

Required fields are shown with yellow backgrounds and asterisks.

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

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

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. with respect to BATS Options pricing.

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

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 10/02/2015 VP, Associate General Counsel

By Anders Franzon

(Name *)

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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The self-regulatory organization must provide all required information, presented in a clear and comprehensible manner, to enable the public to provide meaningful comment on the proposal and for the Commission to determine whether the proposal is consistent with the Act and applicable rules and regulations under the Act.

Exhibit 1 - Notice of Proposed Rule Change *

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

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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

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 Members³ 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:

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 applicable to the Exchange's options platform ("BATS Options") effective immediately, in order to modify certain standard pricing and to amend the thresholds related to meeting certain pricing tiers, the applicability of certain pricing tiers and the fees and rebates associated with certain pricing tiers, as described below.

Standard Pricing

The Exchange proposes to modify certain standard pricing applicable to BATS Options, including: (i) the rebate to add liquidity in non-Penny Pilot Securities⁴ applicable to Firm,⁵ Broker Dealer ("BD")⁶ and Joint Back Office ("JBO")⁷ orders, which yield fee code NF; (ii) the fee for Customer⁸ orders that remove liquidity in Penny

⁴ "Penny Pilot Securities" are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

⁵ "Firm" applies to any transaction identified by a Member for clearing in the Firm range at the Options Clearing Corporation ("OCC"), excluding any Joint Back office transaction.

⁶ "Broker Dealer" applies to any order for the account of a broker dealer, including a foreign broker dealer, that clears in the Customer range at the OCC.

⁷ "Joint Back Office" applies to any transaction identified by a Member for clearing in the Firm Range at the OCC that is identified with an origin code as Joint Back Office.

⁸ "Customer" applies to any transaction identified by a Member for clearing in the Customer range at the OCC, excluding any transaction for a Broker Dealer or a "Professional" as defined in Exchange Rule 16.1.

Pilot Securities, which yield fee code PC; and (iii) the fee for non-Customer orders that remove liquidity in Penny Pilot Securities, which yield fee code PP. The proposed changes are set forth below.

- The Exchange currently provides a rebate of \$0.40 per contract for Firm, BD and JBO orders that add liquidity in non-Penny Pilot Securities, which yield fee code NF. The Exchange proposes to reduce this rebate to \$0.36 per contract.
- The Exchange currently charges a fee of \$0.45 per contract for Customer orders that remove liquidity in Penny Pilot Securities, which yield fee code PC. The Exchange proposes to increase this fee to \$0.46 per contract.
- The Exchange currently charges a fee of \$0.49 per contract on non-Customer orders that remove liquidity in Penny Pilot Securities, which yield fee code PP. The Exchange proposes to increase this fee to \$0.50 per contract.

Each of the changes to standard pricing described above is proposed in order to increase revenue generated by the Exchange or to decrease the rebates paid by the Exchange in order to contribute to the overall profitability of the Exchange. The Exchange believes that these changes represent relatively modest increases to fees charged and adjustments to the rebates that are necessary to fund the continued growth of the Exchange.

Non-Customer Penny Pilot Add Volume Tier Rebates and Thresholds

The Exchange currently offers enhanced rebates under both the Firm, Broker

Dealer, and Joint Back Office Penny Pilot Add Volume Tiers (which apply to fee code PF) and the Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers (which apply to fee code PM) to Members with trading activity on BATS Options that meets certain thresholds. More specifically, in Tier 3 of each of these sets of tiers, BATS Options offers an enhanced rebate of \$0.47 per contract to orders that yield fee code PF and PM where: (i) the Member has an ADAV⁹ in Firm, BD and JBO orders in Penny Pilot Securities (yielding Fee Code PF) equal to or greater than 0.25% of average TCV;¹⁰ and (ii) the Member has an ADV¹¹ equal to or greater than 1.50% of average TCV. The Exchange proposes to reduce the rebate offered in Tier 3 of each of these sets of tiers to \$0.46 per contract. The Exchange has proposed this change for reasons consistent with the reason for the changes to Standard Pricing described above, including the generation of additional revenue by the Exchange in order to contribute to the overall profitability of the Exchange and to fund the continued growth of the Exchange.

The Exchange also proposes to modify the criteria necessary to qualify for Tier 2 of the Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers, which applies to fee code PM and provides a rebate of \$0.42 per contract. Currently, in order to qualify for such Tier, a Member of BATS Options must: (i) have an ADAV

⁹ “ADAV” means average daily added volume calculated as the number of contracts per day.

¹⁰ “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.

