

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="33"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2016"/> - * <input type="text" value="36"/>	Amendment No. (req. for Amendments *) <input type="text"/>
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Filing by **Bats BZX Exchange, Inc.**
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)(6)
			<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) * <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 *).

The Exchange proposes rule changes related to fees as they apply to the Equity Options Platform.

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="07/01/2016"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Chris Solgan"/>	<input type="text" value=""/>
(Name *)	



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

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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

Exhibit 1 - Notice of Proposed Rule Change *

Add Remove View

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

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

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

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

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

Add Remove View

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

Add Remove View

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

Add Remove View

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”),¹ and Rule 19b-4 thereunder,² Bats BZX Exchange, Inc. (the “Exchange” or “BZX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the fee schedule applicable to Members³ and non-Members of the Exchange pursuant to BZX Rules 15.1(a) and (c). The changes to the fee schedule pursuant to this proposal are effective upon filing.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

The proposed rule change was approved by senior management of the Exchange pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014.

Exchange staff will advise the Board of Directors of the Exchange of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

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

Chris Solgan
Assistant General Counsel
(646) 856-8723

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A Member is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

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 its fee schedule for its equity options platform (“BZX Options”) to: (i) reduce the rate for fee code PA, which is appended to Professional⁴ orders in Penny Pilot Securities;⁵ (ii) add a new tier under footnote 9, Professional Penny Pilot Add Volume Tiers; (iii) to modify the criteria for the Customer Penny Pilot Add Tier 5 under footnote 1; and (iv) to modify the criteria for the Non-Customer Penny Pilot Take Volume Tier 1 under footnote 3. Additionally, the Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10. The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4.

Fee Code PA

The Exchange proposes to reduce the rebate for fee code PA, under which a Member is currently receiving a rebate of \$0.40 per contract for its Professional orders in Penny Pilot Securities. The Exchange proposes to reduce the rebate for fee code PA from \$0.40 per contract to \$0.25 per contract. The Exchange also proposes to update the Standard Rate table to reflect the new rebate.

⁴ The term “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.

⁵ The term “Penny Pilot Security” applies to those issues that are quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

New Professional Penny Pilot Add Volume Tier

The Exchange currently offers one tier under footnote 9, Professional Penny Pilot Add Volume Tier. Under that tier (to be renamed Tier 2), a Member receives a rebate of \$0.43 per contract for its orders that yield fee code PA where it has a combined ADAV⁶ in Customer⁷ and Professional orders equal to or greater than 0.20% of average TCV.⁸ The Exchange now proposes to add a new tier under footnote 9 to be named Tier 1, under which a Member would receive a rebate of \$0.40 per contract for its orders that yield fee code PA where it has an ADV⁹ equal to or greater than 0.25% of average TCV. The current tier under footnote 9 would be renamed Tier 2.

Customer Add Volume Tier 5

Customer orders that add liquidity on the Exchange in Penny Pilot Securities yield fee code PY and receive a standard rebate of \$0.25 per contract. In addition, footnote 1 of the fee schedule currently sets forth eight different types of Customer Penny Pilot Add Tiers, each providing an enhanced rebate ranging from \$0.40 to \$0.53 per contract to a Member's Customer orders that yield fee code PY upon satisfying monthly volume criteria required by the respective tier.

⁶ As set forth in the Exchange's fee schedule, "ADAV" means average daily volume calculated as the number of contracts added per day.

⁷ As set forth in the Exchange's fee schedule, the term "Customer" applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation ("OCC"), excluding any transaction for a Broker Dealer or a "Professional" as defined in Exchange Rule 16.1.

⁸ As set forth in the Exchange's fee schedule, "TCV" means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply.

⁹ As set forth in the Exchange's fee schedule, "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day.

The Exchange proposes to amend Customer Add Volume Tier 5 to amend the qualification criteria for the tier. In order to qualify for Customer Add Volume Tier 5 and receive a rebate of \$0.53 per contract, the Exchange currently requires a Member to: (1) have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker¹⁰ orders equal to or greater than 0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member to have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on the Exchange's equity platform ("BZX Equities"). The Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 1.

