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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 28

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

File No.* SR - 2015 - * 01

Amendment No. (req. for Amendments *)

Filing by BATS Exchange

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

Initial * ☑ Amendment * ☐ Withdrawal ☐

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

Rule

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

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

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

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

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

Section 3C(b)(2) * ☐

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

Description

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

Amendments to the fee schedule of BATS Exchange, Inc.

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Anders Last Name * Franzon

Title * VP, Associate General Counsel

E-mail * afranzon@bats.com

Telephone * (913) 815-7154 Fax (913) 815-7119

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

Date 01/02/2015

By Anders Franzon

(Name *)

(Title *)

VP, Associate General Counsel

afranzon@bats.com

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.

Required fields are shown with yellow backgrounds and asterisks.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information * Add Remove View	The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.
Exhibit 1 - Notice of Proposed Rule Change * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies * Add Remove View	The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO] -xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)
Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications Add Remove View Exhibit Sent As Paper Document ☐	Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.
Exhibit 3 - Form, Report, or Questionnaire Add Remove View Exhibit Sent As Paper Document ☐	Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.
Exhibit 4 - Marked Copies Add Remove View	The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.
Exhibit 5 - Proposed Rule Text Add Remove View	The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.
Partial Amendment Add Remove View	If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] BATS 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[3] 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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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b-4.

[3] 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 modify its fee schedule effective immediately in order to: (1) adopt pricing for Retail Orders, as defined below, on the Exchange, including a new Retail Order Tier; (2) add Membership Fees; and (3) make certain non-substantive clean-up changes to the fee schedule.

Retail Order Pricing

The Exchange recently adopted rules related to the Exchange's Retail Order Attribution Program.[4] Under such program, the Exchange allows Members to designate Retail Orders[5] that they enter to be identified as being Retail Orders on the Exchange's proprietary data feeds. Not all Retail Orders entered by a Member will be identified as being a Retail Order, but rather a Retail Order will only be displayed on the Exchange's proprietary data feeds as a Retail Order where the Member designates that the order be identified as such. There are not currently any pricing incentives for participation in the

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4 See Securities Exchange Act Release No. 73237 (September 26, 2014), 79 FR 59537 (October 2, 2014) (SR-BATS-2014-043)

5 As defined in Rule 11.25(a)(2), a "Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Member Organization or "RMO" is a Member (or a division thereof) that has been approved by the Exchange under Rule 11.25 to submit Retail Orders.

Retail Order Attribution Program.

The Exchange proposes to introduce new fee codes ZA and ZR in order to provide pricing specific to Retail Orders executed on the Exchange. The Exchange notes that such proposed pricing would apply to all Retail Orders and that a Retail Order would not need to be attributable in order to receive the proposed pricing. The Exchange is proposing new fee code ZA to apply to Retail Orders that add liquidity to the Exchange. A transaction with fee code ZA is proposed to be assigned a rebate of $0.0032 per share. The Exchange is also proposing new fee code ZR to apply to Retail Orders that remove liquidity from the Exchange. A transaction with fee code ZR and is proposed to be assigned a charge of $0.0030 per share, which is the same as the standard fee for removing liquidity from the Exchange. Proposed fee codes ZA and ZR will only apply to Retail Orders that add or remove liquidity, respectively, in executions that occur on the Exchange. Where a Retail Order is routed, executes in an auction, or executes in the Opening or Re-Opening, the appropriate fee code will apply and proposed fee codes ZA and ZR will not apply.

