

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 18	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2016 - * 41 Amendment No. (req. for Amendments *)
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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"/>
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 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 a rule change related to fees

**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 \* Kyle Last Name \* Murray  
 Title \* Assistant General Counsel  
 E-mail \* kmurray@bats.com  
 Telephone \* (913) 815-7121 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 \*)  
SVP, Associate General Counsel

Date 07/13/2016  
By Anders Franzon (Name \*)  
af Franzon

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 the Proposed Rule Change

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> 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 Members<sup>3</sup> and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c) in order to amend the Tape B Quoting Tier. Changes to the Fee Schedule pursuant to this proposal are effective upon filing.

(a) 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:

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

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

Kyle Murray  
Assistant General Counsel  
(913) 815-7121

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 to amend the requirements for meeting the Tape B Quoting Tier for LMP Securities.<sup>4,5</sup> Specifically, the Exchange is proposing that a Member will qualify for Tier 1 of the Tape B Quoting Tier where the Member is enrolled in at least 50 LMP Securities for which it meets the required criteria<sup>6</sup>

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<sup>4</sup> "LMP Securities" means a list of securities included in the Liquidity Management Program, the universe of which will be determined by the Exchange and published in a circular distributed to Members and on the Exchange's website. Such LMP Securities will include all Bats-listed ETPs and certain non-Bats-listed ETPs for which the Exchange wants to incentivize Members to provide enhanced market quality. All Bats-listed securities will be LMP Securities immediately upon listing on the Exchange. The Exchange will not remove a security from the list of LMP Securities without 30 days prior notice.

<sup>5</sup> The Exchange notes that it originally filed a similar proposal as file number SR-BatsBZX-2016-32 on June 30, 2016, which it subsequently withdrew and filed another similar proposal as file number SR-BatsBZX-2016-38 on July 6, 2016, which it also subsequently withdrew and filed another similar proposal as file number SR-BatsBZX-2016-40 on July 11, 2016. The Exchange has withdrawn file number SR-BatsBZX-2016-40 and is filing this similar proposal in its place.

<sup>6</sup> The required criteria to meet the Tape B Quoting Tier are: (i) the Member's NBBO Time in the LMP Security is at least 15% or NBBO Size Time is at least 25%; and (ii) the Member's Displayed Size Time in the LMP Security is at least 90%. NBBO Time means the average of the percentage of time during regular trading hours during which the Member maintains at least 100 shares at each of the NBB and NBO. NBBO Size Time means the percentage of time during regular trading hours during which there are size-setting quotes at the NBBO on the Exchange. Displayed Size Time means the percentage of time during regular trading hours during which the Member maintains at least 2,500 displayed shares on the bid and separately maintains at least 2,500 displayed shares on the offer that are priced no more than 2% away from the NBB and NBO, respectively.

(the “Required Criteria”) for at least 50% of the trading days in a particular month. As currently implemented, a Member must be enrolled in 50 LMP Securities for which it meets the Required Criteria every trading day in a month in order to be eligible for the additional rebate in Tape B<sup>7</sup> securities. As proposed, the Exchange would count an LMP Security toward the 50 LMP Security requirement where the Member meets the Required Criteria for at least 50% of the trading days in a particular month. A Member would qualify for the Tape B Quoting Tier where the Member meets the Required Criteria for 50 different LMP Securities for at least 50% of the trading days in a particular month. The Required Criteria for each LMP Security will each be evaluated separately and the Member does not need to meet the Required Criteria for all 50 LMP Securities on the same 50% of trading days. For example, in a month with 22 trading days, a Member would be eligible for the Tape B Quoting Tier where the Member met the Required Criteria in 25 LMP Securities in the first 11 trading days of the month and met the Required Criteria for a different set of 25 LMP Securities in the second 11 trading days of the month. The Exchange is not proposing to amend the Required Criteria.

The Exchange proposes to implement these amendments to its fee schedule effective immediately.

(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 national securities exchange, and, in particular, with the requirements of Section 6 of the

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<sup>7</sup> Tape B securities includes all securities listed on the Exchange, NYSE Arca, Inc., and NYSE MKT LLC.