¹¹ “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.

equal to or greater than 1.00% of average TCV; and (ii) have an ADV equal to or greater than 2.00% of average TCV. The Exchange proposes to modify the first prong of this requirement such that a Member must have an ADAV in Market Maker¹² and/or Non-BATS Market Maker¹³ orders equal to or greater than 1.00% of average TCV. The Exchange is proposing to require a Member's ADAV necessary to qualify for Tier 2 to be Market Maker and/or Non-BATS Market Maker orders in order to incentivize the entry of such orders to the Exchange.

Non-Customer Penny Pilot Take Volume Tiers

The Exchange currently offers a total of five Non-Customer Penny Pilot Take Volume Tiers that provide discounted fees for Non-Customer orders in Penny Pilot Securities that remove liquidity from BATS Options under fee code PP. The Exchange proposes various updates to the existing tiers as well as to add an additional tier, as set forth below.

- The Exchange currently charges \$0.48 per contract for Members that qualify for Non-Customer Volume Tier 1, which requires that a Member has an ADV equal to or greater than 1.00% of average TCV. The Exchange proposes increasing this fee to \$0.49 per contract.
- The Exchange currently charges \$0.47 per contract for Members that qualify for Non-Customer Volume Tier 2, which requires that a Member

¹² “Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC.

¹³ “Non-BATS Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is not registered with the Exchange as a Market Maker, but is registered as a market maker on another options exchange.

has an ADV equal to or greater than 1.25% of average TCV. The Exchange proposes to increase this fee to \$0.48 per contract. The Exchange also proposes to increase the ADV threshold required to reach Non-Customer Volume Tier 2 from 1.25% to 1.50% of average TCV.

- The Exchange currently charges \$0.45 per contract for Members that qualify for Non-Customer Volume Tier 3, which requires that a Member: (i) has an ADAV equal to or greater than 1.00% of average TCV, and (ii) has an ADV equal to or greater than 2.00% of average TCV. The Exchange proposes to increase this fee to \$0.47 per contract. The Exchange also proposes to eliminate the first prong of the criteria, which contains an ADAV component, such that a Member would simply be required to reach an ADV equal to or greater than 2.00% of average TCV.
- The Exchange proposes to add a new tier, Non-Customer Take Volume Tier 4, which would charge \$0.45 per share for any Member with an ADAV in Customer orders equal to or greater than 0.80% of average TCV. The Exchange notes that this is similar to but easier to attain than current Non-Customer Take Volume Tier 4, which results in a fee of \$0.43 per contract for any Member with an ADAV in Customer orders equal to or greater than 2.00% of average TCV. Because the new tier is easier to attain, the Exchange has proposed a higher fee. In connection with this change, the Exchange proposes to rename current Non-Customer Take Volume Tier 4 as Non-Customer Take Volume Tier 5.

The majority of the changes set forth above represent modest increases in rates or higher criteria to obtain such rates and are proposed for reasons consistent with the reason for the changes to Standard Pricing described above, including the generation of additional revenue by the Exchange in order to contribute to the overall profitability of the Exchange and to fund the continued growth of the Exchange. The Exchange notes that the addition of the new Non-Customer Take Volume Tier 4 is intended to incentivize the entry of additional Customer orders to the Exchange.

NBBO Setter Tiers

The Exchange's NBBO Setter Program is a program intended to incentivize aggressive quoting on BATS Options by providing an additional rebate upon execution for all orders that add liquidity that set either the NBB or NBO, subject to certain volume requirements. The Exchange currently operates three NBBO Setter Tiers that provide an additional rebate of either \$0.02 per contract or \$0.04 per contract to orders from qualifying Members that submit orders that yield PA, PF, PM, NA, NF and NM.

The Exchange is proposing to add a new tier, Tier 4, which would provide an additional rebate of \$0.05 per contract to orders yielding fee code PF or PM that establish a new NBBO and are submitted by a Member that has an ADAV in non-Customer orders equal to or greater than 1.00% of average TCV and has an ADV in non-Customer orders equal to or greater than 1.80% of average TCV. The Exchange proposes to limit the applicability of Tier 4 to orders yielding fee code PF and PM, which represent added liquidity in Penny Pilot Securities for Market Maker orders, Non-BATS Market Maker orders, Firm orders, BD orders and JBO orders. Thus, contrary to other NBBO Setter Tiers, Tier 4 would not apply to Professional Customer orders or to orders in non-Penny

Pilot Securities. The Exchange believes that this new tier will incentivize additional entry of orders that set a new NBBO, thereby contributing to the availability of aggressively priced liquidity on the Exchange and the price discovery process.

