

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 24 Amendment No. (req. for Amendments *)
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Filing by BATS Exchange  
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * <input checked="" type="checkbox"/>	Amendment * <input type="checkbox"/>	Withdrawal <input type="checkbox"/>	Section 19(b)(2) * <input type="checkbox"/>	Section 19(b)(3)(A) * <input checked="" type="checkbox"/>	Section 19(b)(3)(B) * <input type="checkbox"/>
Pilot <input type="checkbox"/>			Rule		
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 BZX Exchange, Inc. (f/k/a BATS Exchange, Inc.) proposes a rule change to amend Rule 11.23, Auctions, to lengthen the auction information dissemination periods for the opening and closing auctions in BZX listed securities.

**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 \*)  
 Assistant General Counsel

Date 02/25/2016  
 By Chris Solgan (Name \*)

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

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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

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

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

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

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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 being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

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

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

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Exhibit Sent As Paper Document

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

**Exhibit 3 - Form, Report, or Questionnaire**

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

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

**Partial Amendment**

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

1. Text of Proposed Rule Change

(a) Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Bats BZX Exchange, Inc. (the “Exchange” or “BZX”) (f/k/a BATS Exchange, Inc.) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend paragraphs (b)(2)(A) and (c)(2)(A) of Rule 11.23, Auctions, to lengthen the auction information dissemination periods for the Opening and Closing Auctions in BZX listed securities.<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 text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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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> A BZX listed security is a security listed on the Exchange pursuant to Chapter 14 of the Exchange’s Rules and includes both corporate listed securities and Exchange Traded Products (“ETPs”).

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

the rule change.

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 paragraphs (b)(2)(A) and (c)(2)(A) of Rule 11.23, Auctions, to lengthen the auction information dissemination periods for the Opening and Closing Auctions in BZX listed securities. In sum, Users<sup>5</sup> may begin to enter orders to participate in the Opening or Closing Auction at 8:00 a.m. Eastern Time, the beginning of the Pre-Opening Session.<sup>6</sup> Orders designated to participate in the Opening Auction will be queued until 9:30 a.m. Eastern Time, at which time they will be eligible to execute in the Opening Auction. Orders designated to participate in the Closing Auction will be queued until 4:00 p.m. Eastern Time, at which time they will be eligible to execute in the Closing Auction.

Currently, the Exchange begins to disseminate at 9:28 a.m. Eastern Time the Reference Price,<sup>7</sup> Indicative Price,<sup>8</sup> Auction Only Price,<sup>9</sup> and the lesser of Reference Buy

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<sup>5</sup> See Exchange Rule 1.5(cc).

<sup>6</sup> See Exchange Rule 11.23(b)(1)(A) and (c)(1)(A). The Pre-Opening Session is defined in Exchange Rule 1.5(r).

<sup>7</sup> See Exchange Rule 11.23(a)(19).

<sup>8</sup> See Exchange Rule 11.23(a)(10).

<sup>9</sup> See Exchange Rule 11.23(a)(2).

Shares<sup>10</sup> and Reference Sell Shares<sup>11</sup> (collectively, the “BZX Auction Information”) associated with the Opening Auction. The Exchange begins to disseminate the BZX Auction Information for the Closing Auction at 3:55 p.m. Eastern Time. For both the Opening and Closing Auction, the BZX Auction Information is updated and disseminated every five (5) seconds via electronic means to subscribers to the BZX Depth<sup>12</sup> and BZX Auction Feed<sup>13</sup> market data products and is also made available to other market participants by market data vendors. The BZX Auction Information is also made available on the Bats public website.

The Exchange now propose to lengthen the periods during which it disseminates BZX Auction Information for the Opening and Closing Auctions in BZX listed securities. As amended, Rule 11.23(b)(2)(A) would state that the Exchange will begin to disseminate BZX Auction Information for the Opening Auction at 8:00 a.m. Eastern Time, rather than 9:28 a.m. Eastern Time. Rule 11.23(c)(2)(A) would be amended to state that the Exchange will begin to disseminate BZX Auction Information for the Closing Auction at 3:00 p.m. Eastern Time, rather than 3:55 p.m. Eastern Time.<sup>14</sup>

b. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a

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<sup>10</sup> See Exchange Rule 11.23(a)(18).

