

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2015 - * 92	Amendment No. (req. for Amendments *)
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Filing by BATS Exchange  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

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

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

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

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

BATS Exchange, Inc. proposes a rule change to Rules 21.2, 21.6, and 21.7, as they Relate to Order Acceptance Time.

**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 * Chris	Last Name * Solgan
Title * Assistant General Counsel	
E-mail * csolgan@bats.com	
Telephone * (646) 856-8723	Fax <input type="text"/>

**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 10/28/2015	Assistant General Counsel
By Chris Solgan	<input style="width: 100%;" type="text"/>
(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**

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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**

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The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

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If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> BATS Exchange, Inc. (the “Exchange” or “BATS”) is filing with the Securities and Exchange Commission (“Commission”) a proposal to amend Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted on the Exchange’s options platform (“BATS Options”) from 8:00 a.m. to 7:30 a.m. The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.<sup>3</sup> The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

Eric Swanson

Chris Solgan

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6)(iii).

EVP, General Counsel  
(913) 815-7000

Assistant General Counsel  
(646) 856-8723

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

(a) Purpose

The Exchange is proposing to amend Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted on BATS Options from 8:00 a.m. to 7:30 a.m. Currently, the Exchange begins accepting orders at 8:00 a.m. Eastern Time. Orders would then be available for execution as of 9:30 a.m. until 4:00 p.m. Eastern Time.<sup>4</sup> The Exchange does not propose to amend how it handles orders accepted prior to the market open other than to begin accepting orders at 7:30 a.m. Eastern Time rather than 8:00 a.m. Eastern Time.

First, the Exchange proposes to amend Rule 21.2(a) to expressly state that the Exchange will begin accepting orders at 7:30 a.m. Eastern Time, as described in Rule 21.7 and discussed below. The addition of this sentence to Rule 21.2(a) would align the text of the rule with EDGX Exchange, Inc. ("EDGX") Rule 21.2(a).<sup>5</sup>

Second, the Exchange proposes to amend Rule 21.6(c) to state that orders can be entered into the System starting at 7:30 a.m. Eastern Time. Currently, the Rule 21.6(c) states that orders can be entered into the System from 9:30 a.m. Eastern Time until the

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<sup>4</sup> Option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j), close as of 4:15 p.m. Eastern Time. See Exchange Rule 21.2(a).

<sup>5</sup> The Exchange understands that EDGX is to also file a proposed rule change with the Commission to amend its Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted from 8:00 a.m. to 7:30 a.m.

market close. While orders will be accepted by the System starting at 7:30 a.m. Eastern Time, they will not be eligible for execution until 9:30 a.m. Eastern Time. The Exchange also proposes to amend Rule 21.6(c) to state that orders received prior to completion of the Exchange's Opening Process will be handled in accordance with Rule 21.7 discussed below. As with the proposed change to Rule 21.2(a) discussed above, the addition of this sentence to Rule 21.6(c) would align the text of the rule with EDGX Rule 21.6(c).<sup>6</sup>

Lastly, as amended, Rule 21.7 would state that the Exchange will accept market and limit orders and quotes for inclusion in the opening process beginning at 7:30 a.m. Eastern Time, rather than 8:00 a.m. as is currently the case and will continue to accept market and limit orders and quotes until such time as the Opening Process is initiated in that option series (the "Order Entry Period"), other than index options.<sup>7</sup> The Exchange will continue to not accept IOC,<sup>8</sup> FOK<sup>9</sup> or WAIT<sup>10</sup> orders for queuing prior to the completion of the Opening Process. The Exchange will also continue to convert all Intermarket Sweep Orders ("ISOs")<sup>11</sup> entered for queuing prior to the completion of the Opening Process into non-ISOs.

(b) Statutory Basis

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<sup>6</sup> Id.

<sup>7</sup> Rule 21.7 also discusses order acceptance when the primary listing market for the applicable underlying security declares a regulatory trading halt, suspension, or pause with respect to such security ("Regulatory Halt"). The Exchange does not propose to amend the treatment of orders during a Regulatory Halt under Rule 21.7.

<sup>8</sup> See Exchange Rule 21.1(f)(2).

<sup>9</sup> See Exchange Rule 21.1(f)(5).

<sup>10</sup> See Exchange Rule 21.1(f)(4).

<sup>11</sup> See Exchange Rule 21.1(d)(11).

The Exchange believes that its proposal to begin accepting orders at 7:30 a.m. is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>12</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act<sup>13</sup> because it is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that accepting orders at 7:30 a.m. will benefit investors, the national market system, Members, and the Exchange market by increasing competition for order flow and executions, and thereby spurring product enhancements and lowering prices. The Exchange also notes that other options exchanges currently accept orders prior to 8:00 a.m. Eastern Time<sup>14</sup> and the proposal would enable the Exchange to directly compete with these exchanges for order flow.