Non-Customer Add Volume Tier 1

Non-Customer¹¹ orders that remove liquidity from the Exchange in Penny Pilot Securities yield fee code PP and are charged a standard fee of \$0.50 per contract. In addition, footnote 3 of the fee schedule currently sets forth four different types of Non-Customer Penny Pilot Take Volume Tiers, each providing a reduced fee ranging from \$0.44 to \$0.47 per contract to a Member's Non-Customer orders that yield fee code PP upon satisfying monthly volume criteria required by the respective tier.

¹⁰ As set forth in the Exchange's fee schedule, the term "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

¹¹ As set forth in the Exchange's fee schedule, the term "Non-Customer" applies to any transaction that is not a Customer order.

The Exchange proposes to amend the Non-Customer Take Volume Tier 1 to amend the qualification criteria for the tier. In order to qualify for current Non-Customer Take Volume Tier 1, the Exchange currently requires a Member to: (1) have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker orders equal to or greater than 0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities. The Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 3.

Step-Up Tier Amendments

The Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10. The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4. Each of the above tiers include the same criteria under which a Member must have an: (i) Options Step-Up Add TCV¹² in Non-Customer orders from March 2015 baseline equal to or greater than 0.15%; and (ii) ADAV in Away Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV. Upon satisfying the tier's criteria, the Member would receive an enhanced rebate of \$0.43 per contract, \$0.67 per contract, \$0.43 per contract,

¹² As set forth in the Exchange's fee schedule, "Options Step-Up TCV" means "ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV."

and \$0.04 per contract under the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, the Away Market Penny Pilot Add Volume Step-Up Tier, and the NBBO Setter Tier 3, respectively.

The Exchange now proposes to ease the first prong of each of the above tier's criteria by replacing the requirement that the Member have an Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline equal to or greater than 0.15% with a new requirement that the Member have an ADV equal to or greater than 0.40% of average TCV. The Exchange does not propose to amend the second prong of each of the above tiers as Members would continue to be required to have an ADAV in Away Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV.

In light of removing the monthly baseline step-up requirement, the Exchange proposes to rename the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier as follows:

- the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tier 2”;
- the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Tier 3”; and
- the Away Market Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Away Market Penny Pilot Add Volume Tier 3”.

The Exchange does not propose to amend the name of the NBBO Setter Tier 3.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule July 1, 2016.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹³ in general, and furthers the objectives of Section 6(b)(4),¹⁴ 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 incentivize market participants to direct their order flow to the Exchange. The Exchange believes that the proposed tier is equitable and non-discriminatory in that it would apply uniformly to all Members. The Exchange believes the rates remain competitive with those charged by other venues and, therefore, are reasonable and equitably allocated to Members.

The Exchange believes that its proposal to change the standard fee charged for Professional orders under fee code PA is reasonable, fair and equitable and non-discriminatory, because the change will apply equally to all participants, and because, while the change marks a decrease in the rebate for Professional orders in Penny Pilot Securities, such proposed rebate remains consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and does not represent a significant departure from the Exchange's general pricing

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4).

structure and will allow the Exchange to earn additional revenue that can be used to offset the addition of new pricing incentives, such as the new Professional Penny Pilot Add Volume Tier introduced as part of this proposal.

The Exchange believes that the proposed modifications to the tiered pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive. The proposed fee structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it is reasonable to offer and incrementally modify incentives intended to help to contribute to the growth of the Exchange.

Volume-based rebates such as that proposed herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) the value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provisions and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes.

The proposed addition of an additional Professional Penny Pilot Add Volume Tier is broadly intended to incentivize participants to increase their participation on the Exchange, which will increase the liquidity and market quality on the Exchange. Thus, the Exchange believes that the proposed tier is reasonable, fair and equitable, and non-discriminatory, for the reasons set forth above with respect to volume-based pricing generally and because such changes will incentivize participants to further contribute to market quality. The Exchange also believes the rebate of \$0.40 per contract is reasonable as compared to the existing tier under footnote 9.