QIP Tiers

Pursuant to the Quoting Incentive Program (“QIP”) the Exchange currently provides an additional rebate 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. The Exchange currently offers two tiers, Tier 1 and Tier 2, which provide an additional rebate of \$0.02 per contract or \$0.04 per contract, respectively, for Members that satisfy applicable QIP criteria. The Exchange does not propose to modify the criteria necessary to qualify for QIP tiers or the rebates provided thereunder, however the Exchange does propose to limit the applicability of such tiers to fee codes PM and NM, which apply to added liquidity for Market Maker and Non-BATS Market Maker orders. Thus, QIP rebates would no longer be provided to orders yielding fee codes NA or PA, which apply to added liquidity in Professional Customer orders, or to fee codes NF or PF, which apply to added liquidity in Firm, BD and JBO orders. Because QIP rebates are no longer applicable, the Exchange also proposes to eliminate references to footnote 5 for each of these fee codes on the Fee Codes and Associated Fees chart.

Firm, Broker Dealer and Joint Back Office Non-Penny Pilot Add Volume Tiers

The Exchange is also proposing to modify its Firm, BD and JBO Non-Penny Pilot

Add Volume Tiers, under which there are three tiers offering enhanced rebates for Firm, BD and JBO orders that add liquidity in non-Penny Pilot Securities. Specifically, the tiers provide the following rebates under the following conditions for Firm, BD and JBO orders that add volume in non-Penny Pilot Securities: Tier 1 provides a \$0.50 rebate per contract to a Member that has an ADV equal to or greater than 0.05% of average TCV; Tier 2 provides a \$0.60 rebate per contract to a Member that has an ADV equal to or greater than 0.15% of average TCV; and Tier 3 provides a \$0.65 rebate per contract to Member that has an ADV equal to or greater than 0.25% of average TCV. The Exchange proposes the following changes to these tiers.

- The Exchange proposes to reduce the rebate provided under Tier 1 from \$0.50 per contract to \$0.45 per contract and to increase the requirement such that a Member needs to have an ADV equal to or greater than 0.15% of average TCV (rather than 0.05% as currently required).
- The Exchange proposes to eliminate Tier 2 in its entirety.
- The Exchange proposes to rename current Tier 3 as Tier 2.

Other Changes

The Exchange also proposes to amend the Standard Rates table, which summarizes the range of fees at the beginning of the fee schedule, in order to reflect the changes proposed above.

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule effective immediately.

- (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.¹⁴ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁵ 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 to be excessive.

Volume-based rebates and fees such as the ones currently maintained on BATS Options have been widely adopted by equities and options exchanges 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.

As explained above, the Exchange is proposing various slight increases to fees as well as decreases in rebates in order to contribute to the overall profitability of the Exchange. The Exchange believes that these changes represent relatively modest increases to fees charged and adjustments to the rebates that are necessary to fund the continued growth of the Exchange. For the same reason, the Exchange believes that the

¹⁴ 15 U.S.C. 78f.

¹⁵ 15 U.S.C. 78f(b)(4).

modest increases to qualification thresholds for various pricing tiers is reasonable, fair and equitable and non-discriminatory, specifically because such increases will either incentivize participants to further contribute to market quality to the Exchange or the Exchange will be providing fewer or lower enhanced rebates to participants. The Exchange also believes that the proposed fees and rebates remain consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and do not represent a significant departure from the Exchange's general pricing structure.

The Exchange believes that its proposed new Non-Customer Penny Pilot Take Volume Tier 4 is reasonable, fair and equitable, and non-discriminatory in that it is aimed to attract additional liquidity to the Exchange and is consistent with other existing pricing tiers on the Exchange. The Exchange also believes that it is reasonable, fair and equitable, and non-discriminatory to limit the applicability of QIP rebates to Market Maker orders and Non-BATS Market Maker orders because QIP is a program aimed to incentivize active market making on the Exchange. Similarly, the Exchange believes it is reasonable, fair and equitable, and non-discriminatory to modify the Market Maker and Non-BATS Market Maker Penny Pilot Add Tier 2 to require that qualifying ADAV results from Market Maker and Non-BATS Market Maker orders because the tier is intended to incentivize the entry of market orders and the enhanced rebates are provided to such orders (specifically, those yielding fee code PM, which are Market Maker or Non-BATS Market Maker orders in Penny Pilot Securities).