In addition to the proposed standard pricing for Retail Orders executed on the Exchange, the Exchange is also proposing to add a new Retail Order Tier. As proposed, the Exchange would offer a rebate of $0.0034 per share for adding liquidity for a Retail Order executed on the Exchange where the Member adds an average daily volume of Retail Orders (fee code ZA), that is 0.07% or more of average daily TCV.[6]

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[6] TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any day that the Exchange experiences an

Membership Fees

The Exchange is also proposing to charge an Annual Membership Fee for Members of the Exchange of $2,500, which will support their Exchange membership for the calendar year. The fee will be charged per Member firm. Beginning in January 2015, the Exchange plans to charge an Annual Membership Fee which will be assessed on all Members as of a date determined by the Exchange in January of each year. For any month in which a firm is approved for membership with the Exchange after the January renewal period, the Annual Membership Fee will be pro-rated beginning on the date on which membership is approved and based on the number of remaining trading days in that year. The fee will be assessed in the month following membership approval. For example, if a firm applies and is accepted for membership with the Exchange on February 15, 2015, the new Member will be assessed a pro-rated Annual Membership Fee for the period beginning on February 15 through the end of 2015. The fee will be assessed in the next month's billing cycle, which in this case, would be March 2015. Such fees will be non-refundable. However, where a Member is pending a voluntary termination of rights as a Member pursuant to Rule 2.8 prior to the date any Annual Membership Fee for a given year will be assessed (i.e., January 1, 2015) and the Member does not utilize the facilities of the Exchange while such voluntary termination of rights is pending, then the Member will not be obligated to pay the Annual Membership Fee. The Exchange believes this to be appropriate because there is ordinarily a 30 day waiting period before such resignation shall take effect.

Exchange System Disruption, on any day with a scheduled early market close and the Russell Reconstitution Day.

Non-Substantive Changes

Finally, the Exchange is proposing to make certain non-substantive clean-up changes to the fee schedule. Footnote 2 relates to Step-Up Tiers in which displayed orders that add liquidity to the Exchange receive enhanced rebates where the Member meets certain thresholds related to a Member's Step-Up Add TCV.[7] Footnote 2 currently states that it applies to fee codes B, V, and Y, however footnote 2 does not currently appear in the Fee Codes and Associated Fees table next to fee codes V and Y (but does appear next to fee code B). As such, the Exchange is proposing to add footnote 2 to fee codes V and Y in the Fee Codes and Associated Fees table in the fee schedule. This is a non-substantive change to the fee schedule because footnote 2 states that it applies to each of fee codes B, V, and Y and the Exchange is adding the footnote to fee codes V and Y in order to make the fee schedule as consistent as possible to indicate that footnote 2 should apply to those fee codes.

The Exchange proposes to implement the amendments to its fee schedule effective January 2, 2015.

(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.[8] Specifically, the Exchange believes that the proposed rule change is consistent with

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7 Step-Up Add TCV means ADAV as a percentage of TCV in January 2014 subtracted from current ADAV as a percentage of TCV.

8 15 U.S.C. 78f.

Sections 6(b)(4) of the Act and 6(b)(5) of the Act,[9] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The Exchange believes that the new Retail Order rebate and fee code associated with adding liquidity is reasonable and equitable because it will incentivize Members to submit orders designated as Retail Orders to the Exchange which will enhance liquidity in Retail Orders on the Exchange and further incentivize Members who wish to execute against Retail Orders to send additional orders to the Exchange. The Exchange believes that this increased liquidity would potentially stimulate further price competition for Retail Orders, thereby deepening the Exchange's liquidity pool in both non-Retail and Retail Orders, supporting the quality of price discovery, and promoting market transparency, further rendering the proposal reasonable and equitable. The Exchange believes that the new Retail Order rebate is non-discriminatory because it is equally available to all Members that enter Retail Orders.

The Exchange believes that the new Retail Order fee code for removing liquidity is reasonable, equitable, and non-discriminatory because, as stated above, the fees associated with a Retail Order that removes liquidity on the Exchange is the same as the standard fee for removing liquidity for a non-Retail Order. The only difference is that the Exchange is now providing a more specific fee code in order to make it easier for

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[9] 15 U.S.C. 78f(b)(4) and (5).

Members to understand their monthly invoices, which the Exchange again believes makes the proposed change reasonable, equitable, and non-discriminatory.

