

## OMB APPROVAL

OMB Number: 3235-0045  
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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 22

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

File No.\* SR - 2015 - \* 33

Amendment No. (req. for Amendments \*)

Filing by BATS Y-Exchange, Inc.

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"/>
Pilot <input type="checkbox"/> Extension of Time Period for Commission Action * <input type="checkbox"/> Date Expires * <input type="text"/>			Rule <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) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>

Section 3C(b)(2) \*

☐

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



### Description

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

BATS Y-Exchange proposes to amend Rule 11.13, Order Execution and Routing, to delete references to the ROOC routing option and update routing options IOCM and ICMT.

### 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	

### 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 07/21/2015

By Chris Solgan

(Name \*)

Assistant General Counsel

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.

csolgan@bats.com

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549	
For complete Form 19b-4 instructions please refer to the EFFT website.	
<div>Form 19b-4 Information *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Exhibit 1 - Notice of Proposed Rule Change *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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)
<div>Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies *</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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)
<div>Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document <input type="checkbox"/></div>	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.
<div>Exhibit 3 - Form, Report, or Questionnaire</div> <div><div>Add</div><div>Remove</div><div>View</div></div> <div>Exhibit Sent As Paper Document <input type="checkbox"/></div>	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.
<div>Exhibit 4 - Marked Copies</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Exhibit 5 - Proposed Rule Text</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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.
<div>Partial Amendment</div> <div><div>Add</div><div>Remove</div><div>View</div></div>	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 the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> BYX Exchange, Inc. (“BYX” or the “Exchange”) is filing with the Securities and Exchange Commission (the “Commission”) a proposed rule change to amend Rule 11.13, Order Execution and Routing, to: (i) delete references to the ROOC routing option; and (ii) update routing options IOCM and ICMT to reflect a recent proposed rule change by EDGX Exchange, Inc. (“EDGX”) in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>3</sup> 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>4</sup> The Exchange requests that the Commission waive the 30-day pre-operative waiting period contained in Rule 19b-4(f)(6)(iii) under the Act.<sup>5</sup>

The text of the proposed rule change is available on the Exchange’s website at [www.batstrading.com](http://www.batstrading.com), at the Exchange’s principal office and at the Public Reference Room of the Commission.

(b) The Exchange does not believe that the proposed rule change will have any direct or significant indirect effect on any other Exchange rule in effect at the time of this filing.

(c) Not applicable.

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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> See Securities Exchange Act Release No. 75479 (July 17, 2015) (SR-EDGX-2015-33).

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

<sup>5</sup> Id.

2. Procedures of the Self-Regulatory Organization

The Exchange submits the proposed rule change pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Exchange's Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change and, therefore, the Exchange's internal procedures with respect to the proposed change are complete.

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

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

Chris Solgan  
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 proposes to amend Rule 11.13, Order Execution and Routing, to: (i) delete references to the ROOC routing option; and (ii) update routing options IOCM and ICMT to reflect a recent proposed rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>6</sup>

ROOC Routing Option

Under Rule 11.13(b)(3)(N), an order utilizing the ROOC routing option is designated by the User<sup>7</sup> to participate in the opening, re-opening (following a halt,

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<sup>6</sup> See supra note 3.

<sup>7</sup> The term "User" is defined as "any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3." See Exchange Rule 1.5(cc).

suspension, or pause), or closing process of a primary listing market (BATS BZX, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the BATS Book,<sup>8</sup> executed, or routed to destinations on the System<sup>9</sup> routing table.<sup>10</sup>

Because few Users elect the ROOC routing option, the Exchange has determined that the current demand does not warrant the infrastructure and ongoing maintenance expenses required to support the product. Therefore, the Exchange proposes to delete the ROOC routing option under 11.13(b)(3)(N). Users seeking to route orders to participate in the opening, re-opening, or closing process of a primary listing market may use alternative methods, such as connecting to those markets directly or through a third party service provider, or electing another routing option offered by the Exchange that enables a User to post an order to certain primary listing markets.<sup>11</sup>

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<sup>8</sup> The term “BATS Book is defined as “the System’s electronic file of orders.” Rule 1.5(e).

<sup>9</sup> The term “System” is defined as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.” Rule 1.5(aa).

<sup>10</sup> The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. Rule 11.13(b)(3). The ROOC routing option does not route to the reopening process for BATS BZX. Rule 11.13(b)(3)(N).