Currently, to receive a rebate of \$0.43 per contract for orders that yield fee code PA, the Member must have a combined ADAV in Customer and Professional orders equal to or greater than 0.20% of average TCV. Under the proposed tier, the Member would receive a rebate of \$0.40 per contract for its orders that yield fee code PA where it has an ADV equal to or greater than 0.25% of average TCV. The Exchange, therefore, believes that the lower rebate is equitable and reasonable as it correlates to the proposed tier's pricing structure and the criteria necessary to achieve the existing tier under footnote 9.

The proposed modifications to the criteria required to qualify for current Customer Add Volume Tier 5 and Non-Customer Penny Pilot Take Volume Tier 1 are intended to incentivize additional Members to send Customer orders and/or Market Maker orders to the Exchange in an effort to qualify for the enhanced rebate or lower fee made available by the tiers. The Exchange believes that the proposal to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities under both tiers is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and rebates because it will provide Members with an additional incentive to reach certain thresholds on both BZX Options and BZX Equities. The increased liquidity from this proposal also benefits all investors by deepening the BZX Options and BZX Equities liquidity pools, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Such pricing programs thereby reward a Member's growth pattern on the Exchange and such increased volume increases potential revenue to the Exchange, and will allow the Exchange to continue to provide and potentially expand the incentive programs operated by the Exchange. To the extent a Member participates on BZX Options and not BZX Equities, the Exchange believes that the proposal is still reasonable, equitably allocated and non-

discriminatory with respect to such Member based on the overall benefit to the Exchange resulting from the success of BZX Options. As noted above, such success allows the Exchange to continue to provide and potentially expand its existing incentive programs to the benefit of all participants on the Exchange, whether they participate on BZX Options or not. The proposed pricing program is also fair and equitable in that membership in BZX Options is available to all market participants which would provide them with access to the benefits on BZX Options provided by the proposed changes, as described above, even where a member of BZX Options is not necessarily eligible for the proposed increased rebates on the Exchange. Further, the proposed changes will result in Members receiving either the same or an increased rebate than they would currently receive.

The proposed amendments to the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, Away Market Penny Pilot Add Volume Step-Up Tier and, the NBBO Setter Tier 3 are also intended to incentivize additional Members to send orders to the Exchange in an effort to qualify for the enhanced rebate made available by the tiers. The Exchange notes that requiring improvement over a March 2015 baseline has become outdated and has prevented Members from seeking to achieve each tier's criteria. Therefore, the Exchange believes it is equitable and reasonable to replace the current March 2015 baseline with a requirement that Members have an ADV equal to or greater than 0.40% of average TCV. The Exchange believes the proposed change to each tier's criteria is consistent with the Act. The Exchange also believes renaming the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier is also

reasonable because each tier would no longer require a step-up in volume based on a March 2015 baseline.

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

The Exchange believes the proposed amendment 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. The Exchange does not believe that the proposed change to the Exchange's tiered pricing structure burdens competition, but instead, enhances competition as it is intended to increase the competitiveness of the Exchange. The Exchange also believes the proposal enhances competition by seeking to draw additional volume to both BZX Equities and BZX Options. Therefore, the Exchange believes that the amendment to the tiers' thresholds contributes to, rather than burdens competition, as such change is intended to incentivize participants to increase their participation on the Exchange.

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 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)

Pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁵ and Rule 19b-4(f)(2) thereunder,¹⁶ the Exchange has designated this proposal as establishing or changing a due, fee, or other charge applicable to the Exchange's Members and non-members, which renders the proposed rule change effective upon filing.

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

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

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: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of Proposed Rule Change.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BatsBZX-2016-36)

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

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 BZX Exchange, Inc. (the “Exchange” or “BZX”) 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 Act³ and Rule 19b-4(f)(2) thereunder,⁴ 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 the fee schedule applicable to Members⁵ and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

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

The Exchange proposes to amend its fee schedule for its equity options platform ("BZX Options") to: (i) reduce the rate for fee code PA, which is appended to Professional⁶ orders in Penny Pilot Securities;⁷ (ii) add a new tier under footnote 9, Professional Penny Pilot Add Volume Tiers; (iii) to modify the criteria for the Customer Penny Pilot Add Tier 5 under footnote 1; and (iv) to modify the criteria for the Non-Customer Penny Pilot Take Volume Tier 1 under footnote 3. Additionally, the Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker

⁶ The term "Professional" applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.