The Exchange also believes that its proposed new Retail Order Tier and associated enhanced rebate are reasonable and equitable because the tiers based on added Retail Order volume is intended to reward those Members that and incentivize other Members to add a larger amount of volume in Retail Orders on the Exchange by providing an additional $0.0002 per share rebate for Members that have a add an average daily volume of Retail Orders that is 0.07% or more of average daily TCV. Further, the Exchange believes that the new Retail Order Tier is reasonable and equitable because it incentivizes and rewards Members for posting Retail Orders on the Exchange, which is consistent with the overall goal of enhancing market quality on the Exchange. The Exchange also believes that the proposed rebates associated with the tier is non-discriminatory in that it is equally available to all Members and, again, because it is consistent with the goal of enhancing market quality on the Exchange.

Volume-based rebates and fees such as the ones proposed by and maintained on the Exchange, including Step-Up Tiers, the cross-asset step-up tier, the cross-asset tier and the Retail Order Tier proposed herein, have been widely adopted in the cash equities markets and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange notes that it is not proposing to modify any existing tiers, but rather to add a new tier that will provide

Members with additional ways to receive higher rebates, meaning that under the proposal, a Member will receive either the same or a higher rebate than they would receive today. Accordingly, the Exchange believes that the proposed additions to the Exchange's tiered pricing structure and incentives are not unfairly discriminatory because they will apply uniformly to all Members and are consistent with the overall goals of enhancing market quality on the Exchange.

The Exchange also believes that assessing an Annual Membership Fee provides an equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated recipients. The Exchange believes that the Annual Membership Fee is a reasonable and equitable method of ensuring that its fees fund a greater portion of the cost of regulating activity on the Exchange, and that even after assessing these fees, the overall cost of Exchange membership is reasonable as compared with the costs of membership in other SROs.[10] The Exchange believes that the proposed addition of an Annual Membership Fee is non-discriminatory in that it applies uniformly to all Members.

Finally, the Exchange believes that the clarifying change that adds the footnote 2 to fee codes V and Y in the Fee Codes and Associated Fees table is reasonable as it will help to avoid confusion for those that review the Exchange's fee schedule. The Exchange notes that the proposed change is not designed to amend any fee or rebate, nor

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10 See, e.g., NASDAQ Rule 7001(a) (assessing an $3,000 annual membership fee); see also New York Stock Exchange Price List 2015, at https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf (assessing a $40,000 annual trading license fee for the first two licenses held by a member organization).

alter the manner in which it assesses fees or calculates rebates. The Exchange believes that the proposed amendment is intended to make the fee schedule clearer and less confusing for investors and 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 proposed changes will allow the Exchange to compete more ably with other execution venues by providing more competitive prices for Retail Orders that add liquidity in securities traded on the Exchange, thereby making it a more desirable destination venue for its customers. Also, because the market for order execution is extremely competitive, Members may readily opt to disfavor the Exchange's routing services if they believe that alternatives offer them better value.

The Exchange's proposed membership fees will be lower than the cost of membership on other exchanges,[11] and therefore, may stimulate intramarket competition by attracting additional firms to become Members on the Exchange. In addition, membership fees are subject to competition from other exchanges. Accordingly, if the changes proposed herein are unattractive to market participants, it is likely the Exchange will see a decline in membership and/or trading activity as a result. The proposed fee change will not impact intermarket competition because it will apply to all Members

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11 See id.

equally. 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 deem fee structures, including Annual Membership Fees, 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[12] and Rule 19b-4(f)(2) thereunder,[13] 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

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12 15 U.S.C. 78s(b)(3)(A)(ii).

13 17 CFR 240.19b-4(f)(2).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____________; File No. SR-BATS-2015-01)

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

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

The Exchange filed a proposal to amend the fee schedule applicable to Members[5] 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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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

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

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

5 A Member is 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 modify its fee schedule effective immediately in order to: (1) adopt pricing for Retail Orders, as defined below, on the Exchange, including a new Retail Order Tier; (2) add Membership Fees; and (3) make certain non-substantive clean-up changes to the fee schedule.