Lastly, the Exchange believes the proposed additions to Rules 21.2(a) and 21.6(c) are consistent with Section 6(b)(5) of the Act<sup>15</sup> because it is designed to provide consistent rules across the Exchange and EDGX, thereby removing impediments to and

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<sup>12</sup> 15 U.S.C. 78f(b).

<sup>13</sup> 15 U.S.C. 78f(b)(5).

<sup>14</sup> See Nasdaq OMX Systems Hours of Operation, available at [http://nasdaqtrader.com/content/TechnicalSupport/nasdaq\\_sys\\_hours.pdf](http://nasdaqtrader.com/content/TechnicalSupport/nasdaq_sys_hours.pdf) (stating that system hours begin at 7:00 a.m. for Nasdaq OMX BX (“BX”) and 7:30 a.m. for Nasdaq OMX PHLX (“PHLX”), and BX Chapter VI, Section 2(a) (stating the System operates and shall be available to accept bids and offers and orders from the time prior to market open specified by the Exchange on its website to market close on each business day). See also Hours of Operation of the MIAX Options Exchange (“MIAX”) available at <http://www.miaxoptions.com/hours-operation-miax-options-exchange> (stating that firms can connect and conduct pre-market activity starting at 7:30 a.m.).

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

perfecting the mechanism of a free and open market and a national market system. The proposed rule changes would provide greater harmonization between rules of similar purpose on the Exchange and EDGX, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. To the contrary, the proposed rule change is a competitive change that is designed to attract additional order flow to the Exchange.<sup>16</sup> The proposed rule change would, therefore, increase competition by enabling the Exchange to accept orders starting at 7:30 a.m. Eastern Time like its competitors. For all the reasons stated above, the Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition. Lastly, the proposed changes to Rules 21.2(a) and 21.6(c) are not designed to address any competitive issues but rather to provide greater harmonization among Exchange and EDGX rules of similar purpose.

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

The Exchange has neither solicited nor received written comments on the

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<sup>16</sup> See supra note 14.

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)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>17</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>18</sup> The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, and (3) will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing, or such shorter time as designated by the Commission.<sup>19</sup>

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. In particular, the Exchange believes that proposed rule change will benefit investors, the national market system, Members and the Exchange market by increasing competition for order flow and executions, and thereby spurring product

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<sup>17</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>18</sup> 17 CFR 240.19b-4.

<sup>19</sup> 17 CFR 240.19b-4(f)(6)(iii).

enhancements and lowering prices. The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest because this proposal allows the Exchange, similarly to other markets, to begin accepting orders earlier than 8:00 a.m. Eastern Time.<sup>20</sup> As such, the Exchange believes that the proposed rule change does not raise any new or unique regulatory issues not already considered by the Commission. Also, the Exchange believes the proposed changes to Rules 21.2(a) and 21.6(c) would not significantly affect the protection of investors or the public interest; rather, the proposed rule changes will promote greater harmonization between the Exchange and EDGX rules of similar purpose. Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>21</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>22</sup>

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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

The proposed changes to Exchange Rules 21.2(a) and 21.6(c) are based on EDGX Rules 21.2(a) and 21.6(c).

9. Security-Based Swap Submissions Filed Pursuant to Section 3C of the Act

Not applicable.

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<sup>20</sup> See supra note 14.

<sup>21</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>22</sup> 17 CFR 240.19b-4.

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-2015-92)

## Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rules 21.2, 21.6, and 21.7, as they Relate to Order Acceptance Time

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, BATS Exchange, Inc. (the “Exchange” or “BATS”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6)(iii) thereunder,<sup>4</sup> which renders it effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to amend Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted on the Exchange’s options platform (“BATS Options”) from 8:00 a.m. to 7:30 a.m.

The text of the proposed rule change is available at the Exchange’s website

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

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

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

<sup>4</sup> 17 CFR 240.19b-4(f)(6)(iii).

at [www.batstrading.com](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 is proposing to amend Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted on BATS Options from 8:00 a.m. to 7:30 a.m. Currently, the Exchange begins accepting orders at 8:00 a.m. Eastern Time. Orders would then be available for execution as of 9:30 a.m. until 4:00 p.m. Eastern Time.<sup>5</sup> The Exchange does not propose to amend how it handles orders accepted prior to the market open other than to begin accepting orders at 7:30 a.m. Eastern Time rather than 8:00 a.m. Eastern Time.

