

## OMB APPROVAL

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Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 23

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

File No.\* SR - 2015 - \* 18

Amendment No. (req. for Amendments \*)

Filing by EDGA 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"/>
			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) \*

Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



### Description

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

Amendments to the fee schedule of EDGA Exchange, Inc.

### Contact Information

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

First Name \* 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 04/30/2015

By Chris Solgan

(Name \*)

Regulatory 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.

**Form 19b-4 Information \***

Add Remove View

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

**Exhibit 1 - Notice of Proposed Rule Change \***

Add Remove View

The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 1A- Notice of Proposed Rule Change, Security-Based Swap Submission, or Advance Notice by Clearing Agencies \***

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The Notice section of this Form 19b-4 must comply with the guidelines for publication in the Federal Register as well as any requirements for electronic filing as published by the Commission (if applicable). The Office of the Federal Register (OFR) offers guidance on Federal Register publication requirements in the Federal Register Document Drafting Handbook, October 1998 Revision. For example, all references to the federal securities laws must include the corresponding cite to the United States Code in a footnote. All references to SEC rules must include the corresponding cite to the Code of Federal Regulations in a footnote. All references to Securities Exchange Act Releases must include the release number, release date, Federal Register cite, Federal Register date, and corresponding file number (e.g., SR-[SRO]-xx-xx). A material failure to comply with these guidelines will result in the proposed rule change, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

**Exhibit 2 - Notices, Written Comments, Transcripts, Other Communications**

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Exhibit Sent As Paper Document

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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

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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” or “Exchange Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> EDGA Exchange, Inc. (“EDGA” or the “Exchange”) proposes to amend its fees and rebates applicable to Members<sup>3</sup> of the Exchange pursuant to EDGA Rule 15.1(a) and (c) (“Fee Schedule”) to:

(i) decrease the rebate for orders yielding fee code BY, which routes to the BATS Y-Exchange, Inc. (“BYX”) and removes liquidity using routing strategies Destination Specific (“DIRC”), ROUC, ROUE, ROBB, or ROCO;<sup>4</sup> (ii) amend the criteria for the MidPoint Discretionary Order Add Volume Tier; and (iii) make an immaterial, non-substantive change. The text of the proposed rule change is attached as Exhibit 5.

(b) Inapplicable.

(c) Inapplicable.

## 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

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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> The term “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.” See Exchange Rule 1.5(n).

<sup>4</sup> The DIRC, ROUC, ROUE, ROBB, or ROCO routing strategies are set forth in Exchange Rule 11.11(g).

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  
Executive Vice President and  
General Counsel  
(913) 815-7000

Chris Solgan  
Assistant General Counsel  
(646) 856-8723

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

(a) Purpose

The Exchange proposes to: (i) decrease the rebate for orders yielding fee code BY, which routes to BYX and removes liquidity using routing strategies DIRC, ROUC, ROUE, ROBB, or ROCO; (ii) amend the criteria for the MidPoint Discretionary Order Add Volume Tier; and (iii) make an immaterial, non-substantive change.

Fee Code BY

In securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.00160 per share for Members' orders that yield fee code BY, which routes to BYX and removes liquidity using routing strategies DIRC, ROUC, ROUE, ROBB, or ROCO. The Exchange proposes to amend its Fee Schedule to decrease the rebate for orders that yield fee code BY to \$0.00150 per share in securities priced at or above \$1.00.<sup>5</sup> The proposed change represents a pass through of the rate BATS Trading, Inc. ("BATS Trading"), the Exchange's affiliated routing broker-dealer, is provided for routing orders to BYX that remove liquidity. The proposed change is in response to BYX's May 2015

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<sup>5</sup> The Exchange does not propose to amend its fee for orders that yield fee code BY in securities priced below \$1.00.

fee change where BYX decreased its rebate from \$0.00160 per share to \$0.00150 per share for orders in securities priced at or above \$1.00.<sup>6</sup> When BATS Trading routes to and removes liquidity from BYX, it will now receive a standard rebate of \$0.00150 per share. BATS Trading will pass through the rebate provided by BYX to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

