</u>	<u>(1) Member has an Options Step-Up Add TCV from September 2014 baseline equal to or greater than 0.30%</u> <u>(2) Member has an ADV equal to or greater than 0.40% of average TCV</u> <u>(3) Any order establishing a new NBBO</u>

<sup>5</sup> Quoting Incentive Program (“QIP”) Tiers

Applicable to the following fee codes: PM and NA.

The additional rebate is per contract for an order that adds liquidity to the BATS Options order book in options classes in which a Member is a Market Maker registered on BATS Options pursuant to Rule 22.2. A Market Maker must be registered with BATS Options in an average of 20% or more of the associated options series in a class in order to qualify for QIP rebates for that class.

<u>Tier</u>	<u>Additional rebate per contract to Add</u>	<u>Required Criteria</u>
<u>QIP Tier 1</u>	<u>(\$0.02)</u>	<u>Member has an ADV equal to or greater than 0.30% of average TCV</u>
<u>QIP Tier 2</u>	<u>(\$0.04)</u>	<u>Member has an ADV equal to or greater than 1.00% of average TCV</u>

Options Logical Port Fees

<u>Service</u>	<u>Fee</u>
<u>Logical Ports (excluding Multicast PITCH Spin Server Port or GRP Port)</u>	<u>\$400/port/month</u>
<u>Multicast PITCH Spin Server</u>	<u>\$400/set of primary (A or C feed)</u>
<u>GRP Ports</u>	<u>\$400/primary (A or C feed)</u>
<u>Ports with Bulk Quoting Capabilities</u>	<u>\$1,500/month</u>

- Logical port fees are limited to logical ports within the primary data center. No logical port fees will be assessed for redundant secondary data center ports.
- Multicast PITCH is available through one of two primary feeds, either the A or C feed. All secondary feed Multicast PITCH Spin Server and GRP Ports are provided for redundancy at no additional cost.

#### Options Physical Connection Fees

<u>Service</u>	<u>Fee</u>
<u>1G physical ports at the primary or secondary BZX data center</u>	<u>\$1,000/port/month</u>
<u>1G physical ports at any other data center where BZX maintains a point-of-presence ("PoP")</u>	<u>\$2,000/port/month</u>
<u>10G physical ports at the primary or secondary BZX data center</u>	<u>\$2,500/port/month</u>
<u>10G physical ports at any other data center where BZX maintains a PoP</u>	<u>\$5,000/port/month</u>

Note: The Exchange will pass-through in full any fees or costs in excess of \$1,000.00 incurred by the Exchange to complete a cross-connect.

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