The Exchange believes that new proposed NBBO Setter Tier 4 is reasonable, fair and equitable, and non-discriminatory because it will help to further incentivize the entry of aggressively priced liquidity to the Exchange. The Exchange believes it is reasonable,

fair and equitable, and non-discriminatory to limit the new NBBO Setter Tier, Tier 4, to orders yielding fee codes applicable to Penny Pilot Securities (thus excluding non-Penny Pilot Securities) and to orders on behalf of participants that are most likely to actively engage in providing liquidity on the Exchange (thus excluding Customers and Professional Customers).

The Exchange believes that the pricing continues to be reasonable, fair and equitable, and also consistent with or better than other options exchanges that operate similar market models.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed changes to increase fees or decrease rebates burden competition, but instead, that they enhance competition as they are intended to increase the profitability, and thus, competitiveness of BATS Options by allowing the Exchange to create additional pricing incentives and to maintain and improve the infrastructure of the Exchange. Also, the Exchange believes that the increase to certain thresholds necessary to meet tiers offered by the Exchange contributes to rather than burdens competition, as such changes are intended to incentivize participants to increase their participation on the Exchange. Similarly, the introduction of new tiers is intended to provide incentives to Members to encourage them to enter orders to BATS Options, and thus is again intended to enhance competition. Finally, the Exchange does not believe that its proposal to limit the applicability of certain incentives to certain fee codes unnecessarily burdens competition, as each change is intended to more narrowly

reward participation by those that are actually the target of the incentive and that are participating on the Exchange accordingly (i.e., limiting rebates to Market Maker and Non-BATS Market Maker incentives when the incentive is based on market making activity).

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 they deem fee levels to be excessive or providers of routing services if they deem routing fee levels to be 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 Act¹⁶ and Rule 19b-4(f)(2) thereunder,¹⁷ 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

¹⁶ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁷ 17 CFR 240.19b-4(f)(2).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2015-85)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change 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 Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to amend the fee schedule applicable to Members⁵ and non-members of the Exchange pursuant to BATS Rules 15.1(a) and (c).

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 The term “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 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 applicable to the Exchange's options platform ("BATS Options") effective immediately, in order to modify certain standard pricing and to amend the thresholds related to meeting certain pricing tiers, the applicability of certain pricing tiers and the fees and rebates associated with certain pricing tiers, as described below.

Standard Pricing

The Exchange proposes to modify certain standard pricing applicable to BATS Options, including: (i) the rebate to add liquidity in non-Penny Pilot Securities⁶

⁶ "Penny Pilot Securities" are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

applicable to Firm,⁷ Broker Dealer (“BD”)⁸ and Joint Back Office (“JBO”)⁹ orders, which yield fee code NF; (ii) the fee for Customer¹⁰ orders that remove liquidity in Penny Pilot Securities, which yield fee code PC; and (iii) the fee for non-Customer orders that remove liquidity in Penny Pilot Securities, which yield fee code PP. The proposed changes are set forth below.

- The Exchange currently provides a rebate of \$0.40 per contract for Firm, BD and JBO orders that add liquidity in non-Penny Pilot Securities, which yield fee code NF. The Exchange proposes to reduce this rebate to \$0.36 per contract.
- The Exchange currently charges a fee of \$0.45 per contract for Customer orders that remove liquidity in Penny Pilot Securities, which yield fee code PC. The Exchange proposes to increase this fee to \$0.46 per contract.
- The Exchange currently charges a fee of \$0.49 per contract or non-Customer orders that remove liquidity in Penny Pilot Securities, which

⁷ “Firm” applies to any transaction identified by a Member for clearing in the Firm range at the Options Clearing Corporation (“OCC”), excluding any Joint Back office transaction.

⁸ “Broker Dealer” applies to any order for the account of a broker dealer, including a foreign broker dealer, that clears in the Customer range at the OCC.

⁹ “Joint Back Office” applies to any transaction identified by a Member for clearing in the Firm Range at the OCC that is identified with an origin code as Joint Back Office.

¹⁰ “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the OCC, excluding any transaction for a Broker Dealer or a “Professional” as defined in Exchange Rule 16.1.

yield fee code PP. The Exchange proposes to increase this fee to \$0.50 per contract.

Each of the changes to standard pricing described above is proposed in order to increase revenue generated by the Exchange or to decrease the rebates paid by the Exchange in order to contribute to the overall profitability of the Exchange. The Exchange believes that these changes represent relatively modest increases to fees charged and adjustments to the rebates that are necessary to fund the continued growth of the Exchange.