#### MidPoint Discretionary Order Add Volume Tier

The Exchange proposes to amend the criteria for the MidPoint Discretionary Order Add Volume Tier. Under the tier, a Member qualifies for a reduced fee of \$0.0003 per share where that Member: (i) adds an ADV of at least 0.25% of the TCV including non-displayed orders that add liquidity; and (ii) adds or removes an ADV of at least 1,500,000 shares yielding fee codes DM or DT. Fee code DM is applied to Non-Displayed orders that add liquidity using MidPoint Discretionary orders<sup>7</sup> and fee code DT is applied to Non-Displayed orders that remove liquidity using MidPoint Discretionary Orders. Orders that yield fee code DM or fee code DT that do not meet to the criteria of the MidPoint Discretionary Order Add Volume Tier are charged a fee of \$0.00050 per share. The Exchange now proposes to decrease the ADV requirement to require that a Member add or remove an ADV of at least 500,000 shares yielding fee codes DM or DT. Easing the criteria of the MidPoint Discretionary Order Add Volume Tier is intended to further incentive Members to submit an increased number of MidPoint Discretionary orders to the Exchange, thereby increasing the liquidity on the Exchange at the midpoint

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<sup>6</sup> See BYX Exchange Fee Schedule Changes Effective May 1, 2015 available at [http://cdn.batstrading.com/resources/fee\\_schedule/2015/BATS-BYX-Exchange-BZX-Exchange-EDGA-Exchange-and-EDGX-Exchange-Fee-Schedule-Changes-Effective-May-1-2015.pdf](http://cdn.batstrading.com/resources/fee_schedule/2015/BATS-BYX-Exchange-BZX-Exchange-EDGA-Exchange-and-EDGX-Exchange-Fee-Schedule-Changes-Effective-May-1-2015.pdf).

<sup>7</sup> See Exchange Rule 11.8(e) for a description of MidPoint Discretionary orders.

of the National Best Bid or Offer (“NBBO”).

#### Non-Substantive Changes

The Exchange also proposes to make an immaterial, non-substantive change to its Fee Schedule by removing “, Inc.” from the reference to the Exchange in the heading of the Fee Schedule. This non-substantive change is intended to make the reference to the Exchange in the heading of the Fee Schedule consistent with the manner in which its affiliated exchanges<sup>8</sup> are referenced in their respective fee schedules.

#### Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on May 1, 2015.

#### (b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>9</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>10</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a

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<sup>8</sup> The Exchange’s affiliated exchanges are BATS Exchange, Inc., BATS Y-Exchange, Inc., and EDGX Exchange, Inc. (“EDGX”). The Exchange understands that EDGX also intends to file a proposed rule change with the Commission making a similar change to how EDGX is referenced in the heading of its fee schedule.

<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(4).

competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

#### Fee Code BY

The Exchange believes that its proposal to decrease the rebate for orders that yield fee code BY represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. Prior to the BYX's May 2015 fee change, BYX provided BATS Trading a rebate of \$0.00160 per share to remove liquidity in securities priced at or above \$1.00, which BATS Trading passed through to the Exchange and the Exchange provided its Members. When BATS Trading routes to BYX, it will now be provided a rebate of \$0.00150 per share. The Exchange does not levy additional fees or offer additional rebates for orders that it routes to BYX through BATS Trading. Therefore, the Exchange believes that the proposed change to fee code BY is equitable and reasonable because it accounts for the pricing changes on BYX, which enables the Exchange to provide its Members the applicable pass-through rebate. Lastly, the Exchange notes that routing through BATS Trading is voluntary and believes that the proposed change is non-discriminatory because it applies uniformly to all Members.

#### MidPoint Discretionary Order Add Volume Tier

The Exchange believes amending the criteria for the MidPoint Discretionary Order Add Volume Tier represents an equitable allocation of reasonable dues, fees, and

other charges among Members and other persons using its facilities because it is designed to further incentivize Members to increase their use of MidPoint Discretionary orders on EDGA. MidPoint Discretionary Orders increase displayed liquidity on the Exchange while also enhancing execution opportunities at the mid-point of the NBBO. Promotion of displayed liquidity at the NBBO enhances market quality for all Members. Members utilizing MidPoint Discretionary orders provide liquidity at the midpoint of the NBBO increasing the potential for an order to receive price improvement, and easing the tier's criteria so that Members may be eligible for a decreased fee is a reasonable means by which to encourage the use of such orders. In addition, the Exchange believes that by encouraging the use of MidPoint Discretionary orders by easing the tier's criteria, Members seeking price improvement would be more motivated to direct their orders to EDGA because they would have a heightened expectation of the availability of liquidity at the midpoint of the NBBO. The Exchange also believes that the proposed addition of the MidPoint Discretionary Order Add Volume Tier is non-discriminatory because it will be available to all Members.