First, the Exchange proposes to amend Rule 21.2(a) to expressly state that the

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<sup>5</sup> Option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j), close as of 4:15 p.m. Eastern Time. See Exchange Rule 21.2(a).

Exchange will begin accepting orders at 7:30 a.m. Eastern Time, as described in Rule 21.7 and discussed below. The addition of this sentence to Rule 21.2(a) would align the text of the rule with EDGX Exchange, Inc. (“EDGX”) Rule 21.2(a).<sup>6</sup>

Second, the Exchange proposes to amend Rule 21.6(c) to state that orders can be entered into the System starting at 7:30 a.m. Eastern Time. Currently, the Rule 21.6(c) states that orders can be entered into the System from 9:30 a.m. Eastern Time until the market close. While orders will be accepted by the System starting at 7:30 a.m. Eastern Time, they will not be eligible for execution until 9:30 a.m. Eastern Time. The Exchange also proposes to amend Rule 21.6(c) to state that orders received prior to completion of the Exchange’s Opening Process will be handled in accordance with Rule 21.7 discussed below. As with the proposed change to Rule 21.2(a) discussed above, the addition of this sentence to Rule 21.6(c) would align the text of the rule with EDGX Rule 21.6(c).<sup>7</sup>

Lastly, as amended, Rule 21.7 would state that the Exchange will accept market and limit orders and quotes for inclusion in the opening process beginning at 7:30 a.m. Eastern Time, rather than 8:00 a.m. as is currently the case and will continue to accept market and limit orders and quotes until such time as the Opening Process is initiated in that option series (the “Order Entry Period”), other than index options.<sup>8</sup> The Exchange

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<sup>6</sup> The Exchange understands that EDGX is to also file a proposed rule change with the Commission to amend its Rules 21.2, 21.6, and 21.7 to change the time orders will be accepted from 8:00 a.m. to 7:30 a.m.

<sup>7</sup> Id.

<sup>8</sup> Rule 21.7 also discusses order acceptance when the primary listing market for the applicable underlying security declares a regulatory trading halt, suspension, or pause with respect to such security (“Regulatory Halt”). The Exchange does not

will continue to not accept IOC,<sup>9</sup> FOK<sup>10</sup> or WAIT<sup>11</sup> orders for queuing prior to the completion of the Opening Process. The Exchange will also continue to convert all Intermarket Sweep Orders (“ISOs”)<sup>12</sup> entered for queuing prior to the completion of the Opening Process into non-ISOs.

## 2. Statutory Basis

The Exchange believes that its proposal to begin accepting orders at 7:30 a.m. is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>13</sup> In particular, the proposal is consistent with Section 6(b)(5) of the Act<sup>14</sup> because it is designed to promote just and equitable principles of trade and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The Exchange believes that accepting orders at 7:30 a.m. will benefit investors, the national market system, Members, and the Exchange market by increasing competition for order flow and executions, and thereby spurring product enhancements and lowering prices. The Exchange also notes that other options

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propose to amend the treatment of orders during a Regulatory Halt under Rule 21.7.

<sup>9</sup> See Exchange Rule 21.1(f)(2).

<sup>10</sup> See Exchange Rule 21.1(f)(5).

<sup>11</sup> See Exchange Rule 21.1(f)(4).

<sup>12</sup> See Exchange Rule 21.1(d)(11).

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

exchanges currently accept orders prior to 8:00 a.m. Eastern Time<sup>15</sup> and the proposal would enable the Exchange to directly compete with these exchanges for order flow.

Lastly, the Exchange believes the proposed additions to Rules 21.2(a) and 21.6(c) are consistent with Section 6(b)(5) of the Act<sup>16</sup> because it is designed to provide consistent rules across the Exchange and EDGX, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system. The proposed rule changes would provide greater harmonization between rules of similar purpose on the Exchange and EDGX, resulting in greater uniformity and less burdensome and more efficient regulatory compliance and understanding of Exchange Rules. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

(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 that is not necessary or appropriate in furtherance of the purposes

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<sup>15</sup> See Nasdaq OMX Systems Hours of Operation, available at [http://nasdaqtrader.com/content/TechnicalSupport/nasdaq\\_sys\\_hours.pdf](http://nasdaqtrader.com/content/TechnicalSupport/nasdaq_sys_hours.pdf) (stating that system hours begin at 7:00 a.m. for Nasdaq OMX BX ("BX") and 7:30 a.m. for Nasdaq OMX PHLX ("PHLX"), and BX Chapter VI, Section 2(a) (stating the System operates and shall be available to accept bids and offers and orders from the time prior to market open specified by the Exchange on its website to market close on each business day). See also Hours of Operation of the MIAX Options Exchange ("MIAX") available at <http://www.miaxoptions.com/hours-operation-miax-options-exchange> (stating that firms can connect and conduct pre-market activity starting at 7:30 a.m.).