Retail Order Pricing

The Exchange recently adopted rules related to the Exchange's Retail Order Attribution Program.[6] Under such program, the Exchange allows Members to designate Retail Orders[7] that they enter to be identified as being Retail Orders on the Exchange's

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6 See Securities Exchange Act Release No. 73237 (September 26, 2014), 79 FR 59537 (October 2, 2014) (SR-BATS-2014-043)

7 As defined in Rule 11.25(a)(2), a "Retail Order" is an agency or riskless principal order that meets the criteria of FINRA Rule 5320.03 that originates from a natural

proprietary data feeds. Not all Retail Orders entered by a Member will be identified as being a Retail Order, but rather a Retail Order will only be displayed on the Exchange's proprietary data feeds as a Retail Order where the Member designates that the order be identified as such. There are not currently any pricing incentives for participation in the Retail Order Attribution Program.

The Exchange proposes to introduce new fee codes ZA and ZR in order to provide pricing specific to Retail Orders executed on the Exchange. The Exchange notes that such proposed pricing would apply to all Retail Orders and that a Retail Order would not need to be attributable in order to receive the proposed pricing. The Exchange is proposing new fee code ZA to apply to Retail Orders that add liquidity to the Exchange. A transaction with fee code ZA is proposed to be assigned a rebate of $0.0032 per share. The Exchange is also proposing new fee code ZR to apply to Retail Orders that remove liquidity from the Exchange. A transaction with fee code ZR and is proposed to be assigned a charge of $0.0030 per share, which is the same as the standard fee for removing liquidity from the Exchange. Proposed fee codes ZA and ZR will only apply to Retail Orders that add or remove liquidity, respectively, in executions that occur on the Exchange. Where a Retail Order is routed, executes in an auction, or executes in the Opening or Re-Opening, the appropriate fee code will apply and proposed fee codes ZA and ZR will not apply.

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person and is submitted to the Exchange by a Retail Member Organization, provided that no change is made to the terms of the order with respect to price or side of market and the order does not originate from a trading algorithm or any other computerized methodology. A Retail Member Organization or "RMO" is a Member (or a division thereof) that has been approved by the Exchange under Rule 11.25 to submit Retail Orders.

In addition to the proposed standard pricing for Retail Orders executed on the Exchange, the Exchange is also proposing to add a new Retail Order Tier. As proposed, the Exchange would offer a rebate of $0.0034 per share for adding liquidity for a Retail Order executed on the Exchange where the Member adds an average daily volume of Retail Orders (fee code ZA), that is 0.07% or more of average daily TCV.[8]

Membership Fees

The Exchange is also proposing to charge an Annual Membership Fee for Members of the Exchange of $2,500, which will support their Exchange membership for the calendar year. The fee will be charged per Member firm. Beginning in January 2015, the Exchange plans to charge an Annual Membership Fee which will be assessed on all Members as of a date determined by the Exchange in January of each year. For any month in which a firm is approved for membership with the Exchange after the January renewal period, the Annual Membership Fee will be pro-rated beginning on the date on which membership is approved and based on the number of remaining trading days in that year. The fee will be assessed in the month following membership approval. For example, if a firm applies and is accepted for membership with the Exchange on February 15, 2015, the new Member will be assessed a pro-rated Annual Membership Fee for the period beginning on February 15 through the end of 2015. The fee will be assessed in the next month's billing cycle, which in this case, would be March 2015.

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[8] TCV means total consolidated volume calculated as the volume reported by all exchanges and trade reporting facilities to a consolidated transaction reporting plan for the month for which the fees apply. The Exchange excludes from its calculation of TCV volume on any day that the Exchange experiences an Exchange System Disruption, on any day with a scheduled early market close and the Russell Reconstitution Day.

