

Required fields are shown with yellow backgrounds and asterisks.

Filing by Bats BZX Exchange, Inc.
Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial *	Amendment *	Withdrawal	Section 19(b)(2) *	Section 19(b)(3)(A) *	Section 19(b)(3)(B) *
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
			Rule		
Pilot	Extension of Time Period for Commission Action *	Date Expires *	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010	Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934
Section 806(e)(1) *	Section 806(e)(2) *
<input type="checkbox"/>	<input type="checkbox"/>
	Section 3C(b)(2) *
	<input type="checkbox"/>

Exhibit 2 Sent As Paper Document	Exhibit 3 Sent As Paper Document
<input type="checkbox"/>	<input type="checkbox"/>

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 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 *	Last Name *
Chris	Solgan
Title *	
Assistant General Counsel	
E-mail *	
csolgan@bats.com	
Telephone *	Fax
(646) 856-8723	

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	Assistant General Counsel	
10/27/2016		
By		
Chris Solgan		
(Name *)		



csolgan@bats.com

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

Add Remove View

Exhibit Sent As Paper Document

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

Exhibit 3 - Form, Report, or Questionnaire

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Exhibit Sent As Paper Document

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

Exhibit 4 - Marked Copies

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

Exhibit 5 - Proposed Rule Text

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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

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

Chris Solgan

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).

EVP, General Counsel
(913) 815-7000

Assistant General Counsel
(646) 856-8723

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

(a) Purpose

The Exchange proposes to modify its fee schedule applicable to the Exchange's equity options platform ("BZX Options") to add a new Step-Up Tier under footnote 3, Non-Customer Penny Pilot Take Volume Tiers.

The Exchange appends fee code PP to Non-Customer⁴ orders in Penny Pilot Securities⁵ that removes liquidity. Orders that yield fee code PP are charged a fee of \$0.50 per contract. The Exchange offers three tiers under footnote 3, Non-Customer Penny Pilot Take Volume Tiers, which offer reduced fees for Non-Customer orders that yield fee code PP upon achieving each tier's required criteria. Under Tier 1, orders that yield fee code PP will be eligible for a reduced fee of \$0.44 per contract where the Member has: (i) an ADAV⁶ in Customer⁷ orders equal to or greater than 0.60% of average TCV;⁸ (ii) an ADAV in Market Maker⁹ orders equal to or greater than 0.25% of average TCV; and (iii) on the Exchange's equities platform, BZX Equities, an ADAV equal to or greater than 0.30% of average TCV. Under Tier 2, orders that yield fee code

⁴ As defined in the Exchange's fee schedule available at http://www.bats.com/us/options/membership/fee_schedule/bzx/

⁵ Id.

⁶ Id.

⁷ Id.

⁸ Id.

⁹ As defined in the Exchange's fee schedule available at http://www.bats.com/us/options/membership/fee_schedule/bzx/

PP will be eligible for a reduced fee of \$0.47 per contract where the Member has an ADAV in Customer orders equal to or greater than 1.00% of average TCV. Lastly, under Tier 3, orders that yield fee code PP will be eligible for a reduced fee of \$0.44 per contract where the Member has an ADAV in Customer orders equal to or greater than 1.30% of average TCV.

The Exchange now proposes to reduce the above fees by \$0.01 for Members that achieve certain additional volume requirements. Specifically, the Exchange proposes to add a Step-Up tier under footnote 3 such that the fee charged to a Member under fee code PP and the Non-Customer Penny Pilot Take Volume Tiers described above would be reduced by \$0.01 per contract where the Member has an Options Step-Up Add TCV¹⁰ in Customer orders from September 2016 baseline equal to or greater than 0.30%. The criteria for the proposed Step-Up Tier under footnote 3 would be in addition the criteria required by the three Non-Customer Take Volume tiers under footnote 3.

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule as of November 1, 2016.