#### Non-Substantive Changes

The Exchange believes that the non-substantive change to its Fee Schedule is reasonable because it is not designed to amend any fee, nor alter the manner in which it assesses fees or calculates rebates. This non-substantive change to the Fee Schedule is intended to make the reference to the Exchange in the heading of the Fee Schedule consistent with the manner in which its affiliated exchanges are referenced in their respective fee schedules, 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 believes its proposed amendments to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

Fee Code BY

The Exchange believes that its proposal to pass through the amended rebate for orders that yield fee code BY would increase intermarket competition because it offers customers an alternative means to route to BYX for the same rebate that they would be provided if they entered orders on that trading center directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rebate would apply uniformly to all Members.

MidPoint Discretionary Order Add Volume Tier

The Exchange believes that its proposal to ease the criteria for the MidPoint Discretionary Order Add Volume Tier would increase intermarket competition because it would further incentivize Members to send an increased amount MidPoint Discretionary orders to the Exchange in order to qualify for the tier's decreased fee. The Exchange

believes that its proposal would neither increase nor decrease intramarket competition because the MidPoint Discretionary Order Add Volume Tier would apply uniformly to all Members and the ability of some Members to meet the tier would only benefit other Members by contributing to increased liquidity at the midpoint of the NBBO and better market quality at the Exchange.

Non-Substantive Changes

The Exchange believes that the non-substantive change to the Fee Schedule will not affect intermarket nor intramarket competition because the change is not designed to amend any fee or alter the manner in which the Exchange assesses fees or calculates rebates.

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 unsolicited 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)

(a) This proposed rule change is filed pursuant to paragraph (A) of Section 19(b)(3) of the Act.

(b) This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to

Section 19(b)(3)(A)(ii) of the Act<sup>11</sup> and paragraph (f)(2) of Rule 19b-4 thereunder.<sup>12</sup>

(c) Inapplicable.

(d) Inapplicable.

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

This proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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 Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-EDGA-2015-18)

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, EDGA Exchange, Inc. (the “Exchange” or “EDGA”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to amend its fees and rebates applicable to Members<sup>5</sup> of the Exchange pursuant to EDGA Rule 15.1(a) and (c) (“Fee Schedule”) to:

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

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

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

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

<sup>5</sup> The term “Member” is defined as “any registered broker or dealer, or any person associated with a registered broker or dealer, that has been admitted to

(i) decrease the rebate for orders yielding fee code BY, which routes to the BATS Y-Exchange, Inc. (“BYX”) and removes liquidity using routing strategies Destination Specific (“DIRC”), ROUC, ROUE, ROBB, or ROCO;<sup>6</sup> (ii) amend the criteria for the MidPoint Discretionary Order Add Volume Tier; and (iii) make an immaterial, non-substantive change. Changes to the fee schedule pursuant to this proposal are effective upon filing.

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: (i) decrease the rebate for orders yielding fee code

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membership in the Exchange. A Member will have the status of a “member” of the Exchange as that term is defined in Section 3(a)(3) of the Act.” See Exchange Rule 1.5(n).

<sup>6</sup> The DIRC, ROUC, ROUE, ROBB, or ROCO routing strategies are set forth in Exchange Rule 11.11(g).

BY, which routes to BYX and removes liquidity using routing strategies DIRC, ROUC, ROUE, ROBB, or ROCO; (ii) amend the criteria for the MidPoint Discretionary Order Add Volume Tier; and (iii) make an immaterial, non-substantive change.

#### Fee Code BY

In securities priced at or above \$1.00, the Exchange currently provides a rebate of \$0.00160 per share for Members' orders that yield fee code BY, which routes to BYX and removes liquidity using routing strategies DIRC, ROUC, ROUE, ROBB, or ROCO. The Exchange proposes to amend its Fee Schedule to decrease the rebate for orders that yield fee code BY to \$0.00150 per share in securities priced at or above \$1.00.<sup>7</sup> The proposed change represents a pass through of the rate BATS Trading, Inc. ("BATS Trading"), the Exchange's affiliated routing broker-dealer, is provided for routing orders to BYX that remove liquidity. The proposed change is in response to BYX's May 2015 fee change where BYX decreased its rebate from \$0.00160 per share to \$0.00150 per share for orders in securities priced at or above \$1.00.<sup>8</sup> When BATS Trading routes to and removes liquidity from BYX, it will now receive a standard rebate of \$0.00150 per share. BATS Trading will pass through the rebate provided by BYX to the Exchange and the Exchange, in turn, will pass through this rate to its Members.

