

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="17"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2016"/> - * <input type="text" value="18"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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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 Rule 11.13(b)(3)(H), Order Execution and Routing, to amend the operation of Non-Displayed Orders and Reserve Orders.

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 * <input type="text" value="Chris"/>	Last Name * <input type="text" value="Solgan"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="csolgan@bats.com"/>	
Telephone * <input type="text" value="(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 <input type="text" value="02/10/2016"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Chris Solgan"/>	<input 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 *

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

Add Remove View

Exhibit Sent As Paper Document

Copies of notices, written comments, transcripts, other communications. If such documents cannot be filed electronically in accordance with Instruction F, they shall be filed in accordance with Instruction G.

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

Exhibit 4 - Marked Copies

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The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

Exhibit 5 - Proposed Rule Text

Add Remove View

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

Partial Amendment

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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”),¹ and Rule 19b-4 thereunder,² BATS Exchange, Inc. (“BZX” or the “Exchange”) proposes to amend the operation of Non-Displayed Orders³ and Reserve Orders⁴ when they are to be routed away from the Exchange pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H). The Exchange has designated the proposed rule change as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.⁵

The text of the proposed rule change is attached as Exhibit 5. Text proposed to be added is underlined. Text proposed to be deleted is enclosed in brackets.

(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 Exchange’s internal procedures with respect to the proposed change are complete.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Exchange Rule 11.9(c)(11).

⁴ See Exchange Rule 11.9(c)(1).

⁵ 17 CFR 240.19b-4(f)(6)(iii).

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

A Non-Displayed Order is an order that is not displayed on the Exchange.⁶ A Reserve Order is a limit order with a portion of the quantity displayed (“Display Quantity”) and with a reserve portion of the quantity (“Reserve Quantity”) that is not displayed.⁷ Both the Display Quantity and the Reserve Quantity are available for execution against incoming orders. Under the Post to Away routing option, the remainder of an order that was previously routed away and returned to the Exchange may be re-routed to and post on the order book of a destination on the System routing table⁸ as specified by the User.⁹

⁶ See Exchange Rule 11.9(c)(11).

⁷ See Exchange Rule 11.9(c)(1).

⁸ 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. See Exchange Rule 11.13(b)(3).

⁹ See Exchange Rule 11.13(b)(3)(H). The Post to Away routing option can be combined with the following routing options: ROUT, ROUX, ROUZ, INET, RDOT, and RDOX. Id. An order subject to the ROUT, ROUX, ROUZ, INET, RDOT, and RDOX routing options will not be posted to the order book of the Trading Center to which it is routed. The User may elect that the order be cancelled or post to the BATS Book upon its initial return to the Exchange. Id. Alternatively, if the User had selected the Post to Away routing option, the order would be currently routed to the away Trading Center as a Displayed Order.

Currently, Non-Displayed Orders and Reserve Orders that are routed to an away Trading Center pursuant to the Post to Away routing option are routed as fully displayed orders. The Exchange proposes to identify Non-Displayed Orders and Reserve Orders as such when routed to an away Trading Center. The Exchange believes doing so is consistent with the original intent of the order, to be not displayed or to include a Reserve Quantity.¹⁰

The Exchange, therefore, proposes to amend the definition of Non-Displayed Orders under Exchange Rule 11.9(c)(11) to state that a Non-Displayed Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Non-Displayed Order when routed to an away Trading Center. Similarly, the Exchange proposes to amend the definition of a Reserve Order under Exchange Rule 11.9(c)(1) to state that a Reserve Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Reserve Order when routed to an away Trading Center.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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

¹⁰ Routable Non-Displayed and Reserve Orders would be handled in accordance with the rules of the Trading Center to which they are routed.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(5).

proposal promotes just and equitable principles of trade by enabling Members to continue to identify their order as a Non-Displayed Order or Reserve Order when they are re-routed to an away Trading Center. The proposal also removes impediments to and perfects the mechanism of a free and open market and a national market system by providing Users the flexibility with regard to the handling of their orders by ensuring that the order is not altered and retains its original instructions from order entry when it is routed to an away Trading Center. Doing so ensures that such orders that are routed pursuant to the Post to Away routing option may be posted to the away Trading Center's order book consistent with the order's original instructions.

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

The Exchange believes its proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange believes the proposal would enhance competition by attracting additional order flow to the Exchange because it allows Users to ensure that their order is not altered and retains its original instructions from order entry when it is routed to an away Trading Center.

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)

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)¹³ of the Act and Rule 19b-4(f)(6)¹⁴ 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 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. 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 (5) business days prior to the date of filing.¹⁵

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4¹⁶ because the proposed rule change would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will provide investors flexibility with regard to the handling of their orders by ensuring that the order is not altered and retains its original instructions from order entry when it is routed to an away Trading Center. Doing so ensures that such orders that

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ 17 CFR 240.19b-4(f)(6).

are routed pursuant to the Post to Away routing option may be posted to the away Trading Center's order book consistent with the order's original instructions. The Exchange has accordingly designated this rule filing as "non-controversial" under Section 19(b)(3)(A) of the Act¹⁷ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁸

The Exchange respectfully requests that the Commission waive the 30-day operative delay period after which a proposed rule change under Rule 19b-4(f)(6) becomes effective. Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to provide Users increased control over their orders in a timely manner. Absent a waiver of the operative delay, Non-Displayed Orders and Reserve Orders will continue to be routed as fully displayed orders and Users would not be able to instruct the Exchange otherwise. The proposed rule change also adds additional specificity to the Exchange's rules regarding how certain order instructions are handled when routed to an away Trading Center.¹⁹ Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will enable to the Exchange to implement the proposed rule change immediately.