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(4),¹² in particular, as it is designed to provide for the equitable allocation of

¹⁰ Id.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(4).

reasonable dues, fees and other charges among its Members and other persons using its facilities. Volume-based rebates such as those currently maintained on the Exchange have been widely adopted by equities and options exchanges 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 the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. The addition of the Non-Customer Penny Pilot Take Volume Step-Up Tier is intended to incentivize Members to send additional orders to the Exchange in an effort to qualify for a further reduced fee for orders that yield fee code PP and the Non-Customer Penny Pilot Take Volume Tiers under footnote 3. The Exchange believes the rates remain competitive with those charged by other venues¹³ and, therefore, are reasonable and equitably allocated to Members. 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 Exchange believes that the proposed Step-Up Tier is equitable and non-discriminatory in that it would apply uniformly to all Members.

The Exchange also believes requiring the Member to have an Options Step-Up Add TCV in Customer orders from September 2016 baseline equal to or greater than

¹³ See NYSE Arca, Inc.'s fee schedule [available at https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf) (dated October 1, 2016) (offering additional credits to under incentive programs for customer, professional customer, and market maker orders as well as a separate take fee discount qualification tier).

0.30% is also equitable and reasonable. Such pricing programs 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. The Exchange believes that providing additional financial incentives to Members that demonstrate an increase over their September 2016 Options Step-Up Add TCV through the proposed tier offers an additional, flexible way to achieve financial incentives from the Exchange and encourage Members to add liquidity to the Exchange. The Exchange believes that this incentive is reasonable, fair and equitable because the liquidity from the proposed tier also benefits all investors by deepening the Exchange's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. These pricing programs are also fair and equitable in that they are available to all Members and will result in Members receiving either the same or an increased rebate than they would currently receive.

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. To the contrary, the Exchange has designed the proposed amendment to its fee schedule to enhance its ability to compete with other exchanges. Also, the Exchange believes that the addition of the proposed tier contributes to rather than burdens competition, as such tier is intended to incentivize Members to increase their participation on the Exchange, which will increase the liquidity and market quality on the Exchange, which will then further enhance the Exchange's ability to compete with other exchanges.

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. 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 to the Exchange's tiered pricing structure burdens competition, but instead, enhances competition as it is intended to increase the competitiveness of 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 Act¹⁴ and Rule 19b-4(f)(2) thereunder,¹⁵ 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

¹⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁵ 17 CFR 240.19b-4(f)(2).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BatsBZX-2016-69)

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

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).

The text of the proposed rule change is available at the Exchange's website at

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).

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 modify its fee schedule applicable to the Exchange's equity options platform ("BZX Options") to add a new Step-Up Tier under footnote 3, Non-Customer Penny Pilot Take Volume Tiers.

The Exchange appends fee code PP to Non-Customer⁶ orders in Penny Pilot Securities⁷ that removes liquidity. Orders that yield fee code PP are charged a fee of \$0.50 per contract. The Exchange offers three tiers under footnote 3, Non-Customer Penny Pilot Take Volume Tiers, which offer reduced fees for Non-Customer orders that yield fee code PP upon achieving each tier's required criteria. Under Tier 1, orders that yield fee code PP will be eligible for a reduced fee of \$0.44 per contract where the

⁶ As defined in the Exchange's fee schedule available at http://www.bats.com/us/options/membership/fee_schedule/bzx/

⁷ Id.

Member has: (i) an ADAV⁸ in Customer⁹ orders equal to or greater than 0.60% of average TCV;¹⁰ (ii) an ADAV in Market Maker¹¹ orders equal to or greater than 0.25% of average TCV; and (iii) on the Exchange's equities platform, BZX Equities, an ADAV equal to or greater than 0.30% of average TCV. Under Tier 2, orders that yield fee code PP will be eligible for a reduced fee of \$0.47 per contract where the Member has an ADAV in Customer orders equal to or greater than 1.00% of average TCV. Lastly, under Tier 3, orders that yield fee code PP will be eligible for a reduced fee of \$0.44 per contract where the Member has an ADAV in Customer orders equal to or greater than 1.30% of average TCV.