#### MidPoint Discretionary Order Add Volume Tier

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<sup>7</sup> The Exchange does not propose to amend its fee for orders that yield fee code BY in securities priced below \$1.00.

<sup>8</sup> See BYX Exchange Fee Schedule Changes Effective May 1, 2015 available at [http://cdn.batstrading.com/resources/fee\\_schedule/2015/BATS-BYX-Exchange-BZX-Exchange-EDGA-Exchange-and-EDGX-Exchange-Fee-Schedule-Changes-Effective-May-1-2015.pdf](http://cdn.batstrading.com/resources/fee_schedule/2015/BATS-BYX-Exchange-BZX-Exchange-EDGA-Exchange-and-EDGX-Exchange-Fee-Schedule-Changes-Effective-May-1-2015.pdf).

The Exchange proposes to amend the criteria for the MidPoint Discretionary Order Add Volume Tier. Under the tier, a Member qualifies for a reduced fee of \$0.0003 per share where that Member: (i) adds an ADV of at least 0.25% of the TCV including non-displayed orders that add liquidity; and (ii) adds or removes an ADV of at least 1,500,000 shares yielding fee codes DM or DT. Fee code DM is applied to Non-Displayed orders that add liquidity using MidPoint Discretionary orders<sup>9</sup> and fee code DT is applied to Non-Displayed orders that remove liquidity using MidPoint Discretionary Orders. Orders that yield fee code DM or fee code DT that do not meet to the criteria of the MidPoint Discretionary Order Add Volume Tier are charged a fee of \$0.00050 per share. The Exchange now proposes to decrease the ADV requirement to require that a Member add or remove an ADV of at least 500,000 shares yielding fee codes DM or DT. Easing the criteria of the MidPoint Discretionary Order Add Volume Tier is intended to further incentive Members to submit an increased number of MidPoint Discretionary orders to the Exchange, thereby increasing the liquidity on the Exchange at the midpoint of the National Best Bid or Offer (“NBBO”).

#### Non-Substantive Changes

The Exchange also proposes to make an immaterial, non-substantive change to its Fee Schedule by removing “, Inc.” from the reference to the Exchange in the heading of the Fee Schedule. This non-substantive change is intended to make the reference to the Exchange in the heading of the Fee Schedule consistent with the manner in which its

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<sup>9</sup> See Exchange Rule 11.8(e) for a description of MidPoint Discretionary orders.

affiliated exchanges<sup>10</sup> are referenced in their respective fee schedules.

#### Implementation Date

The Exchange proposes to implement these amendments to its Fee Schedule on May 1, 2015.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,<sup>11</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>12</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The proposed rule change reflects a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members. The Exchange believes the fees and credits remain competitive with those charged by other venues and therefore continue to be reasonable and equitably allocated to Members.

#### Fee Code BY

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<sup>10</sup> The Exchange's affiliated exchanges are BATS Exchange, Inc., BATS Y-Exchange, Inc., and EDGX Exchange, Inc. ("EDGX"). The Exchange understands that EDGX also intends to file a proposed rule change with the Commission making a similar change to how EDGX is referenced in the heading of its fee schedule.

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78f(b)(4).



The Exchange believes that its proposal to decrease the rebate for orders that yield fee code BY represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities. Prior to the BYX's May 2015 fee change, BYX provided BATS Trading a rebate of \$0.00160 per share to remove liquidity in securities priced at or above \$1.00, which BATS Trading passed through to the Exchange and the Exchange provided its Members. When BATS Trading routes to BYX, it will now be provided a rebate of \$0.00150 per share. The Exchange does not levy additional fees or offer additional rebates for orders that it routes to BYX through BATS Trading. Therefore, the Exchange believes that the proposed change to fee code BY is equitable and reasonable because it accounts for the pricing changes on BYX, which enables the Exchange to provide its Members the applicable pass-through rebate. Lastly, the Exchange notes that routing through BATS Trading is voluntary and believes that the proposed change is non-discriminatory because it applies uniformly to all Members.