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.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 C.F.R. 240.19b-4.

¹⁹ The Exchange will provide Members with reasonable advance notice of the proposed rule change's implementation date.

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 the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2016-18)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Rule 11.13(b)(3)(H), Order Execution and Routing, to Amend the Operation of Non-Displayed Orders and Reserve Orders

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, BATS Exchange, Inc. (the “Exchange” or “BATS”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I 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 Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ 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 is proposing to amend the operation of Non-Displayed Orders⁵ and Reserve Orders⁶ when they are to be routed away from the Exchange pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

⁵ See Exchange Rule 11.9(c)(11).

⁶ See Exchange Rule 11.9(c)(1).

The text of the proposed rule change is available at the Exchange's website at www.batstrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

A Non-Displayed Order is an order that is not displayed on the Exchange.⁷ A Reserve Order is a limit order with a portion of the quantity displayed ("Display Quantity") and with a reserve portion of the quantity ("Reserve Quantity") that is not displayed.⁸ Both the Display Quantity and the Reserve Quantity are available for execution against incoming orders. Under the Post to Away routing option, the remainder of an order that was previously routed away and returned to the Exchange may

⁷ See Exchange Rule 11.9(c)(11).

⁸ See Exchange Rule 11.9(c)(1).

be re-routed to and post on the order book of a destination on the System routing table⁹ as specified by the User.¹⁰

Currently, Non-Displayed Orders and Reserve Orders that are routed to an away Trading Center pursuant to the Post to Away routing option are routed as fully displayed orders. The Exchange proposes to identify Non-Displayed Orders and Reserve Orders as such when routed to an away Trading Center. The Exchange believes doing so is consistent with the original intent of the order, to be not displayed or to include a Reserve Quantity.¹¹

The Exchange, therefore, proposes to amend the definition of Non-Displayed Orders under Exchange Rule 11.9(c)(11) to state that a Non-Displayed Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Non-Displayed Order when routed to an away Trading Center. Similarly, the Exchange proposes to amend the definition of a Reserve Order under Exchange Rule 11.9(c)(1) to state that a Reserve Order that is to be re-routed pursuant to

⁹ 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. See Exchange Rule 11.13(b)(3).

¹⁰ See Exchange Rule 11.13(b)(3)(H). The Post to Away routing option can be combined with the following routing options: ROUT, ROUX, ROUZ, INET, RDOT, and RDOX. Id. An order subject to the ROUT, ROUX, ROUZ, INET, RDOT, and RDOX routing options will not be posted to the order book of the Trading Center to which it is routed. The User may elect that the order be cancelled or post to the BATS Book upon its initial return to the Exchange. Id. Alternatively, if the User had selected the Post to Away routing option, the order would be currently routed to the away Trading Center as a Displayed Order.

¹¹ Routable Non-Displayed and Reserve Orders would be handled in accordance with the rules of the Trading Center to which they are routed.

the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Reserve Order when routed to an away Trading Center.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,¹² in general, and furthers the objectives of Section 6(b)(5) of the Act,¹³ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, 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 proposal promotes just and equitable principles of trade by enabling Members to continue to identify their order as a Non-Displayed Order or Reserve Order when they are re-routed to an away Trading Center. The proposal also removes impediments to and perfects the mechanism of a free and open market and a national market system by providing Users the flexibility with regard to the handling of their orders by ensuring that the order is not altered and retains its original instructions from order entry when it is routed to an away Trading Center. Doing so ensures that such orders that are routed pursuant to the Post to Away routing option may be posted to the away Trading Center's order book consistent with the order's original instructions.

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

The Exchange believes its proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

¹² 15 U.S.C. 78f.

¹³ 15 U.S.C. 78f(b)(5).

The Exchange believes the proposal would enhance competition by attracting additional order flow to the Exchange because it allows Users to ensure that their order is not altered and retains its original instructions from order entry when it is routed to an away Trading Center.

(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

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 Act¹⁴ and paragraph (f)(6) of Rule 19b-4 thereunder,¹⁵ 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.

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4.

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. Please include File No. SR-BATS-2016-18 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-BATS-2016-18. 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-BATS-2016-18 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.¹⁶

Robert W. Errett
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

Exhibit 5

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

Rules of BATS Exchange, Inc.

CHAPTER XI. TRADING RULES

* * * * *

Rule 11.9. Orders and Modifiers

Users may enter into the System the types of orders listed in this Rule 11.9, subject to the limitations set forth in this Rule or elsewhere in these Rules.

(a) – (b) (No change).

(c) Other Types of Orders.

(1) Reserve Order. A limit order with a portion of the quantity displayed (“Display Quantity”) and with a reserve portion of the quantity (“Reserve Quantity”) that is not displayed. Both the Display Quantity and the Reserve Quantity are available for execution against incoming orders. If the Display Quantity of an order is reduced to less than a round lot, the System will, in accordance with the User’s instruction, replenish the Display Quantity from the Reserve Quantity using one of the below replenishment instructions. If the remainder of an order is less than the replenishment amount, the Exchange will replenish and display the entire remainder of the order. A User must instruct the Exchange as to the quantity of the order to be initially displayed by the System (“Max Floor”) when entering a Reserve Order, which is also used to determine the replenishment amount, as set forth below. A Reserve Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Reserve Order when routed to an away Trading Center.

(A) – (B) (No change).

(2) – (10) (No change).

(11) Non-Displayed Order. A market or limit order that is not displayed on the Exchange. A Non-Displayed Order that is to be re-routed pursuant to the Post to Away routing option set forth in Rule 11.13(b)(3)(H) will be identified as a Non-Displayed Order when routed to an away Trading Center.

(12) – (19) (No change).

* * * * *