Non-Customer Penny Pilot Add Volume Tier Rebates and Thresholds

The Exchange currently offers enhanced rebates under both the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tiers (which apply to fee code PF) and the Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers (which apply to fee code PM) to Members with trading activity on BATS Options that meets certain thresholds. More specifically, in Tier 3 of each of these sets of tiers, BATS Options offers an enhanced rebate of \$0.47 per contract to orders that yield fee code PF and PM where: (i) the Member has an ADAV¹¹ in Firm, BD and JBO orders in Penny Pilot Securities (yielding Fee Code PF) equal to or greater than 0.25% of average TCV;¹²

¹¹ “ADAV” means average daily added volume calculated as the number of contracts per day.

¹² “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.

and (ii) the Member has an ADV¹³ equal to or greater than 1.50% of average TCV. The Exchange proposes to reduce the rebate offered in Tier 3 of each of these sets of tiers to \$0.46 per contract. The Exchange has proposed this change for reasons consistent with the reason for the changes to Standard Pricing described above, including the generation of additional revenue by the Exchange in order to contribute to the overall profitability of the Exchange and to fund the continued growth of the Exchange.

The Exchange also proposes to modify the criteria necessary to qualify for Tier 2 of the Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers, which applies to fee code PM and provides a rebate of \$0.42 per contract. Currently, in order to qualify for such Tier, a Member of BATS Options must: (i) have an ADAV equal to or greater than 1.00% of average TCV; and (ii) have an ADV equal to or greater than 2.00% of average TCV. The Exchange proposes to modify the first prong of this requirement such that a Member must have an ADAV in Market Maker¹⁴ and/or Non-BATS Market Maker¹⁵ orders equal to or greater than 1.00% of average TCV. The Exchange is proposing to require a Member's ADAV necessary to qualify for Tier 2 to be Market Maker and/or Non-BATS Market Maker orders in order to incentivize the entry of such orders to the Exchange.

¹³ "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day.

¹⁴ "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC.

¹⁵ "Non-BATS Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is not registered with the Exchange as a Market Maker, but is registered as a market maker on another options exchange.

Non-Customer Penny Pilot Take Volume Tiers

The Exchange currently offers a total of five Non-Customer Penny Pilot Take Volume Tiers that provide discounted fees for Non-Customer orders in Penny Pilot Securities that remove liquidity from BATS Options under fee code PP. The Exchange proposes various updates to the existing tiers as well as to add an additional tier, as set forth below.

- The Exchange currently charges \$0.48 per contract for Members that qualify for Non-Customer Volume Tier 1, which requires that a Member has an ADV equal to or greater than 1.00% of average TCV. The Exchange proposes increasing this fee to \$0.49 per contract.
- The Exchange currently charges \$0.47 per contract for Members that qualify for Non-Customer Volume Tier 2, which requires that a Member has an ADV equal to or greater than 1.25% of average TCV. The Exchange proposes to increase this fee to \$0.48 per contract. The Exchange also proposes to increase the ADV threshold required to reach Non-Customer Volume Tier 2 from 1.25% to 1.50% of average TCV.
- The Exchange currently charges \$0.45 per contract for Members that qualify for Non-Customer Volume Tier 3, which requires that a Member: (i) has an ADAV equal to or greater than 1.00% of average TCV, and (ii) has an ADV equal to or greater than 2.00% of average TCV. The Exchange proposes to increase this fee to \$0.47 per contract. The Exchange also proposes to eliminate the first prong of the criteria, which

contains an ADAV component, such that a Member would simply be required to reach an ADV equal to or greater than 2.00% of average TCV.

- The Exchange proposes to add a new tier, Non-Customer Take Volume Tier 4, which would charge \$0.45 per share for any Member with an ADAV in Customer orders equal to or greater than 0.80% of average TCV. The Exchange notes that this is similar to but easier to attain than current Non-Customer Take Volume Tier 4, which results in a fee of \$0.43 per contract for any Member with an ADAV in Customer orders equal to or greater than 2.00% of average TCV. Because the new tier is easier to attain, the Exchange has proposed a higher fee. In connection with this change, the Exchange proposes to rename current Non-Customer Take Volume Tier 4 as Non-Customer Take Volume Tier 5.

The majority of the changes set forth above represent modest increases in rates or higher criteria to obtain such rates and are proposed for reasons consistent with the reason for the changes to Standard Pricing described above, including the generation of additional revenue by the Exchange in order to contribute to the overall profitability of the Exchange and to fund the continued growth of the Exchange. The Exchange notes that the addition of the new Non-Customer Take Volume Tier 4 is intended to incentivize the entry of additional Customer orders to the Exchange.