<sup>11</sup> See e.g., Rule 11.13(b)(3)(J) (describing the INET routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book, unless otherwise instructed by the User), Rule 11.13(b)(3)(K) (describing the RDOT routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed

### IOCM and ICMT Routing Options

The Exchange also proposes to amend Rules 11.13(b)(3)(O) and (P) to update routing options IOCM and ICMT to reflect a recent rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>12</sup> Rule 11.13(b)(3)(O) describes IOCM as a routing option under which an order checks the System for available shares and then is sent, as a MidPoint Match Order with a Time-in-Force of IOC<sup>13</sup> to EDGX. Similarly, Rule 11.13(b)(3)(P) describes ICMT as a routing option under which an order checks the System for available shares, then is sent to destinations on the System routing table and then is sent, as a MidPoint Match Order with a Time-in-Force of IOC to EDGX. Under ICMT, if shares remain unexecuted after routing, they are posted to the BATS Book, unless otherwise instructed by the User.

On July 8, 2015, EDGX filed a proposed rule change with the Commission for immediate effectiveness to, among other things, replace the MidPoint Match Order with the MidPoint Peg Order.<sup>14</sup> Therefore, the Exchange proposes to update the description of the IOCM and ICMT routing options to replace references to the MidPoint Match Order with the MidPoint Peg Order.

### Implementation Date

The Exchange intends to implement the proposed changes to the descriptions of

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by the User), and 11.13(b)(3)(L) (describing the RDOX routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User).

<sup>12</sup> See supra note 3.

<sup>13</sup> See Rule 11.9(q)(1).b

<sup>14</sup> See supra note 3.

the IOCM and ICMT routing option immediately.<sup>15</sup> The Exchange will alert Users via a Trading Notice of the date upon which it will discontinue the ROOC routing option.

(b) Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>17</sup> in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange does not believe that this proposal will permit unfair discrimination among customers, brokers, or dealers because the ROOC routing option will no longer be available and the updates to the IOCM and ICMT routing options would apply to all Users equally. The Exchange has few Users electing the ROOC routing option and has determined that the current demand does not warrant the infrastructure and ongoing maintenance expense required to support the product. Routing through the Exchange is voluntary and alternative routing options offered by the Exchange as well as other methods remain available to Users that wish to route orders to participate in the opening, re-opening, or closing process of the primary listing market.<sup>18</sup> In addition, the ROOC

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<sup>15</sup> Implementation of the proposed rule change immediately upon filing is contingent upon the Commission granting a waiver of the 30-day operative delay. 17 CFR 240.19b-4(f)(6)(iii).

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

<sup>17</sup> 15 U.S.C. 78f(b)(5).

<sup>18</sup> See supra note 11 and accompanying text.

routing option is not a core product offering by the Exchange, nor is the Exchange required by the Act to offer such a product. The proposed updates to routing options IOCM and ICMT are in response to a recent rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>19</sup> The proposal is intended to accurately describe how orders utilizing the IOCM or ICMT routing options are to be handled by the Exchange in light of the EDGX proposed rule change mentioned above. Therefore, the Exchange believes the proposed rule change would make its rules clearer and less confusing for investors; thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

The Exchange does not believe that the proposal will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather avoid investor confusion by eliminating the ROOC routing option that is to be discontinued by the Exchange as well as update the IOCM and ICMT routing options in response to a recent proposed rule change by EDGX.<sup>20</sup>

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

Not applicable.

6. Extension of Time Period for Commission Action

Not applicable.

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<sup>19</sup> See supra note 3.

<sup>20</sup> Id.



7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)<sup>21</sup> of the Act and Rule 19b-4(f)(6)<sup>22</sup> thereunder. The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for thirty (30) days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization 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.<sup>23</sup>

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4<sup>24</sup> because the proposed rule change would allow the Exchange to eliminate rules that account for a service that the Exchange intends to discontinue. The Exchange has few subscribers to the ROOC routing option, the ROOC routing option is not a core product offering by the Exchange, nor is the Exchange required by the Act to offer such a product. In addition, the proposal to update the IOCM and ICMT routing options also meet the criteria of subparagraph (f)(6) of Rule 19b-4<sup>25</sup>

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

<sup>22</sup> 17 CFR 240.19b-4(f)(6).

<sup>23</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>24</sup> 17 CFR 240.19b-4(f)(6).

<sup>25</sup> Id.

because it is intended to accurately describe how orders utilizing those routing options function in light of the recent proposed rule change by EDGX.<sup>26</sup> Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act<sup>27</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>28</sup>

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule change may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act<sup>29</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>30</sup> Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to modify its rules in a timely manner by: (i) eliminating a rule that accounts for a service the Exchange intends to discontinue; and (ii) updating its rules to accurately describe how orders utilizing those routing options function in light of the recent proposed rule change by EDGX, thereby avoiding potential investor confusion during the operative delay period. Therefore, Exchange requests that the Commission waive the 30 day operative delay.