<sup>11</sup> See Exchange Rule 11.23(a)(21).

<sup>12</sup> See Exchange Rule 11.22(a) and (c).

<sup>13</sup> See Exchange Rule 11.22(i).

<sup>14</sup> The order entry cut off times for the Opening and Closing Auctions under Rules 11.23(b)(1)(A) and (c)(1)(A), respectively, will remain unchanged.

national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>15</sup> Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,<sup>16</sup> because it is designed to promote just and equitable principles of trade, 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. Specifically, the proposal supports the objectives of perfecting the mechanism of a free and open market and the national market system because lengthening the periods when which BZX Auction Information will be disseminated for the Opening and Closing Auctions will provide market participants with more information and time for them to evaluate the market for the security. The Exchange believes lengthening the dissemination period will enable greater participation in the Opening and Closing Auctions because it will provide periodic information about the ability of investors to execute orders at particular sizes and prices over a longer period of time in advance of the auction. Finally, having greater knowledge about the trading interest in the BZX Book prior to the execution of the Opening and Closing Auctions will enable the market participants to make more informed decisions regarding their participation in the Opening or Closing Auctions. Therefore, the Exchange believes the proposed rule change promotes just and equitable principles of trade, removes impediments to, and perfects the mechanism of, a free and open market and a national market system.

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

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

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

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

burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, the proposal will promote competition because the Exchange believes lengthening the dissemination period will enable greater participation in the Opening and Closing Auctions by providing market participants with more information and time to evaluate the market for the security. The proposed rule change is, in effect, pro-competition as it promotes fair and orderly markets and protects investors, which, in turn, will buttress investor confidence and attract more investors to participate in the U.S. equities markets.

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.

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

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

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

<sup>18</sup> 17 C.F.R. 240.19b-4.

brief description and text of the proposed rule change, at least five business days prior to the date of filing.<sup>19</sup>

The Exchange believes that the proposed rule change meets the criteria of subparagraph (f)(6) of Rule 19b-4<sup>20</sup> because it would not significantly affect the protection of investors or the public interest; rather, the proposed rule change will benefit investors because lengthening the periods when which BZX Auction Information will be disseminated for the Opening and Closing Auctions provides market participants with more information and time to evaluate the market for the security. Increased disclosure regarding the Opening and Closing Auctions is in the public interest because it will provide investors information regarding their ability to execute orders at particular sizes and prices over a longer period of time in advance of the auction. The Exchange also notes that the proposed dissemination periods for both the Opening and Closing Auctions are identical to those currently in place on NYSE Arca, Inc. (“NYSE Arca”) for opening and closing auctions in their listed securities.<sup>21</sup> As proposed, the Exchange would disseminate information regarding the overall trading interest entered to participate in the auction as well as the price at which the most shares may be matched on the same timeframes as NYSE Arca. While the scope of the information to be disseminated differs between the Exchange and NYSE Arca, the Exchange does not believe these differences

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

<sup>20</sup> 17 CFR 240.19b-4(f)(6).

<sup>21</sup> See NYSE Arca Rules 7.35(c)(1)(A)(1) (stating that NYSE Arca will begin disseminating at 5:00 a.m. Pacific Time (8:00 a.m. Eastern Time) the information related to their opening auction). See also NYSE Arca Rule 7.35(e)(1)(A) (stating that NYSE Arca will begin disseminating at 12:00 p.m. Pacific Time (3:00 p.m. Eastern Time) the information related to their closing auction).

are material. The Exchange also notes that these differences exist today, albeit for a shorter period of time, during the Exchange's current dissemination periods for its Opening and Closing Auction. For example, the Exchange disseminates more detailed pricing information by disclosing the Reference Price, Indicative Price, and Auction Only Price. NYSE Arca disseminates the Indicative Match Price,<sup>22</sup> which is essentially identical to the Exchange's Indicative Price. NYSE Arca also disseminates the volume of all market and limit orders available to trade at their Indicative Match Price as well as the Market Imbalance<sup>23</sup> and Total Imbalance.<sup>24</sup> The Exchange disseminates the Reference Buy and Sell Shares, which, in sum, represent total number of buy (sell) orders priced equal to or greater (lower) than the Reference Price. NYSE Arca disseminates information regarding their opening and closing auction in real-time, while the Exchange disseminates updated BZX Auction Information every five seconds. The Exchange does not believe these differences are material as these differences exist today and the price and volume information disseminated by both the Exchange and NYSE Arca is designed to enable investors to properly analyze the market for the security. Therefore, the Exchange believes that the proposed rule change does raise any new or novel regulatory issues not previously considered by the Commission. Based on the foregoing, the Exchange has designated this rule filing as "non-controversial" under Section 19(b)(3)(A) of the Act<sup>25</sup> and paragraph (f)(6) of Rule 19b-4 thereunder.<sup>26</sup>

