

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 * <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 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 to make several non-substantive changes to the fee schedule as it applies 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 * Chris	Last Name * Solgan
Title * Assistant General Counsel	
E-mail * csolgan@bats.com	
Telephone * (646) 856-8723	Fax

**Signature**

Pursuant to the requirements of the Securities Exchange Act of 1934,

has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized.

(Title \*)

Date 11/29/2016	Assistant General Counsel
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 \***

Add Remove View

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

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

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

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

Add Remove View

Exhibit Sent As Paper Document

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

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

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Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

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

**Exhibit 5 - Proposed Rule Text**

Add Remove View

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

**Partial Amendment**

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

1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Bats BZX Exchange, Inc. (the “Exchange”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to make certain non-substantive and clarifying changes to the fee schedule applicable to Members<sup>3</sup> and non-members of the Exchange pursuant to Exchange Rules 15.1(a) and (c). 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.

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

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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).

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 make certain clarifying and non-substantive changes to its fee schedule in order to improve formatting, eliminate certain redundancies, increase overall readability, and provide users with straightforward descriptions to augment overall comprehensibility and usability of the existing fee schedule. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The proposed changes are simply intended to provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. Specifically, the Exchange proposes to:

- alphabetize defined terms under the "Definitions" section;<sup>4</sup>
- amend criteria for Tier 3 under footnote 5 to add a zero after 2.5% to ensure that it is represented to the hundredths decimal point, like all other percentages included in the fee schedule;
- ensure each tier requiring multiple criteria is conjoined using ";" and "and" to clarify that all of a tier's criteria must be satisfied to receive the applicable rate;
- amend the title of the column setting forth each tier's rate to simply state

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<sup>4</sup> The Exchange does not propose to alphabetize the definitions under the Market Data section of its fee schedule as those terms are generally grouped with similar terms.

“Fee Per Contract to Remove”, “Fee Per Contract to Add” or “Rebate Per Contract to Add” as applicable. Renaming these column is intended to clearly indicate whether the footnote provides a fee and/or a rebate, and whether that enhanced pricing applies to orders which add or remove liquidity. In renaming these columns, the Exchange also proposes to remove certain other descriptive language as such language is redundant and set forth in the tier’s title and list of its applicable fee codes;

- amend the name under first column of the tiers listed under footnotes 1, 3, 4, 5, 12, and 13 to simply state “Tier 1”, Tier 2” etc. as the deleted language is redundant with the respective tier’s title or with the description of the tier’s criteria;
- replace the phrase “equal to or greater than” and “greater than or equal to” with “ $\geq$ ” in all required criteria cells under footnotes 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; and
- amend the NBBO Setter Tier under footnote 4 to specify at the top of the footnote that the additional rebates provided by the tier are only applicable to orders that establish a new National Best Bid or Offer (“NBBO”) and to delete such language from each tier’s criteria.

(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

Act.<sup>5</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Sections 6(b)(4) of the Act,<sup>6</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange believes that the proposed changes are reasonable and equitable because they are intended to simplify the Exchange's fee schedule and provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members. Finally, the Exchange believes that the proposed changes will make the fee schedule clearer and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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. To the contrary, the Exchange believes that the proposed rule change will not impose any burden on competition as the changes are purely clerical and do not amend any fee or rebate.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

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<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(4).

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>7</sup> and Rule 19b-4(f)(2) thereunder,<sup>8</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.

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.

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<sup>7</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>8</sup> 17 CFR 240.19b-4(f)(2).

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-2016-79)

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Non-Substantive Changes to the Equity Options Fee Schedule

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 make certain non-substantive and clarifying changes to the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to Exchange Rules 15.1(a) and (c).

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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> A Member is defined as “any registered broker or dealer that has been admitted to

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 modify its fee schedule applicable to the Exchange's equity options platform ("BZX Options") to make certain clarifying and non-substantive changes to its fee schedule in order to improve formatting, eliminate certain redundancies, increase overall readability, and provide users with straightforward descriptions to augment overall comprehensibility and usability of the existing fee schedule. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The proposed changes are simply intended to provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. Specifically, the Exchange proposes to:

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membership in the Exchange." See Exchange Rule 1.5(n).