At any time within sixty (60) days of the filing of such proposed rule change, the Commission may summarily 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.

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<sup>26</sup> See supra note 3.

<sup>27</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>28</sup> 17 CFR 240.19b-4(f)(6).

<sup>29</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>30</sup> 17 C.F.R. 240.19b-4(f)(6).

8. Proposed Rule Change Based on Rules 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 – Form of Notice of Proposed Rule Change for Federal Register.

Exhibit 5 – Text of the Proposed Rule Change

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BYX-2015-33)

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.13, Order Execution and Routing

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 Y-Exchange, Inc. (the “Exchange” or “BYX”) 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 Rule 11.13, Order Execution and Routing, to: (i) delete references to the ROOC routing option; and (ii) update routing options IOCM and ICMT to reflect a recent proposed rule change by EDGX Exchange, Inc. (“EDGX”) in which EDGX replaced the MidPoint Match Order with the MidPoint

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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).

Peg Order.<sup>5</sup>

The text of the proposed rule change is available at the Exchange's website 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 proposes to amend Rule 11.13, Order Execution and Routing, to: (i) delete references to the ROOC routing option; and (ii) update routing options IOCM and ICMT to reflect a recent proposed rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>6</sup>

ROOC Routing Option

Under Rule 11.13(b)(3)(N), an order utilizing the ROOC routing option is

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<sup>5</sup> See Securities Exchange Act Release No. 75479 (July 17, 2015) (SR-EDGX-2015-33).

<sup>6</sup> See supra note 5.

designated by the User<sup>7</sup> to participate in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (BATS BZX, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the BATS Book,<sup>8</sup> executed, or routed to destinations on the System<sup>9</sup> routing table.<sup>10</sup>

Because few Users elect the ROOC routing option, the Exchange has determined that the current demand does not warrant the infrastructure and ongoing maintenance expenses required to support the product. Therefore, the Exchange proposes to delete the ROOC routing option under 11.13(b)(3)(N). Users seeking to route orders to participate in the opening, re-opening, or closing process of a primary listing market may use alternative methods, such as connecting to those markets directly or through a third party service provider, or electing another routing option offered by the Exchange that enables

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<sup>7</sup> The term “User” is defined as “any Member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3.” See Exchange Rule 1.5(cc).

<sup>8</sup> The term “BATS Book is defined as “the System’s electronic file of orders.” Rule 1.5(e).

<sup>9</sup> The term “System” is defined as “the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away.” Rule 1.5(aa).

<sup>10</sup> The term “System routing table” refers to the proprietary process for determining the specific trading venues to which the System routes orders and the order in which it routes them. Rule 11.13(b)(3). The ROOC routing option does not route to the reopening process for BATS BZX. Rule 11.13(b)(3)(N).

a User to post an order to certain primary listing markets.<sup>11</sup>

#### IOCM and ICMT Routing Options

The Exchange also proposes to amend Rules 11.13(b)(3)(O) and (P) to update routing options IOCM and ICMT to reflect a recent rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>12</sup> Rule 11.13(b)(3)(O) describes IOCM as a routing option under which an order checks the System for available shares and then is sent, as a MidPoint Match Order with a Time-in-Force of IOC<sup>13</sup> to EDGX. Similarly, Rule 11.13(b)(3)(P) describes ICMT as a routing option under which an order checks the System for available shares, then is sent to destinations on the System routing table and then is sent, as a MidPoint Match Order with a Time-in-Force of IOC to EDGX. Under ICMT, if shares remain unexecuted after routing, they are posted to the BATS Book, unless otherwise instructed by the User.

On July 8, 2015, EDGX filed a proposed rule change with the Commission for immediate effectiveness to, among other things, replace the MidPoint Match Order with

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<sup>11</sup> See e.g., Rule 11.13(b)(3)(J) (describing the INET routing option under which an order checks the System for available shares and then is sent to Nasdaq. If shares remain unexecuted after routing, they are posted on the Nasdaq book, unless otherwise instructed by the User), Rule 11.13(b)(3)(K) (describing the RDOT routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table. If shares remain unexecuted after routing, they are sent to the NYSE and can be re-routed by the NYSE. Any remainder will be posted to the NYSE, unless otherwise instructed by the User), and 11.13(b)(3)(L) (describing the RDOX routing option under which an order checks the System for available shares, is then sent to the NYSE and can be re-routed by the NYSE. If shares remain unexecuted after routing, they are posted on the NYSE book, unless otherwise instructed by the User).