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<sup>22</sup> See NYSE Arca Rule 1.1.

<sup>23</sup> Id.

<sup>24</sup> Id.

<sup>25</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>26</sup> 17 CFR 240.19b-4.

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 market participants with increased information regarding the Opening and Closing Auction in a timely manner.<sup>27</sup> Absent a waiver of the operative delay, the dissemination periods for the Opening and Closing Auction that occur during the operative delay period would remain unchanged and investors would not receive BZX Auction Information over the proposed extended timeframes. Waiver of the operative delay is, therefore, consistent with the protection of investors and the public interest because it will enable the Exchange to implement the proposed rule change as soon as possible and provide market participants BZX Auction Information under the proposed timeframes during the operative delay period.

At any time within 60 days of the filing of the proposed rule change, the 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

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<sup>27</sup> The Exchange notes that it recently issued a trading notice informing market participants that it expects to implement the proposed rule change on February 26, 2016, pending filing and publication by the Commission. See BATS BZX Exchange to Lengthen Auction Information Dissemination Periods for Opening and Closing Auctions, available at [http://cdn.batstrading.com/resources/release\\_notes/2016/BATS-BZX-Exchange-to-Lengthen-Auction-Information-Dissemination-Periods-for-Opening-and-Closing-Auctions.pdf](http://cdn.batstrading.com/resources/release_notes/2016/BATS-BZX-Exchange-to-Lengthen-Auction-Information-Dissemination-Periods-for-Opening-and-Closing-Auctions.pdf).

determine whether the proposed rule should be approved or disapproved.

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 Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BATS-2016-24)

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 11.23, Auctions, to Lengthen the Auction Information Dissemination Periods for the Opening and Closing Auctions in BZX Listed Securities.

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 BZX Exchange, Inc. (the “Exchange” or “BZX”) (f/k/a BATS Exchange, Inc.) 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 paragraphs (b)(2)(A) and (c)(2)(A) of Rule 11.23, Auctions, to lengthen the auction information dissemination periods for 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> 15 U.S.C. 78s(b)(3)(A).

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

Opening and Closing Auctions in BZX listed securities.<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 paragraphs (b)(2)(A) and (c)(2)(A) of Rule 11.23, Auctions, to lengthen the auction information dissemination periods for the Opening and Closing Auctions in BZX listed securities. In sum, Users<sup>6</sup> may begin to enter orders to participate in the Opening or Closing Auction at 8:00 a.m. Eastern Time, the beginning of the Pre-Opening Session.<sup>7</sup> Orders designated to participate in the

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<sup>5</sup> A BZX listed security is a security listed on the Exchange pursuant to Chapter 14 of the Exchange's Rules and includes both corporate listed securities and Exchange Traded Products ("ETPs").

<sup>6</sup> See Exchange Rule 1.5(cc).

<sup>7</sup> See Exchange Rule 11.23(b)(1)(A) and (c)(1)(A). The Pre-Opening Session is defined in Exchange Rule 1.5(r).

Opening Auction will be queued until 9:30 a.m. Eastern Time, at which time they will be eligible to execute in the Opening Auction. Orders designated to participate in the Closing Auction will be queued until 4:00 p.m. Eastern Time, at which time they will be eligible to execute in the Closing Auction.