- alphabetize defined terms under the “Definitions” section;<sup>6</sup>
- amend criteria for Tier 3 under footnote 5 to add a zero after 2.5% to ensure that it is represented to the hundredths decimal point, like all other percentages included in the fee schedule;
- ensure each tier requiring multiple criteria is conjoined using “; and” to clarify that all of a tier’s criteria must be satisfied to receive the applicable rate;
- amend the title of the column setting forth each tier’s rate to simply state “Fee Per Contract to Remove”, “Fee Per Contract to Add” or “Rebate Per Contract to Add” as applicable. Renaming these column is intended to clearly indicate whether the footnote provides a fee and/or a rebate, and whether that enhanced pricing applies to orders which add or remove liquidity. In renaming these columns, the Exchange also proposes to remove certain other descriptive language as such language is redundant and set forth in the tier’s title and list of its applicable fee codes;
- amend the name under first column of the tiers listed under footnotes 1, 3, 4, 5, 12, and 13 to simply state “Tier 1”, Tier 2” etc. as the deleted language is redundant with the respective tier’s title or with the description of the tier’s criteria;
- replace the phrase “equal to or greater than” and “greater than or equal to”

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<sup>6</sup> The Exchange does not proposes to alphabetize the definitions under the Market Data section of its fee schedule as those terms are generally grouped with similar terms.

with “≥” in all required criteria cells under footnotes 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; and

- amend the NBBO Setter Tier under footnote 4 to specify at the top of the footnote that the additional rebates provided by the tier are only applicable to orders that establish a new National Best Bid or Offer (“NBBO”) and to delete such language from each tier’s criteria.

## 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>7</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Sections 6(b)(4) of the Act,<sup>8</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange believes that the proposed changes are reasonable and equitable because they are intended to simplify the Exchange’s fee schedule and provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members. Finally, the Exchange believes that the proposed changes will

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<sup>7</sup> 15 U.S.C. 78f.

<sup>8</sup> 15 U.S.C. 78f(b)(4).

make the fee schedule clearer and eliminate potential investor confusion, thereby removing impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

(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 of the Act, as amended. To the contrary, the Exchange believes that the proposed rule change will not impose any burden on competition as the changes are purely clerical and do not amend any fee or rebate.

(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>9</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>10</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 furtherance of the purposes of the Act.

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<sup>9</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>10</sup> 17 CFR 240.19b-4(f).

#### 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-2016-79 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-2016-79. 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-2016-79 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>11</sup>

Robert W. Errett  
Deputy Secretary

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<sup>11</sup> 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 November [1]29, 2016**

\* \* \* \* \*

**Definitions:**

- All references to “per contract” mean “per contract executed”.
- “ADAV” means average daily added volume calculated as the number of contracts added and “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.
  - ADAV and ADV are calculated on a monthly basis, excluding contracts added or removed on any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during regular trading hours (“Exchange System Disruption”) and on any day with a scheduled early market close.
  - Routed contracts are not included in ADAV or ADV calculation.
  - With prior notice to the Exchange, a Member may aggregate ADAV or ADV with other Members that control, are controlled by, or are under common control with such Member or who have been appointed as an Appointed OEF or Appointed MM.
- An “Appointed MM” is a Market Maker who has been appointed by an OEF and an “Appointed OEF” is an OEF who has been appointed by a Market Maker as set forth below.
  - Designating an Appointed OEF/Appointed MM: A Market Maker appoints an OEF and an OEF appoints a Market Maker, for the purposes of the Fee Schedule, by each completing and sending an executed Volume Aggregation and Execution Detail Request form by email to [membershipservices@bats.com](mailto:membershipservices@bats.com). Transmittal of the executed form to the Exchange will be viewed as acceptance of the appointment. The Exchange will recognize one such designation for each party. A party may make a designation not more than once every 12 months, which designation shall remain in effect unless or until the Exchange receives written notice from either party indicating that the appointment has been terminated.
- “Away Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is not registered with the Exchange as a Market Maker, but is registered as a market maker on another options exchange.
- [• “Options Step-Up Add TCV” means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV.]