#### MidPoint Discretionary Order Add Volume Tier

The Exchange believes amending the criteria for the MidPoint Discretionary Order Add Volume Tier represents an equitable allocation of reasonable dues, fees, and other charges among Members and other persons using its facilities because it is designed to further incentivize Members to increase their use of MidPoint Discretionary orders on EDGA. MidPoint Discretionary Orders increase displayed liquidity on the Exchange while also enhancing execution opportunities at the mid-point of the NBBO. Promotion of displayed liquidity at the NBBO enhances market quality for all Members. Members utilizing MidPoint Discretionary orders provide liquidity at the midpoint of the NBBO

increasing the potential for an order to receive price improvement, and easing the tier's criteria so that Members may be eligible for a decreased fee is a reasonable means by which to encourage the use of such orders. In addition, the Exchange believes that by encouraging the use of MidPoint Discretionary orders by easing the tier's criteria, Members seeking price improvement would be more motivated to direct their orders to EDGA because they would have a heightened expectation of the availability of liquidity at the midpoint of the NBBO. The Exchange also believes that the proposed addition of the MidPoint Discretionary Order Add Volume Tier is non-discriminatory because it will be available to all Members.

#### Non-Substantive Changes

The Exchange believes that the non-substantive change to its Fee Schedule is reasonable because it is not designed to amend any fee, nor alter the manner in which it assesses fees or calculates rebates. This non-substantive change to the Fee Schedule is intended to make the reference to the Exchange in the heading of the Fee Schedule consistent with the manner in which its affiliated exchanges are referenced in their respective fee schedules, 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 believes its proposed amendments to its Fee Schedule would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed change represents a significant departure from previous pricing offered by the Exchange or

pricing offered by the Exchange's competitors. Additionally, Members may opt to disfavor the Exchange's pricing if they believe that alternatives offer them better value. Accordingly, the Exchange does not believe that the proposed change will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets.

#### Fee Code BY

The Exchange believes that its proposal to pass through the amended rebate for orders that yield fee code BY would increase intermarket competition because it offers customers an alternative means to route to BYX for the same rebate that they would be provided if they entered orders on that trading center directly. The Exchange believes that its proposal would not burden intramarket competition because the proposed rebate would apply uniformly to all Members.

#### MidPoint Discretionary Order Add Volume Tier

The Exchange believes that its proposal to ease the criteria for the MidPoint Discretionary Order Add Volume Tier would increase intermarket competition because it would further incentivize Members to send an increased amount MidPoint Discretionary orders to the Exchange in order to qualify for the tier's decreased fee. The Exchange believes that its proposal would neither increase nor decrease intramarket competition because the MidPoint Discretionary Order Add Volume Tier would apply uniformly to all Members and the ability of some Members to meet the tier would only benefit other Members by contributing to increased liquidity at the midpoint of the NBBO and better market quality at the Exchange.

#### Non-Substantive Changes

The Exchange believes that the non-substantive change to the Fee Schedule will not affect intermarket nor intramarket competition because the change is not designed to amend any fee or alter the manner in which the Exchange assesses fees or calculates rebates.

(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 unsolicited written comments from Members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>13</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>14</sup> At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

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

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>14</sup> 17 CFR 240.19b-4(f).

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-EDGA-2015-18 on the subject line.

Paper Comments:

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

All submissions should refer to File No. SR-EDGA-2015-18. 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-EDGA-2015-18 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>15</sup>

Kevin M. O'Neill  
Deputy Secretary

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<sup>15</sup> 17 CFR 200.30-3(a)(12).

**EDGA Exchange[, Inc.] Fee Schedule****Effective [April]May 1, 2015**

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**Fee Codes and Associated Fees:**

<b>Fee Code</b>	<b>Description</b>	<b>Fee/(Rebate) Securities at or above \$1.00</b>	<b>Fee/(Rebate) Securities below \$1.00</b>
10 – BB <sup>1</sup>	(No change).		
BY	Routed to BATS BYX Exchange using Destination Specific ("DIRC"), ROUC, ROUE, ROBB or ROCO routing strategy	(0.00[160] <u>150</u> )	0.10% of Dollar Value
C – Z	(No change).		

\* \* \* \* \*

**Footnotes:**<sup>1-3</sup> (No change).<sup>4</sup> **Add Volume Tiers:**

The fee to add provided by the below add volume tiers is applicable to the following fee codes: B, V, Y, 3 and 4.

<b>Tier</b>	<b>Fee per share to Add</b>	<b>Required Criteria</b>
Volume Tier 1 - Step-Up Tier 2	(No change).	
MidPoint Discretionary Order Add Volume Tier	\$0.0003	(1) Member adds an ADV of at least 0.20% of the TCV including non-displayed orders that add liquidity; and  (2) Member adds or removes an ADV of at least [1,]500,000 shares yielding fee codes DM or DT

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