NBBO Setter Tiers

The Exchange's NBBO Setter Program is a program intended to incentivize aggressive quoting on BATS Options by providing an additional rebate upon execution for all orders that add liquidity that set either the NBB or NBO, subject to certain volume

requirements. The Exchange currently operates three NBBO Setter Tiers that provide an additional rebate of either \$0.02 per contract or \$0.04 per contract to orders from qualifying Members that submit orders that yield PA, PF, PM, NA, NF and NM.

The Exchange is proposing to add a new tier, Tier 4, which would provide an additional rebate of \$0.05 per contract to orders yielding fee code PF or PM that establish a new NBBO and are submitted by a Member that has an ADAV in non-Customer orders equal to or greater than 1.00% of average TCV and has an ADV in non-Customer orders equal to or greater than 1.80% of average TCV. The Exchange proposes to limit the applicability of Tier 4 to orders yielding fee code PF and PM, which represent added liquidity in Penny Pilot Securities for Market Maker orders, Non-BATS Market Maker orders, Firm orders, BD orders and JBO orders. Thus, contrary to other NBBO Setter Tiers, Tier 4 would not apply to Professional Customer orders or to orders in non-Penny Pilot Securities. The Exchange believes that this new tier will incentivize additional entry of orders that set a new NBBO, thereby contributing to the availability of aggressively priced liquidity on the Exchange and the price discovery process.

QIP Tiers

Pursuant to the Quoting Incentive Program (“QIP”) the Exchange currently provides an additional rebate 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. The Exchange currently offers two tiers, Tier 1 and Tier 2, which provide an additional rebate of \$0.02 per contract or \$0.04 per contract,

respectively, for Members that satisfy applicable QIP criteria. The Exchange does not propose to modify the criteria necessary to qualify for QIP tiers or the rebates provided thereunder, however the Exchange does propose to limit the applicability of such tiers to fee codes PM and NM, which apply to added liquidity for Market Maker and Non-BATS Market Maker orders. Thus, QIP rebates would no longer be provided to orders yielding fee codes NA or PA, which apply to added liquidity in Professional Customer orders, or to fee codes NF or PF, which apply to added liquidity in Firm, BD and JBO orders. Because QIP rebates are no longer applicable, the Exchange also proposes to eliminate references to footnote 5 for each of these fee codes on the Fee Codes and Associated Fees chart.

Firm, Broker Dealer and Joint Back Office Non-Penny Pilot Add Volume Tiers

The Exchange is also proposing to modify its Firm, BD and JBO Non-Penny Pilot Add Volume Tiers, under which there are three tiers offering enhanced rebates for Firm, BD and JBO orders that add liquidity in non-Penny Pilot Securities. Specifically, the tiers provide the following rebates under the following conditions for Firm, BD and JBO orders that add volume in non-Penny Pilot Securities: Tier 1 provides a \$0.50 rebate per contract to a Member that has an ADV equal to or greater than 0.05% of average TCV; Tier 2 provides a \$0.60 rebate per contract to a Member that has an ADV equal to or greater than 0.15% of average TCV; and Tier 3 provides a \$0.65 rebate per contract to Member that has an ADV equal to or greater than 0.25% of average TCV. The Exchange proposes the following changes to these tiers.

- The Exchange proposes to reduce the rebate provided under Tier 1 from \$0.50 per contract to \$0.45 per contract and to increase the requirement

such that a Member needs to have an ADV equal to or greater than 0.15% of average TCV (rather than 0.05% as currently required).

- The Exchange proposes to eliminate Tier 2 in its entirety.
- The Exchange proposes to rename current Tier 3 as Tier 2.

Other Changes

The Exchange also proposes to amend the Standard Rates table, which summarizes the range of fees at the beginning of the fee schedule, in order to reflect the changes proposed above.

Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule effective immediately.

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.¹⁶ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁷ 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

¹⁶ 15 U.S.C. 78f.

¹⁷ 15 U.S.C. 78f(b)(4).

order flow to competing venues if they deem fee levels to be excessive.

Volume-based rebates and fees such as the ones currently maintained on BATS Options have been widely adopted by equities and options exchanges 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.

As explained above, the Exchange is proposing various slight increases to fees as well as decreases in rebates in order to contribute to the overall profitability of the Exchange. The Exchange believes that these changes represent relatively modest increases to fees charged and adjustments to the rebates that are necessary to fund the continued growth of the Exchange. For the same reason, the Exchange believes that the modest increases to qualification thresholds for various pricing tiers is reasonable, fair and equitable and non-discriminatory, specifically because such increases will either incentivize participants to further contribute to market quality to the Exchange or the Exchange will be providing fewer or lower enhanced rebates to participants. The Exchange also believes that the proposed fees and rebates remain consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and do not represent a significant departure from the Exchange's general pricing structure.