⁷ The term "Penny Pilot Security" applies to those issues that are quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10.

The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4.

Fee Code PA

The Exchange proposes to reduce the rebate for fee code PA, under which a Member is currently receiving a rebate of \$0.40 per contract for its Professional orders in Penny Pilot Securities. The Exchange proposes to reduce the rebate for fee code PA from \$0.40 per contract to \$0.25 per contract. The Exchange also proposes to update the Standard Rate table to reflect the new rebate.

New Professional Penny Pilot Add Volume Tier

The Exchange currently offers one tier under footnote 9, Professional Penny Pilot Add Volume Tier. Under that tier (to be renamed Tier 2), a Member receives a rebate of \$0.43 per contract for its orders that yield fee code PA where it has a combined ADAV⁸ in Customer⁹ and Professional orders equal to or greater than 0.20% of average TCV.¹⁰ The Exchange now proposes to add a new tier under footnote 9 to be named Tier 1, under which a Member would receive a rebate of \$0.40 per contract for its orders that yield fee

⁸ As set forth in the Exchange's fee schedule, "ADAV" means average daily volume calculated as the number of contracts added per day.

⁹ As set forth in the Exchange's fee schedule, the term "Customer" applies to any transaction identified by a Member for clearing in the Customer range at the Options Clearing Corporation ("OCC"), excluding any transaction for a Broker Dealer or a "Professional" as defined in Exchange Rule 16.1.

¹⁰ As set forth in the Exchange's fee schedule, "TCV" means total consolidated volume calculated as the volume reported by all exchanges to the consolidated transaction reporting plan for the month for which the fees apply.

code PA where it has an ADV¹¹ equal to or greater than 0.25% of average TCV. The current tier under footnote 9 would be renamed Tier 2.

Customer Add Volume Tier 5

Customer orders that add liquidity on the Exchange in Penny Pilot Securities yield fee code PY and receive a standard rebate of \$0.25 per contract. In addition, footnote 1 of the fee schedule currently sets forth eight different types of Customer Penny Pilot Add Tiers, each providing an enhanced rebate ranging from \$0.40 to \$0.53 per contract to a Member's Customer orders that yield fee code PY upon satisfying monthly volume criteria required by the respective tier.

The Exchange proposes to amend Customer Add Volume Tier 5 to amend the qualification criteria for the tier. In order to qualify for Customer Add Volume Tier 5 and receive a rebate of \$0.53 per contract, the Exchange currently requires a Member to: (1) have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker¹² orders equal to or greater than 0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member to have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on the Exchange's equity platform ("BZX Equities"). The

¹¹ As set forth in the Exchange's fee schedule, "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day.

¹² As set forth in the Exchange's fee schedule, the term "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 1.

Non-Customer Add Volume Tier 1

Non-Customer¹³ orders that remove liquidity from the Exchange in Penny Pilot Securities yield fee code PP and are charged a standard fee of \$0.50 per contract. In addition, footnote 3 of the fee schedule currently sets forth four different types of Non-Customer Penny Pilot Take Volume Tiers, each providing a reduced fee ranging from \$0.44 to \$0.47 per contract to a Member's Non-Customer orders that yield fee code PP upon satisfying monthly volume criteria required by the respective tier.

The Exchange proposes to amend the Non-Customer Take Volume Tier 1 to amend the qualification criteria for the tier. In order to qualify for current Non-Customer Take Volume Tier 1, the Exchange currently requires a Member to: (1) have an ADAV in Customer orders equal to or greater than 0.80% of average TCV; and (2) have an ADAV in Market Maker orders equal to or greater than 0.30% of average TCV. The Exchange proposes to reduce the first prong of the qualifying criteria to require a Member have an ADAV in Customer orders equal to or greater than 0.60% of average TCV. In addition, the Exchange proposes to add a third prong to the qualifying criteria to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities. The Exchange notes that no changes are required to the Standard Rates table of the fee schedule in connection with the changes to footnote 3.

Step-Up Tier Amendments

¹³ As set forth in the Exchange's fee schedule, the term "Non-Customer" applies to any transaction that is not a Customer order.