Act.<sup>8</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) and 6(b)(5) of the Act,<sup>9</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The proposal reflects a change to a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange and enhance market quality in LMP Securities and in Tape B securities. The Exchange believes that the proposed change to require Members to only meet the Required Criteria for at least 50% of trading days in a particular month is equitable and non-discriminatory in that it would apply uniformly to all Members. The Exchange believes that the proposed change is reasonable because the Required Criteria represent stringent quoting standards that can be difficult to meet and trading activity in LMP Securities can vary greatly on a day to day basis. Further, the proposed change is designed to enhance market quality on the Exchange by making the Tape B Quoting Tier more achievable for Members. Making the Tape B Quoting Tier more achievable for Members will incentivize more Members to seek to meet the Tape B Quoting Tier, which will further enhance market quality on the Exchange, to the benefit of all participants. Stated another way, the Exchange believes that the Tape B Quoting Tier enhances market quality on the Exchange in two ways: (i) by incentivizing Members to meet certain quoting standards in LMP Securities designed to narrow spreads, increase size at the inside, and increase liquidity depth on the Exchange in such LMP Securities; and (ii) providing an additional rebate for all of a qualifying Member's orders that add liquidity in Tape B securities will

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<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(4) and (5).

incentivize Members to increase their participation on the Exchange in Tape B securities. By making the Tape B Quoting Tier more achievable for Members, more Members will seek to and will meet the quoting tier and thus enhance liquidity on the Exchange as described above, to the benefit of all market participants. Accordingly, the Exchange also believes that the proposal will act to enhance liquidity and competition across exchanges in LMP Securities and enhance liquidity provision in Tape B securities on the Exchange by providing a rebate reasonably related to such enhanced market quality to the benefit of all investors, thereby promoting the principles discussed in Section 6(b)(5) of the Act.<sup>10</sup>

The Exchange 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.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. The Exchange does not believe that the changes burden competition, but instead, enhance competition, as these changes are intended to increase the competitiveness of the Exchange as it is designed to draw additional volume to the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the deem fee structures to be unreasonable or excessive. The proposed changes are generally intended to enhance the rebates in Tape B securities, which is intended to enhance market quality in LMP Securities and Tape B securities. As such, the proposal is a competitive proposal

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<sup>10</sup> 15 U.S.C. 78f(b)(5).

that is intended to add additional liquidity to the Exchange, which will, in turn, benefit the Exchange and all Exchange participants.

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 Act<sup>11</sup> and Rule 19b-4(f)(2) thereunder,<sup>12</sup> 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.

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

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



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.

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BatsBZX-2016-41)

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

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

The Exchange filed a proposal to amend the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c) in order to

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

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

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

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

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

amend the Tape B Quoting Tier.

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 its Fee Schedule to amend the requirements for meeting the Tape B Quoting Tier for LMP Securities.<sup>6,7</sup> Specifically, the Exchange is

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<sup>6</sup> "LMP Securities" means a list of securities included in the Liquidity Management Program, the universe of which will be determined by the Exchange and published in a circular distributed to Members and on the Exchange's website. Such LMP Securities will include all Bats-listed ETPs and certain non-Bats-listed ETPs for which the Exchange wants to incentivize Members to provide enhanced market quality. All Bats-listed securities will be LMP Securities immediately upon listing on the Exchange. The Exchange will not remove a security from the list of LMP Securities without 30 days prior notice.

<sup>7</sup> The Exchange notes that it originally filed a similar proposal as file number SR-BatsBZX-2016-32 on June 30, 2016, which it subsequently withdrew and filed another similar proposal as file number SR-BatsBZX-2016-38 on July 6, 2016, which it also subsequently withdrew and filed another similar proposal as file number SR-BatsBZX-2016-40 on July 11, 2016. The Exchange has withdrawn file number SR-BatsBZX-2016-40 and is filing this similar proposal in its place.

proposing that a Member will qualify for Tier 1 of the Tape B Quoting Tier where the Member is enrolled in at least 50 LMP Securities for which it meets the required criteria<sup>8</sup> (the “Required Criteria”) for at least 50% of the trading days in a particular month. As currently implemented, a Member must be enrolled in 50 LMP Securities for which it meets the Required Criteria every trading day in a month in order to be eligible for the additional rebate in Tape B<sup>9</sup> securities. As proposed, the Exchange would count an LMP Security toward the 50 LMP Security requirement where the Member meets the Required Criteria for at least 50% of the trading days in a particular month. A Member would qualify for the Tape B Quoting Tier where the Member meets the Required Criteria for 50 different LMP Securities for at least 50% of the trading days in a particular month. The Required Criteria for each LMP Security will each be evaluated separately and the Member does not need to meet the Required Criteria for all 50 LMP Securities on the same 50% of trading days. For example, in a month with 22 trading days, a Member would be eligible for the Tape B Quoting Tier where the Member met the Required Criteria in 25 LMP Securities in the first 11 trading days of the month and met the

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<sup>8</sup> The required criteria to meet the Tape B Quoting Tier are: (i) the Member’s NBBO Time in the LMP Security is at least 15% or NBBO Size Time is at least 25%; and (ii) the Member’s Displayed Size Time in the LMP Security is at least 90%. NBBO Time means the average of the percentage of time during regular trading hours during which the Member maintains at least 100 shares at each of the NBB and NBO. NBBO Size Time means the percentage of time during regular trading hours during which there are size-setting quotes at the NBBO on the Exchange. Displayed Size Time means the percentage of time during regular trading hours during which the Member maintains at least 2,500 displayed shares on the bid and separately maintains at least 2,500 displayed shares on the offer that are priced no more than 2% away from the NBB and NBO, respectively.