Currently, the Exchange begins to disseminate at 9:28 a.m. Eastern Time the Reference Price,<sup>8</sup> Indicative Price,<sup>9</sup> Auction Only Price,<sup>10</sup> and the lesser of Reference Buy Shares<sup>11</sup> and Reference Sell Shares<sup>12</sup> (collectively, the “BZX Auction Information”) associated with the Opening Auction. The Exchange begins to disseminate the BZX Auction Information for the Closing Auction at 3:55 p.m. Eastern Time. For both the Opening and Closing Auction, the BZX Auction Information is updated and disseminated every five (5) seconds via electronic means to subscribers to the BZX Depth<sup>13</sup> and BZX Auction Feed<sup>14</sup> market data products and is also made available to other market participants by market data vendors. The BZX Auction Information is also made available on the Bats public website.

The Exchange now propose to lengthen the periods during which it disseminates BZX Auction Information for the Opening and Closing Auctions in BZX listed securities.

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<sup>8</sup> See Exchange Rule 11.23(a)(19).

<sup>9</sup> See Exchange Rule 11.23(a)(10).

<sup>10</sup> See Exchange Rule 11.23(a)(2).

<sup>11</sup> See Exchange Rule 11.23(a)(18).

<sup>12</sup> See Exchange Rule 11.23(a)(21).

<sup>13</sup> See Exchange Rule 11.22(a) and (c).

<sup>14</sup> See Exchange Rule 11.22(i).

As amended, Rule 11.23(b)(2)(A) would state that the Exchange will begin to disseminate BZX Auction Information for the Opening Auction at 8:00 a.m. Eastern Time, rather than 9:28 a.m. Eastern Time. Rule 11.23(c)(2)(A) would be amended to state that the Exchange will begin to disseminate BZX Auction Information for the Closing Auction at 3:00 p.m. Eastern Time, rather than 3:55 p.m. Eastern Time.<sup>15</sup>

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b) of the Act.<sup>16</sup> Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,<sup>17</sup> because it is designed to promote just and equitable principles of trade, 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. Specifically, the proposal supports the objectives of perfecting the mechanism of a free and open market and the national market system because lengthening the periods when which BZX Auction Information will be disseminated for the Opening and Closing Auctions will provide market participants with more information and time for them to evaluate the market for the security. The Exchange believes lengthening the dissemination period will enable greater participation in the Opening and Closing Auctions because it will provide

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<sup>15</sup> The order entry cut off times for the Opening and Closing Auctions under Rules 11.23(b)(1)(A) and (c)(1)(A), respectively, will remain unchanged.

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

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

periodic information about the ability of investors to execute orders at particular sizes and prices over a longer period of time in advance of the auction. Finally, having greater knowledge about the trading interest in the BZX Book prior to the execution of the Opening and Closing Auctions will enable the market participants to make more informed decisions regarding their participation in the Opening or Closing Auctions. Therefore, the Exchange believes the proposed rule change promotes just and equitable principles of trade, removes impediments to, and perfects the mechanism of, a free and open market and a national market system.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the act. To the contrary, the proposal will promote competition because the Exchange believes lengthening the dissemination period will enable greater participation in the Opening and Closing Auctions by providing market participants with more information and time to evaluate the market for the security. The proposed rule change is, in effect, pro-competition as it promotes fair and orderly markets and protects investors, which, in turn, will buttress investor confidence and attract more investors to participate in the U.S. equities markets.

(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

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

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

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

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

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-BATS-2016-24 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-2016-24. 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-2016-24 and should be submitted on or before [\_\_\_\_\_] 21 days from publication

in the Federal Register].

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

Robert W. Errett  
Deputy Secretary

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

Exhibit 5

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

**Rules of Bats BZX Exchange, Inc.**

\* \* \* \* \*

## Rule 11.23. Auctions

(a) (No change).

(b) *Opening Auction*

(1) (No change).

(2) Opening Auction Process. The Exchange will conduct an Opening Auction for all BATS listed securities.

(A) Publication of Bats Auction Information. Beginning at [9:28]8:00 a.m. and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Opening Auction will be disseminated via electronic means.

\* \* \* \* \*

(c) *Closing Auction*

(1) (No change).

(2) Closing Auction Process. The Exchange will conduct a Closing Auction for all BATS listed securities.

(A) Publication of Bats Auction Information. Beginning at 3:[55]00 p.m. and updated every five seconds thereafter, the Reference Price, Indicative Price, Auction Only Price, Reference Buy Shares, and Reference Sell Shares associated with the Closing Auction will be disseminated via electronic means.

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