The Exchange proposes to rename and ease the qualifications for the: (i) Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier under footnote 2; (ii) Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier under footnote 8; and (iii) the Away Market Penny Pilot Add Volume Step-Up Tier under footnote 10. The Exchange also proposes to ease the criteria for the NBBO Setter Tier 3 under footnote 4. Each of the above tiers include the same criteria under which a Member must have an: (i) Options Step-Up Add TCV¹⁴ in Non-Customer orders from March 2015 baseline equal to or greater than 0.15%; and (ii) ADAV in Away Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV. Upon satisfying the tier's criteria, the Member would receive an enhanced rebate of \$0.43 per contract, \$0.67 per contract, \$0.43 per contract, and \$0.04 per contract under the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, the Away Market Penny Pilot Add Volume Step-Up Tier, and the NBBO Setter Tier 3, respectively.

The Exchange now proposes to ease the first prong of each of the above tier's criteria by replacing the requirement that the Member have an Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline equal to or greater than 0.15% with a new requirement that the Member have an ADV equal to or greater than 0.40% of average TCV. The Exchange does not propose to amend the second prong of each of the above tiers as Members would continue to be required to have an ADAV in Away

¹⁴ As set forth in the Exchange's fee schedule, "Options Step-Up TCV" means "ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV."

Market Maker/Firm/Broker-Dealer/Joint Back Office orders equal to or greater than 0.30% of average TCV.

In light of removing the monthly baseline step-up requirement, the Exchange proposes to rename the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier as follows:

- the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tier 2”;
- the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Tier 3”; and
- the Away Market Penny Pilot Add Volume Step-Up Tier would be renamed as the “the Away Market Penny Pilot Add Volume Tier 3”.

The Exchange does not propose to amend the name of the NBBO Setter Tier 3.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule July 1, 2016.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the

objectives of Section 6 of the Act,¹⁵ in general, and furthers the objectives of Section 6(b)(4),¹⁶ 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 incentivize market participants to direct their order flow to the Exchange. The Exchange believes that the proposed tier is equitable and non-discriminatory in that it would apply uniformly to all Members. The Exchange believes the rates remain competitive with those charged by other venues and, therefore, are reasonable and equitably allocated to Members.

The Exchange believes that its proposal to change the standard fee charged for Professional orders under fee code PA is reasonable, fair and equitable and non-discriminatory, because the change will apply equally to all participants, and because, while the change marks a decrease in the rebate for Professional orders in Penny Pilot Securities, such proposed rebate remains consistent with pricing previously offered by the Exchange as well as competitors of the Exchange and does not represent a significant departure from the Exchange's general pricing structure and will allow the Exchange to earn additional revenue that can be used to offset the addition of new pricing incentives, such as the new Professional Penny Pilot Add Volume Tier introduced as part of this proposal.

¹⁵ 15 U.S.C. 78f.

¹⁶ 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed modifications to the tiered pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive. The proposed fee structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it is reasonable to offer and incrementally modify incentives intended to help to contribute to the growth of the Exchange.

Volume-based rebates such as that proposed herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) the value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provisions and/or growth patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes.

The proposed addition of an additional Professional Penny Pilot Add Volume Tier is broadly intended to incentivize participants to increase their participation on the Exchange, which will increase the liquidity and market quality on the Exchange. Thus, the Exchange believes that the proposed tier is reasonable, fair and equitable, and non-discriminatory, for the reasons set forth above with respect to volume-based pricing generally and because such changes will incentivize participants to further contribute to market quality. The Exchange also believes the rebate of \$0.40 per contract is reasonable as compared to the existing tier under footnote 9. Currently, to receive a rebate of \$0.43

per contract for orders that yield fee code PA, the Member must have a combined ADAV in Customer and Professional orders equal to or greater than 0.20% of average TCV. Under the proposed tier, the Member would receive a rebate of \$0.40 per contract for its orders that yield fee code PA where it has an ADV equal to or greater than 0.25% of average TCV. The Exchange, therefore, believes that the lower rebate is equitable and reasonable as it correlates to the proposed tier's pricing structure and the criteria necessary to achieve the existing tier under footnote 9.