<sup>12</sup> See supra note 5.

<sup>13</sup> See Rule 11.9(q)(1).b

the MidPoint Peg Order.<sup>14</sup> Therefore, the Exchange proposes to update the description of the IOCM and ICMT routing options to replace references to the MidPoint Match Order with the MidPoint Peg Order.

#### Implementation Date

The Exchange intends to implement the proposed changes to the descriptions of the IOCM and ICMT routing option immediately.<sup>15</sup> The Exchange will alert Users via a Trading Notice of the date upon which it will discontinue the ROOC routing option.

#### 2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act<sup>16</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act<sup>17</sup> in particular, in that it is designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

The Exchange does not believe that this proposal will permit unfair discrimination among customers, brokers, or dealers because the ROOC routing option will no longer be available and the updates to the IOCM and ICMT routing options would apply to all

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<sup>14</sup> See supra note 5.

<sup>15</sup> Implementation of the proposed rule change immediately upon filing is contingent upon the Commission granting a waiver of the 30-day operative delay. 17 CFR 240.19b-4(f)(6)(iii).

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

<sup>17</sup> 15 U.S.C. 78f(b)(5).



Users equally. The Exchange has few Users electing the ROOC routing option and has determined that the current demand does not warrant the infrastructure and ongoing maintenance expense required to support the product. Routing through the Exchange is voluntary and alternative routing options offered by the Exchange as well as other methods remain available to Users that wish to route orders to participate in the opening, re-opening, or closing process of the primary listing market.<sup>18</sup> In addition, the ROOC routing option is not a core product offering by the Exchange, nor is the Exchange required by the Act to offer such a product. The proposed updates to routing options IOCM and ICMT are in response to a recent rule change by EDGX in which EDGX replaced the MidPoint Match Order with the MidPoint Peg Order.<sup>19</sup> The proposal is intended to accurately describe how orders utilizing the IOCM or ICMT routing options are to be handled by the Exchange in light of the EDGX proposed rule change mentioned above. Therefore, the Exchange believes the proposed rule change would make its rules clearer and less confusing for investors; thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

The Exchange does not believe that the proposal will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues but rather avoid

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<sup>18</sup> See supra note 11 and accompanying text.

<sup>19</sup> See supra note 5.

investor confusion by eliminating the ROOC routing option that is to be discontinued by the Exchange as well as update the IOCM and ICMT routing options in response to a recent proposed rule change by EDGX.<sup>20</sup>

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

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

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

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> The proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization 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

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<sup>20</sup> Id.

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

<sup>22</sup> 17 C.F.R. 240.19b-4.

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

#### IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BYX-2015-33 on the subject line.

##### Paper Comments:

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

All submissions should refer to File No. SR-BYX-2015-33. 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-BYX-2015-33 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>23</sup>

Robert W. Errett  
Deputy Secretary

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<sup>23</sup> 17 CFR 200.30-3(a)(12).

## EXHIBIT 5

Proposed new language is underlined; proposed deletions are in [brackets].

## Rule 11.13. Order Execution and Routing

Subject to the restrictions under these Exchange Rules or the Act and the rules and regulations thereunder, orders shall be matched for execution and routed in accordance with this Rule 11.13.

(a) (No change).

(b) (No change).

(1) – (2) (No change).

(3) (No change).

(A) – (M) (No change).

(N) Reserved.[ROOC. ROOC is a routing option for orders that the entering firm wishes to designate for participation in the opening, re-opening (following a halt, suspension, or pause), or closing process of a primary listing market (BATS BZX, NYSE, Nasdaq, NYSE MKT, or NYSE Arca) if received before the opening/re-opening/closing time of such market. The ROOC routing option does not currently route to the re-opening process for BATS BZX. If shares remain unexecuted after attempting to execute in the opening, re-opening, or closing process, they are either posted to the BATS Book, executed, or routed to destinations on the System routing table.]

(O) IOCM. IOCM is a routing option under which an order checks the System for available shares and then is sent as a [MidPoint Match order]MidPoint Peg Order with a Time-in-Force of IOC to EDGX.

(P) ICMT. ICMT is a routing option under which an order checks the System for available shares, then is sent to destinations on the System routing table and then is sent as a [MidPoint Match order]MidPoint Peg Order with a Time-in-Force of IOC to EDGX.

(Q) (No change).

(4) – (5) (No change).

(c) – (e) (No change).

*Interpretations and Policies*

.01 (No change).