The Exchange believes that its proposed new Non-Customer Penny Pilot Take Volume Tier 4 is reasonable, fair and equitable, and non-discriminatory in that it is aimed to attract additional liquidity to the Exchange and is consistent with other existing pricing

tiers on the Exchange. The Exchange also believes that it is reasonable, fair and equitable, and non-discriminatory to limit the applicability of QIP rebates to Market Maker orders and Non-BATS Market Maker orders because QIP is a program aimed to incentivize active market making on the Exchange. Similarly, the Exchange believes it is reasonable, fair and equitable, and non-discriminatory to modify the Market Maker and Non-BATS Market Maker Penny Pilot Add Tier 2 to require that qualifying ADAV results from Market Maker and Non-BATS Market Maker orders because the tier is intended to incentivize the entry of market orders and the enhanced rebates are provided to such orders (specifically, those yielding fee code PM, which are Market Maker or Non-BATS Market Maker orders in Penny Pilot Securities).

The Exchange believes that new proposed NBBO Setter Tier 4 is reasonable, fair and equitable, and non-discriminatory because it will help to further incentivize the entry of aggressively priced liquidity to the Exchange. The Exchange believes it is reasonable, fair and equitable, and non-discriminatory to limit the new NBBO Setter Tier, Tier 4, to orders yielding fee codes applicable to Penny Pilot Securities (thus excluding non-Penny Pilot Securities) and to orders on behalf of participants that are most likely to actively engage in providing liquidity on the Exchange (thus excluding Customers and Professional Customers).

The Exchange believes that the pricing continues to be reasonable, fair and equitable, and also consistent with or better than other options exchanges that operate similar market models.

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

The Exchange does not believe that the proposed rule change will impose any

burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed changes to increase fees or decrease rebates burden competition, but instead, that they enhance competition as they are intended to increase the profitability, and thus, competitiveness of BATS Options by allowing the Exchange to create additional pricing incentives and to maintain and improve the infrastructure of the Exchange. Also, the Exchange believes that the increase to certain thresholds necessary to meet tiers offered by the Exchange contributes to rather than burdens competition, as such changes are intended to incentivize participants to increase their participation on the Exchange. Similarly, the introduction of new tiers is intended to provide incentives to Members to encourage them to enter orders to BATS Options, and thus is again intended to enhance competition. Finally, the Exchange does not believe that its proposal to limit the applicability of certain incentives to certain fee codes unnecessarily burdens competition, as each change is intended to more narrowly reward participation by those that are actually the target of the incentive and that are participating on the Exchange accordingly (i.e., limiting rebates to Market Maker and Non-BATS Market Maker incentives when the incentive is based on market making activity).

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 they deem fee levels to be excessive or providers of routing services if they deem routing fee levels to be 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 Act¹⁸ and paragraph (f) of Rule 19b-4 thereunder.¹⁹ 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. Please include File No. SR-BATS-2015-85 on the subject line.

Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4(f).

Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-BATS-2015-85. 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-2015-85 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.²⁰

Robert W. Errett
Deputy Secretary

²⁰ 17 CFR 200.30-3(a)(12).

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

BATS Options Exchange Fee Schedule

Effective October [1]2, 2015

* * * * *

Standard Rates:

	Penny Pilot Securities				Non-Penny Pilot Securities				Mini Options				
	Add		Remove		Add		Remove		Add		Remove		
	Code	Rates	Code	Rates	Code	Rates	Code	Rates	Code	Rates	Code	Rates	
Customer	PY	(\$0.25) (\$0.40) (\$0.48) (\$0.50)	PC	[\$0.45] \$0.46	NY	(\$0.85)	NC	\$0.84	MA	Free	MR	Free	
Professional	PA	(\$0.40) (\$0.43)	PP	\$0.50 \$0.49 \$0.48 \$0.47 \$0.45 \$0.43	NA	(\$0.65)	NP	\$0.89					
Firm/BD/ JBO	PF	(\$0.36) (\$0.40) (\$0.42) [((\$0.47)] (\$0.46)			NF	[((\$0.40) (\$0.50) (\$0.60)] (\$0.36) (\$0.45) (\$0.65)							
Market Maker/Non- BATS	PM	(\$0.35) (\$0.40) (\$0.42) [((\$0.47)] (\$0.46)			NM	(\$0.42) (\$0.45) (\$0.52)							
Market Maker													

* * * * *

Fee Codes and Associated Fees:

Fee Code	Description	Fee/(Rebate)
2C-MR	(No changes.)	
NA ^{4[.5]}	(No change.)	
NC	(No change.)	
NF ^{4[.5],8}	Adds liquidity (Firm/BD/JBO), Non-Penny	(0.[40]36)
NM-OO	(No changes.)	
PA ^{4[.5],9}	(No change.)	
PC	Removes liquidity (Customer) Penny Pilot	0.[45]46
PF ^{2,4[.5]}	(No change.)	