The proposed modifications to the criteria required to qualify for current Customer Add Volume Tier 5 and Non-Customer Penny Pilot Take Volume Tier 1 are intended to incentivize additional Members to send Customer orders and/or Market Maker orders to the Exchange in an effort to qualify for the enhanced rebate or lower fee made available by the tiers. The Exchange believes that the proposal to require that the Member have an ADV equal to or greater than 0.30% of average TCV on BZX Equities under both tiers is a reasonable, fair and equitable, and not unfairly discriminatory allocation of fees and rebates because it will provide Members with an additional incentive to reach certain thresholds on both BZX Options and BZX Equities. The increased liquidity from this proposal also benefits all investors by deepening the BZX Options and BZX Equities liquidity pools, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. Such pricing programs thereby reward a Member's growth pattern on the Exchange and such increased volume increases potential revenue to the Exchange, and will allow the Exchange to continue to provide and potentially expand the incentive programs operated by the Exchange. To the extent a

Member participates on BZX Options and not BZX Equities, the Exchange believes that the proposal is still reasonable, equitably allocated and non-discriminatory with respect to such Member based on the overall benefit to the Exchange resulting from the success of BZX Options. As noted above, such success allows the Exchange to continue to provide and potentially expand its existing incentive programs to the benefit of all participants on the Exchange, whether they participate on BZX Options or not. The proposed pricing program is also fair and equitable in that membership in BZX Options is available to all market participants which would provide them with access to the benefits on BZX Options provided by the proposed changes, as described above, even where a member of BZX Options is not necessarily eligible for the proposed increased rebates on the Exchange. Further, the proposed changes will result in Members receiving either the same or an increased rebate than they would currently receive.

The proposed amendments to the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, Away Market Penny Pilot Add Volume Step-Up Tier and, the NBBO Setter Tier 3 are also intended to incentivize additional Members to send orders to the Exchange in an effort to qualify for the enhanced rebate made available by the tiers. The Exchange notes that requiring improvement over a March 2015 baseline has become outdated and has prevented Members from seeking to achieve each tier's criteria. Therefore, the Exchange believes it is equitable and reasonable to replace the current March 2015 baseline with a requirement that Members have an ADV equal to or greater than 0.40% of average TCV. The Exchange believes the proposed change to each tier's criteria is consistent with the Act. The Exchange also believes

renaming the Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Step-Up Tier, the Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Step-Up Tier, and the Away Market Penny Pilot Add Volume Step-Up Tier is also reasonable because each tier would no longer require a step-up in volume based on a March 2015 baseline.

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

The Exchange believes the proposed amendment 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. The Exchange does not believe that the proposed change to the Exchange's tiered pricing structure burdens competition, but instead, enhances competition as it is intended to increase the competitiveness of the Exchange. The Exchange also believes the proposal enhances competition by seeking to draw additional volume to both BZX Equities and BZX Options. Therefore, the Exchange believes that the amendment to the tiers' thresholds contributes to, rather than burdens competition, as such change is intended to incentivize participants to increase their participation on the Exchange.

(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 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 Act¹⁷ and paragraph (f) of Rule 19b-4 thereunder.¹⁸ 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:

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-BatsBZX-2016-36 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.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

All submissions should refer to File No. SR-BatsBZX-2016-36. 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-BatsBZX-2016-36 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.¹⁹

Robert W. Errett
Deputy Secretary

¹⁹ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Bats BZX Options Exchange Fee Schedule

Effective [June]July 1, 2016

* * * * *

Standard Rates:

	Penny Pilot Securities				Non-Penny Pilot Securities				Mini Options			
	Add		Remove		Add		Remove		Add		Remove	
	Code	Rates	Code	Rates	Code	Rates	Code	Rates	Code	Rates	Code	Rates
Customer	(No change).								(No change).			
Professional	PA	<u>(\$0.25)</u> (\$0.40) (\$0.43)	(No change).		(No change).		(No change).					
Firm/BD/JBO	(No change).											
Market Maker												
Away Market Maker												

Fee Codes and Associated Fees:

Fee Code	Description	Fee/(Rebate)
D1 - OO	(No change).	
PA ^{4,9}	Adds liquidity (Pro), Penny Pilot	(0.[40] <u>25</u>)
PC - ZF	(No change).	