Such fees will be non-refundable. However, where a Member is pending a voluntary termination of rights as a Member pursuant to Rule 2.8 prior to the date any Annual Membership Fee for a given year will be assessed (i.e., January 1, 2015) and the Member does not utilize the facilities of the Exchange while such voluntary termination of rights is pending, then the Member will not be obligated to pay the Annual Membership Fee. The Exchange believes this to be appropriate because there is ordinarily a 30 day waiting period before such resignation shall take effect.

Non-Substantive Changes

Finally, the Exchange is proposing to make certain non-substantive clean-up changes to the fee schedule. Footnote 2 relates to Step-Up Tiers in which displayed orders that add liquidity to the Exchange receive enhanced rebates where the Member meets certain thresholds related to a Member's Step-Up Add TCV.[9] Footnote 2 currently states that it applies to fee codes B, V, and Y, however footnote 2 does not currently appear in the Fee Codes and Associated Fees table next to fee codes V and Y (but does appear next to fee code B). As such, the Exchange is proposing to add footnote 2 to fee codes V and Y in the Fee Codes and Associated Fees table in the fee schedule. This is a non-substantive change to the fee schedule because footnote 2 states that it applies to each of fee codes B, V, and Y and the Exchange is adding the footnote to fee codes V and Y in order to make the fee schedule as consistent as possible to indicate that footnote 2 should apply to those fee codes.

The Exchange proposes to implement the amendments to its fee schedule

[9] Step-Up Add TCV means ADAV as a percentage of TCV in January 2014 subtracted from current ADAV as a percentage of TCV.

effective January 2, 2015.

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.[10] Specifically, the Exchange believes that the proposed rule change is consistent with Sections 6(b)(4) of the Act and 6(b)(5) of the Act,[11] in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive.

The Exchange believes that the new Retail Order rebate and fee code associated with adding liquidity is reasonable and equitable because it will incentivize Members to submit orders designated as Retail Orders to the Exchange which will enhance liquidity in Retail Orders on the Exchange and further incentivize Members who wish to execute against Retail Orders to send additional orders to the Exchange. The Exchange believes that this increased liquidity would potentially stimulate further price competition for Retail Orders, thereby deepening the Exchange's liquidity pool in both non-Retail and Retail Orders, supporting the quality of price discovery, and promoting market transparency, further rendering the proposal reasonable and equitable. The Exchange

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10 15 U.S.C. 78f.

11 15 U.S.C. 78f(b)(4) and (5).

believes that the new Retail Order rebate is non-discriminatory because it is equally available to all Members that enter Retail Orders.

The Exchange believes that the new Retail Order fee code for removing liquidity is reasonable, equitable, and non-discriminatory because, as stated above, the fees associated with a Retail Order that removes liquidity on the Exchange is the same as the standard fee for removing liquidity for a non-Retail Order. The only difference is that the Exchange is now providing a more specific fee code in order to make it easier for Members to understand their monthly invoices, which the Exchange again believes makes the proposed change reasonable, equitable, and non-discriminatory.

The Exchange also believes that its proposed new Retail Order Tier and associated enhanced rebate are reasonable and equitable because the tiers based on added Retail Order volume is intended to reward those Members that and incentivize other Members to add a larger amount of volume in Retail Orders on the Exchange by providing an additional $0.0002 per share rebate for Members that have a add an average daily volume of Retail Orders that is 0.07% or more of average daily TCV. Further, the Exchange believes that the new Retail Order Tier is reasonable and equitable because it incentivizes and rewards Members for posting Retail Orders on the Exchange, which is consistent with the overall goal of enhancing market quality on the Exchange. The Exchange also believes that the proposed rebates associated with the tier is non-discriminatory in that it is equally available to all Members and, again, because it is consistent with the goal of enhancing market quality on the Exchange.