<sup>9</sup> Tape B securities includes all securities listed on the Exchange, NYSE Arca, Inc., and NYSE MKT LLC.

Required Criteria for a different set of 25 LMP Securities in the second 11 trading days of the month. The Exchange is not proposing to amend the Required Criteria.

The Exchange proposes to implement these amendments to its fee schedule effective immediately.

## 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 of the Act.<sup>10</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) and 6(b)(5) of the Act,<sup>11</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The proposal reflects a change to a competitive pricing structure designed to incent market participants to direct their order flow to the Exchange and enhance market quality in LMP Securities and in Tape B securities. The Exchange believes that the proposed change to require Members to only meet the Required Criteria for at least 50% of trading days in a particular month is equitable and non-discriminatory in that it would apply uniformly to all Members. The Exchange believes that the proposed change is reasonable because the Required Criteria represent stringent quoting standards that can be difficult to meet and trading activity in LMP Securities can vary greatly on a day to day basis. Further, the proposed change is designed to enhance market quality on the Exchange by making the Tape B Quoting Tier more achievable for

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<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(4) and (5).

Members. Making the Tape B Quoting Tier more achievable for Members will incentivize more Members to seek to meet the Tape B Quoting Tier, which will further enhance market quality on the Exchange, to the benefit of all participants. Stated another way, the Exchange believes that the Tape B Quoting Tier enhances market quality on the Exchange in two ways: (i) by incentivizing Members to meet certain quoting standards in LMP Securities designed to narrow spreads, increase size at the inside, and increase liquidity depth on the Exchange in such LMP Securities; and (ii) providing an additional rebate for all of a qualifying Member's orders that add liquidity in Tape B securities will incentivize Members to increase their participation on the Exchange in Tape B securities. By making the Tape B Quoting Tier more achievable for Members, more Members will seek to and will meet the quoting tier and thus enhance liquidity on the Exchange as described above, to the benefit of all market participants. Accordingly, the Exchange also believes that the proposal will act to enhance liquidity and competition across exchanges in LMP Securities and enhance liquidity provision in Tape B securities on the Exchange by providing a rebate reasonably related to such enhanced market quality to the benefit of all investors, thereby promoting the principles discussed in Section 6(b)(5) of the Act.<sup>12</sup>

The Exchange 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.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes

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<sup>12</sup> 15 U.S.C. 78f(b)(5).

of the Act, as amended. The Exchange does not believe that the changes burden competition, but instead, enhance competition, as these changes are intended to increase the competitiveness of the Exchange as it is designed to draw additional volume to the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if the deemed fee structures to be unreasonable or excessive. The proposed changes are generally intended to enhance the rebates in Tape B securities, which is intended to enhance market quality in LMP Securities and Tape B securities. As such, the proposal is a competitive proposal that is intended to add additional liquidity to the Exchange, which will, in turn, benefit the Exchange and all Exchange participants.

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

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

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

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](mailto:rule-comments@sec.gov). Please include File No. SR-BatsBZX-2016-41 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-BatsBZX-2016-41. 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-2016-41 and should be submitted on or before [\_\_\_\_\_21 days from publication in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>15</sup>

Robert W. Errett  
Deputy Secretary

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

## EXHIBIT 5

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

**Bats BZX Exchange Fee Schedule**

Effective [July 1]July 13, 2016

\* \* \* \* \*

**Footnotes:**

1. – 12. (No change).

**13. Tape B Volume and Quoting Tiers**

Applicable to the following fee codes: B.

Tier	Rebate per share to Add	Required Criteria
Tape B Volume Tier	(\$0.0027)	Member's Tape B ADAV as a percentage of TCV is equal to or greater than 0.08%

Tier	Additional rebate per share for orders in Tape B Securities	Required Criteria
Tier 1	(\$0.0001)	Member is enrolled in at least 50 LMP Securities for which <u>it meets the following criteria for at least 50% of the trading days in the applicable month:</u> (1) Member's NBBO Time is at least 15% or NBBO Size Time is at least 25%; and (2) Member's Displayed Size Time is at least 90%

\* \* \* \* \*