* * * * *

Footnotes:

¹ Customer Penny Pilot Add Tiers

Applicable to fee code PY.

Tier	Rebate per contract for a Customer order to Add for Penny Pilot Securities	Required Criteria
Customer Add Volume Tier 1 - Customer Add Volume Tier 4	(No change).	
Customer Add Volume Tier 5	(\$0.53)	(1) Member has an ADAV in Customer orders equal to or greater than 0. 80 <u>60</u> % of average TCV (2) Member has an ADAV in Market Maker orders equal to or greater than 0.30% of average TCV (3) <u>Member has on BZX Equities an ADAV equal to or greater than 0.30% of average TCV</u>
Customer Add Volume Tier 6 - Customer Cross-Asset Add Tier	(No change).	

² Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tiers

Applicable to the following fee codes: PF.

Tier	Rebate per contract for a Firm/BD/JBO order to Add for Penny Pilot Securities	Required Criteria
Tier 1	(No change).	
[Step-Up Tier] <u>Tier 2</u>	(\$0.43)	(1) Member has an [Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline] <u>ADV</u> equal to or greater than 0. 15 <u>40</u> % of average TCV (2) Member has an ADAV in Away MM/Firm/BD/JBO orders equal to or greater than 0.30% of average TCV

³ Non-Customer Penny Pilot Take Volume Tiers

Applicable to fee code PP.

Tier	Fee per contract for a Non-Customer Order to Remove for Penny Pilot Securities	Required Criteria
Non-Customer Take Volume Tier 1	\$0.44	(1) Member has an ADAV in Customer orders equal to or greater than 0. [80] <u>60</u> % of average TCV (2) Member has an ADAV in Market Maker orders equal to or greater than 0.30% of average TCV (3) <u>Member has on BZX Equities an ADAV equal to or greater than 0.30% of average TCV</u>
Non-Customer Take Volume Tier 2 - Non-Customer Take Volume Tier 3	(No change).	

⁴ NBBO Setter Tiers

Applicable to the following fee codes: PA, PF, PM, PN, NA, NF, NM and NN.

Tier	Additional rebate per contract for a Non-Customer order to Add	Required Criteria
NBBO Setter Tier 1 - NBBO Setter Tier 2	(No change).	
NBBO Setter Tier 3	(\$0.04)	(1) Member has an [Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline] <u>ADV</u> equal to or greater than 0. [15] <u>40</u> % of <u>average TCV</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders equal to or greater than 0.30% of average TCV (3) Any order establishing a new NBBO

⁸ Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Tiers

Applicable to fee code NF.

Tier	Rebate per contract for a Firm/BD/JBO order to Add for Non-Penny Pilot Securities	Required Criteria
Tier 1 - Tier 2	(No change).	
[Step-Up Tier] <u>Tier 3</u>	(\$0.67)	(1) Member has an [Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline] <u>ADV</u> equal to or greater than 0.[15] <u>40% of average TCV</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders equal to or greater than 0.30% of average TCV

⁹ Professional Penny Pilot Add Volume Tiers

Applicable to fee code PA.

Tier	Rebate per contract for a Professional order to Add for Penny Pilot Securities	Required Criteria
<u>Tier 1</u>	<u>(\$0.40)</u>	<u>Member has an ADV equal to or greater than 0.25% of average TCV</u>
Tier [1] <u>2</u>	(No change).	

¹⁰ Away Market Maker Penny Pilot Add Volume Tiers

Applicable to fee code PN.

Tier	Rebate per contract for an Away Market Maker order to Add for Penny Pilot Securities	Required Criteria
Tier 1 - Tier 2	(No change).	
[Step-Up Tier] <u>Tier 3</u>	(\$0.43)	(1) Member has an [Options Step-Up Add TCV in Non-Customer orders from March 2015 baseline] <u>ADV</u>

		equal to or greater than 0.[15]40% of <u>average TCV</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders equal to or greater than 0.30% of average TCV
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