The Exchange now proposes to reduce the above fees by \$0.01 for Members that achieve certain additional volume requirements. Specifically, the Exchange proposes to add a Step-Up tier under footnote 3 such that the fee charged to a Member under fee code PP and the Non-Customer Penny Pilot Take Volume Tiers described above would be reduced by \$0.01 per contract where the Member has an Options Step-Up Add TCV¹² in Customer orders from September 2016 baseline equal to or greater than 0.30%. The criteria for the proposed Step-Up Tier under footnote 3 would be in addition the criteria required by the three Non-Customer Take Volume tiers under footnote 3.

Implementation Date

⁸ Id.

⁹ Id.

¹⁰ Id.

¹¹ As defined in the Exchange's fee schedule available at
http://www.bats.com/us/options/membership/fee_schedule/bzx/

¹² Id.

The Exchange proposes to implement these amendments to its fee schedule as of November 1, 2016.

2. 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. Volume-based rebates such as those currently maintained on the Exchange have been widely adopted by equities and options exchanges 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 the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. The addition of the Non-Customer Penny Pilot Take Volume Step-Up Tier is intended to incentivize Members to send additional orders to the Exchange in an effort to qualify for a further reduced fee for orders that yield fee code PP and the Non-Customer Penny Pilot Take Volume Tiers under footnote 3. The Exchange believes the rates remain competitive with those charged by other venues¹⁵

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4).

¹⁵ See NYSE Arca, Inc.'s fee schedule available at https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf (dated October 1, 2016) (offering additional credits to under incentive programs for customer, professional customer, and market maker orders as well as a separate take fee discount qualification tier).

and, therefore, are reasonable and equitably allocated to Members. 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 Exchange believes that the proposed Step-Up Tier is equitable and non-discriminatory in that it would apply uniformly to all Members.

The Exchange also believes requiring the Member to have an Options Step-Up Add TCV in Customer orders from September 2016 baseline equal to or greater than 0.30% is also equitable and reasonable. Such pricing programs 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. The Exchange believes that providing additional financial incentives to Members that demonstrate an increase over their September 2016 Options Step-Up Add TCV through the proposed tier offers an additional, flexible way to achieve financial incentives from the Exchange and encourage Members to add liquidity to the Exchange. The Exchange believes that this incentive is reasonable, fair and equitable because the liquidity from the proposed tier also benefits all investors by deepening the Exchange's liquidity pool, offering additional flexibility for all investors to enjoy cost savings, supporting the quality of price discovery, promoting market transparency and improving investor protection. These pricing programs are also fair and equitable in that they are available to all Members and will result in Members receiving either the same or an increased rebate than they would currently receive.

(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. To the contrary, the Exchange has designed the proposed amendment to its fee schedule to enhance its ability to compete with other exchanges. Also, the Exchange believes that the addition of the proposed tier contributes to rather than burdens competition, as such tier is intended to incentivize Members to increase their participation on the Exchange, which will increase the liquidity and market quality on the Exchange, which will then further enhance the Exchange's ability to compete with other exchanges.

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. 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 to the Exchange's tiered pricing structure burdens competition, but instead, enhances competition as it is intended to increase the competitiveness of 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 Act¹⁶ and paragraph (f) of Rule 19b-4 thereunder.¹⁷ At any time within 60 days of

¹⁶ 15 U.S.C. 78s(b)(3)(A).

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-2016-69 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-2016-69. 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

¹⁷ 17 CFR 240.19b-4(f).

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-2016-69 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.¹⁸

Robert W. Errett
Deputy Secretary

¹⁸ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Bats BZX Options Exchange Fee Schedule

Effective [~~October 3~~]November 1, 2016

* * * * *

Footnotes:

¹⁻² (No change).

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 – Non-Customer Take Volume Tier 3	(No change).	

Applicable to fee code PP and Non-Customer Penny Pilot Take Volume Tiers.

<u>Tier</u>	<u>Discount Per Contract to Remove</u>	<u>Required Criteria</u>
<u>Step-Up Tier</u>	<u>(\$0.01)</u>	<u>Member has an Options Step-Up Add TCV in Customer orders from September 2016 baseline \geq 0.30%</u>

* * * * *