Volume-based rebates and fees such as the ones proposed by and maintained on the Exchange, including Step-Up Tiers, the cross-asset step-up tier, the cross-asset tier and the Retail Order Tier proposed herein, have been widely adopted in the cash equities markets and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. The Exchange notes that it is not proposing to modify any existing tiers, but rather to add a new tier that will provide Members with additional ways to receive higher rebates, meaning that under the proposal, a Member will receive either the same or a higher rebate than they would receive today. Accordingly, the Exchange believes that the proposed additions to the Exchange's tiered pricing structure and incentives are not unfairly discriminatory because they will apply uniformly to all Members and are consistent with the overall goals of enhancing market quality on the Exchange.

The Exchange also believes that assessing an Annual Membership Fee provides an equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange makes all services and products subject to these fees available on a non-discriminatory basis to similarly situated recipients. The Exchange believes that the Annual Membership Fee is a reasonable and equitable method of ensuring that its fees fund a greater portion of the cost of regulating activity on the Exchange, and that even after assessing these fees, the overall cost of Exchange membership is reasonable as compared with the costs of membership in other

SROs.[12] The Exchange believes that the proposed addition of an Annual Membership Fee is non-discriminatory in that it applies uniformly to all Members.

Finally, the Exchange believes that the clarifying change that adds the footnote 2 to fee codes V and Y in the Fee Codes and Associated Fees table is reasonable as it will help to avoid confusion for those that review the Exchange's fee schedule. The Exchange notes that the proposed change is not designed to amend any fee or rebate, nor alter the manner in which it assesses fees or calculates rebates. The Exchange believes that the proposed amendment is intended to make the fee schedule clearer and less confusing for investors and 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 proposed changes will allow the Exchange to compete more ably with other execution venues by providing more competitive prices for Retail Orders that add liquidity in securities traded on the Exchange, thereby making it a more desirable destination venue for its customers. Also, because the market for order execution is extremely competitive, Members may readily opt to disfavor the Exchange's routing services if they believe that alternatives

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12 See, e.g., NASDAQ Rule 7001(a) (assessing an $3,000 annual membership fee); see also New York Stock Exchange Price List 2015, at https://www.nyse.com/publicdocs/nyse/markets/nyse/NYSE_Price_List.pdf (assessing a $40,000 annual trading license fee for the first two licenses held by a member organization).

offer them better value.

The Exchange's proposed membership fees will be lower than the cost of membership on other exchanges,[13] and therefore, may stimulate intramarket competition by attracting additional firms to become Members on the Exchange. In addition, membership fees are subject to competition from other exchanges. Accordingly, if the changes proposed herein are unattractive to market participants, it is likely the Exchange will see a decline in membership and/or trading activity as a result. The proposed fee change will not impact intermarket competition because it will apply to all Members equally. 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 deem fee structures, including Annual Membership Fees, 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[14] and paragraph (f) of Rule 19b-4 thereunder.[15] At any time within 60 days of

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[13] See id.

[14] 15 U.S.C. 78s(b)(3)(A).

[15] 17 CFR 240.19b-4(f).

the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic Comments:

- Use the Commission's Internet comment form (http://www.sec.gov/rules/sro.shtml); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-BATS-2015-01 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-2015-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (http://www.sec.gov/rules/sro.shtml). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the

Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-BATS-2015-01 and should be submitted on or before [_______21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[16]

Kevin M. O'Neill
Deputy Secretary

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16 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 17, 2014]<u>January 2, 2015</u>

Transaction Fees:

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Fee Codes and Associated Fees:

Fee Code	Description	Fee/(Rebate)
10[10]	Routed to NYSE Arca, adds liquidity (Tape B)	(0.0022)
8[10]	Routed to NYSE MKT, adds liquidity	(0.0015)
9[10]	Routed to NYSE Arca, adds liquidity (Tapes A or C)	(0.0021)
A[10]	Routed to NASDAQ, adds liquidity	(0.0015)
AC	Closing Auction, BZX listed security	0.0010
AL	Closing Auction, Late-Limit-On-Close order, BZX listed security	Free
AN	Continuous Book Order that executed in the Opening or Closing Auction, BZX listed security	Free
AO	Opening, IPO or Halt Auction, BZX listed security	0.0005
AP	Opening, IPO or Halt Auction, Late-Limit-On-Open order, BZX listed security	Free
B[1,2,3,4,7]	Displayed order, adds liquidity to BZX (Tape B)	(0.0020)
BA	Routed to NYSE Arca using Destination Specific routing strategy (Tape B)	0.0027
BB[6]	Removes liquidity from BZX (Tape B)	0.0030
BJ	Routed to EDGA using TRIM or TRIM2 routing strategy	(0.0002)
BO	Routed using ROLF or Destination Specific routing strategy unless otherwise specified	0.0030
BY	Routed to BYX using Destination Specific, TRIM, TRIM2, TRIM3 or SLIM routing strategy	(0.0016)

CL	Routed to listing market closing process	0.0010
D	Routed to NYSE using Destination Specific, RDOT, RDOX, TRIM or SLIM routing strategy	0.0026
F[10]	Routed to NYSE, adds liquidity	(0.0015)
G	Routed to NYSE Arca using Destination Specific routing strategy (Tapes A or C)	0.0029
HA[5,7]	Non-displayed order, adds liquidity	(0.0017)
HI[5,7]	Non-displayed order that receives price improvement, adds liquidity	Free
J	Routed to NASDAQ using Destination Specific or INET routing strategy	0.0029
N[6]	Removes liquidity from BZX (Tape C)	0.0030
O	Routed to listing market opening or re-opening cross	0.0015
OO	BZX Opening or Re-opening, non-BZX listed security	0.0005
P[10]	Routed to EDGX, adds liquidity	(0.0020)
R	Re-routed by NYSE using RDOT, RDOX or Post to Away routing strategy	0.0030
RA[10]	Routed to EDGA, adds liquidity	0.0005
RB[10]	Routed to NASDAQ BX, adds liquidity	0.0020
RP[7]	Non-displayed order, adds liquidity using Supplemental Peg	(0.0017)
RY[10]	Routed to BYX, adds liquidity	0.0018
S	Directed ISO	0.0033
SW[9]	Routed using Parallel T or SWPA/B routing strategy	0.0033
SX	Routed using SLIM routing strategy (except to BYX or NYSE)	0.0026
TV	Routed to NASDAQ BX using TRIM2 or TRIM3 routing strategy	(0.0010)
TX	Routed to NASDAQ BX using TRIM routing strategy	(0.0013)
V[1,2,3,4,7]	Displayed order, adds liquidity to BZX (Tape A)	(0.0020)

VI	Displayed order subject to price sliding that receives price improvement, adds liquidity	Free
W[6]	Removes liquidity from BZX (Tape A)	0.0030
X[8]	Routed to a displayed market to remove liquidity using Parallel D, Parallel 2D, ROUT, ROUX or Post to Away routing strategy	0.0029
Y[1,2,3,4,7]	Displayed order, adds liquidity to BZX (Tape C)	(0.0020)
Z	Routed to a dark liquidity venue (except through SLIM)	0.0020
ZA[7,11]	Retail Order, adds liquidity	(0.0032)
ZR[6]	Retail Order, removes liquidity	0.0030

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Footnotes:

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11. Retail Order Tier

Applicable to the following fee codes: ZA.

Tier	Rebate per share to Add	Required Criteria
Retail Order Tier	(0.0034)	Member adds an average daily volume of Retail Orders (ZA) that is 0.07% or more of average daily TCV

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Membership Fees:

Description	Fee
Annual Membership	$2,500/year

Note: If a Member is pending a voluntary termination of rights as a Member pursuant to Rule 2.8 prior to the date any Annual Membership Fee for a given year will be assessed (i.e., January 1, 2015) and the Member does not utilize the facilities of the Exchange while such voluntary termination of rights is pending, then the Member will not be obligated to pay the Annual Membership Fee.