<sup>16</sup> 15 U.S.C. 78f(b)(5).

of the Act. To the contrary, the proposed rule change is a competitive change that is designed to attract additional order flow to the Exchange.<sup>17</sup> The proposed rule change would, therefore, increase competition by enabling the Exchange to accept orders starting at 7:30 a.m. Eastern Time like its competitors. For all the reasons stated above, the Exchange does not believe that the proposed rule changes will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act, and believes the proposed change will enhance competition. Lastly, the proposed changes to Rules 21.2(a) and 21.6(c) are not designed to address any competitive issues but rather to provide greater harmonization among Exchange and EDGX rules of similar purpose.

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

The Exchange has neither solicited nor received written comments on the proposed rule change. 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

Because the foregoing proposed rule change does not: (A) significantly affect the protection of investors or the public interest; (B) impose any significant burden on competition; and (C) by its terms, become operative for 30 days from the date on which it was filed or such shorter time as the Commission may designate it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>18</sup> and paragraph (f)(6) of Rule 19b-4

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<sup>17</sup> See supra note 15.

<sup>18</sup> 15 U.S.C. 78s(b)(3)(A).

thereunder,<sup>19</sup> the Exchange has designated this rule filing as non-controversial. The Exchange has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change at least five business days prior to the date of filing of the proposed rule change, or such shorter time as designated by the Commission.

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: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BATS-2015-92 on the subject line.

##### Paper Comments:

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

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<sup>19</sup> 17 CFR 240.19b-4.

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

All submissions should refer to File No. SR-BATS-2015-92. 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-2015-92 and should be submitted on or before [\_\_\_\_\_21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>20</sup>

Robert W. Errett  
Deputy Secretary

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<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

## Rules of BATS Exchange, Inc.

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### CHAPTER XXI. TRADING SYSTEMS

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#### Rule 21.2. Days and Hours of Business

(a) The Exchange will begin accepting orders at 7:30 a.m. Eastern Time, as described in Rule 21.7. Orders and bids and offers shall be open and available for execution as of 9:30 a.m. Eastern Time and shall close as of 4:00 p.m. Eastern Time except for option contracts on Fund Shares, as defined in Rule 19.3(i), option contracts on exchange-traded notes including Index-Linked Securities, as defined in Rule 19.3(l), and option contracts on broad-based indexes, as defined in Rule 29.1(j), which will close as of 4:15 p.m. Eastern Time.

(b) – (c) (No change).

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#### Rule 21.6. Entry of Orders

Users can enter orders into the System, subject to the following requirements and conditions:

(a) – (b) (No change).

(c) Orders can be entered into the System (or previously entered orders cancelled) from [9:30]7:30 a.m. Eastern Time until market close. Orders received prior to completion of the Exchange's Opening Process will be handled in accordance with Rule 21.7 below.

(d) – (f) (No change).

#### Rule 21.7. Market Opening Procedures

(a) The Exchange will accept market and limit orders and quotes for inclusion in the opening process (the "Opening Process") beginning at [8:00]7:30 a.m. Eastern Time or immediately upon trading being halted in an option series due to the primary listing market for the applicable underlying security declaring a regulatory trading halt, suspension, or pause with respect to such security (a "Regulatory Halt") and will continue to accept market and limit orders and quotes until such time as the Opening Process is initiated in that option series (the "Order Entry Period"), other than index options. The Exchange will not accept IOC, FOK or WAIT orders for queuing prior to the completion of the Opening Process. The Exchange will convert all ISOs entered for queuing prior to the completion of the Opening Process into non-ISOs. Where a User has entered instructions not to cancel its open orders upon a halt pursuant to Rule

20.3(b), such orders will be queued for participation in the Opening Process for a Regulatory Halt or will be cancelled for a halt that is not a Regulatory Halt. Where trading is halted pursuant to Rule 20.3, but it is not due to a Regulatory Halt, there will be no Order Entry Period and trading shall be resumed upon the determination by the Exchange that the conditions which led to the halt are no longer present or that the interests of a fair and orderly market are best served by a resumption of trading. Orders entered during the Order Entry Period will not be eligible for execution until the Opening Process occurs. After the first transaction on the primary listing market after 9:30 a.m. Eastern Time in the securities underlying the options as reported on the first print disseminated pursuant to an effective national market system plan ("First Listing Market Transaction") or the Regulatory Halt has been lifted, the related option series will be opened automatically as follows:

(1) – (4) (No change).

(b) – (c) (No change).

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