PM ^{4,5,6}	(No change.)	
PP ³	Removes liquidity (Non-Customer), Penny Pilot	0.[49]50
PY-ZF	(No changes.)	

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² Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tiers

Applicable to the following fee codes: PF.

Tier	Rebate per contract for a Firm/BD/JBO order to Add for Penny Pilot Securities	Required Criteria
Tier 1	(\$0.40)	Member has an ADV equal to or greater than 0.30% of average TCV
Tier 2	(\$0.42)	Member has an ADV equal to or greater than 1.00% of average TCV
Tier 3	(\$0.[47]46)	(1) Member has an ADAV in Firm/BD/JBO orders in Penny Pilot Securities (yielding Fee Code PF) equal to or greater than 0.25% of average TCV (2) Member has an ADV equal to or greater than 1.50% of average TCV

³ Non-Customer Penny Pilot Take Volume Tiers

Applicable to fee code PP.

Tier	Fee per contract for a Non-Customer Order to Remove for Penny Pilot Securities	Required Criteria
Non-Customer Take Volume Tier 1	\$0.[48]49	Member has an ADV equal to or greater than 1.00% of average TCV
Non-Customer Take Volume Tier 2	\$0.[47]48	Member has an ADV equal to or greater than 1.[25]50% of average TCV
Non-Customer Take Volume Tier 3	\$0.[45]47	[(1) Member has an ADAV equal to or greater than 1.00% of average TCV (2)]Member has an ADV equal to or greater than 2.00% of average TCV

<u>Non-Customer Take Volume Tier 4</u>	<u>\$0.45</u>	<u>Member has an ADAV in Customer orders equal to or greater than 0.80% of average TCV</u>
Non-Customer Take Volume Tier [4]5	\$0.43	Member has an ADAV in Customer orders equal to or greater than 2.00% of average TCV
Non-Customer Step-Up Take Volume Tier	\$0.47	(1) Member has an Options Step-Up Add TCV from September 2014 baseline equal to or greater than 0.30% (2) Member has an ADV equal to or greater than 0.40% of average TCV

⁴ NBBO Setter Tiers

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

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

Applicable to the following fee codes: PF, PM.

<u>Tier</u>	<u>Additional rebate per contract for a Non-Customer order to Add</u>	<u>Required Criteria</u>
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<u>NBBO Setter Tier 4</u>	<u>(\$0.05)</u>	<u>(1) Member has an ADAV in non-Customer orders equal to or greater than 1.00% of average TCV</u> <u>(2) Member has an ADV in non-Customer orders equal to or greater than 1.80% of average TCV</u> <u>(3) Any order establishing a new NBBO</u>
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⁵ Quoting Incentive Program (“QIP”) Tiers

Applicable to the following fee codes: [PA, PF,] PM[, NA, NF] and NM.

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.

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

⁶ Market Maker and Non-BATS Market Maker Penny Pilot Add Volume Tiers

Applicable to fee code PM.

Tier	Rebate per contract for a Market Maker/Non-BATS Market Maker order to Add for Penny Pilot Securities	Required Criteria
Tier 1	(\$0.40)	Member has an ADV equal to or greater than 0.30% of average TCV
Tier 2	(\$0.42)	(1) Member has an ADAV <u>in Market Maker and/or Non-BATS Market Maker orders</u> equal to or greater than 1.00% of average TCV

		(2) Member has an ADV equal to or greater than 2.00% of average TCV
Tier 3	(\$0.[47]46)	(1) Member has an ADAV in Firm/BD/JBO orders in Penny Pilot Securities (yielding Fee Code PF) equal to or greater than 0.25% of average TCV (2) Member has an ADV equal to or greater than 1.50% of average TCV

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⁸Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Tiers

Tier	Rebate per contract for a Firm/BD/JBO order to Add for Non-Penny Pilot Securities	Required Criteria
Tier 1	(\$0.[50]45)	Member has an ADV equal to or greater than 0.[05]15% of average TCV
[Tier 2	(\$0.60)	Member has an ADV equal to or greater than 0.15% of average TCV]
Tier [3]2	(\$0.65)	Member has an ADV equal to or greater than 0.25% of average TCV

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