- [• “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, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close.]
- “Broker Dealer” applies to any order for the account of a broker dealer, including a foreign broker dealer, that clears in the Customer range at the Options Clearing Corporation (“OCC”).
- “Customer” applies to any transaction identified by a Member for clearing in the Customer range at the OCC, excluding any transaction for a Broker Dealer or a “Professional” as defined in Exchange Rule 16.1.
- “Firm” applies to any transaction identified by a Member for clearing in the Firm range at the OCC, excluding any Joint Back Office transaction.
- “Joint Back Office” applies to any transaction identified by a Member for clearing in the Firm range at the OCC that is identified with an origin code as Joint Back Office. A Joint Back Office participant is a Member that maintains a Joint Back Office arrangement with a clearing broker-dealer.
- “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).
- [• “Away Market Maker” applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is not registered with the Exchange as a Market Maker, but is registered as a market maker on another options exchange.]
- “Non-Customer” applies to any transaction that is not a Customer order.
- “OEF” means Order Entry Firm as defined in Rule 16.1.
- “Options Step-Up Add TCV” means ADAV as a percentage of TCV in the relevant baseline month subtracted from current ADAV as a percentage of TCV.
- [• “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.]
- “Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.
- “Professional” applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.
- “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, excluding volume on any day that the Exchange experiences an Exchange System Disruption and on any day with a scheduled early market close.

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#### Footnotes:

##### <sup>1</sup> Customer Penny Pilot Add Tiers

Applicable to fee code PY.

Tier	Rebate [p]Per [c]Contract[for a Customer order ]to Add[ for Penny Pilot Securities]	Required Criteria
[Customer Add Volume ]Tier 1	(\$0.40)	Member has an ADV [equal to or greater than] $\geq$ 0.05% of average TCV
[Customer Add Volume ]Tier 2	(\$0.48)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
[Customer Add Volume ]Tier 3	(\$0.50)	Member has an ADV [equal to or greater than] $\geq$ 1.00% of average TCV
[Customer Add Volume ]Tier 4	(\$0.52)	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.00% of average TCV
[Customer Add Volume ]Tier 5	(\$0.53)	<p>(1) Member has an ADAV in Customer orders [equal to or greater than]<math>\geq</math> 0.60% of average TCV; <u>and</u></p> <p>(2) Member has an ADAV in Market Maker orders [equal to or greater than]<math>\geq</math> 0.25% of average TCV; <u>and</u></p> <p>(3) Member has on BZX Equities an ADAV [equal to or greater than]<math>\geq</math> 0.30% of average TCV</p>
[Customer Add Volume ]Tier 6	(\$0.53)	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.30% of average TCV
Customer Step-Up Volume Tier	(\$0.53)	Member has an Options Step-Up Add TCV in Customer orders from September 2015 baseline [equal to or greater than] $\geq$ 0.40%

Customer Cross-Asset Add Tier	(\$0.50)	(1) Member has an ADV [equal to or greater than] $\geq$ 0.80% of average TCV; <u>and</u> (2) Member has on BZX Equities an ADAV [equal to or greater than] $\geq$ 0.50% of average TCV
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**<sup>2</sup> Firm, Broker Dealer, and Joint Back Office Penny Pilot Add Volume Tiers**

Applicable to the following fee codes: PF.

Tier	Rebate [p]Per [c]Contract[for a Firm/BD/JBO order ]to Add [for Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.46)	(1) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.80% of average TCV; <u>and</u> (2) Member has an ADV [equal to or greater than] $\geq$ 1.50% of average TCV
Tier 2	(\$0.43)	(1) Member has an ADV [equal to or greater than] $\geq$ 0.40% of average TCV; <u>and</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.30% of average TCV

**<sup>3</sup> Non-Customer Penny Pilot Take Volume Tiers**

Applicable to fee code PP.

Tier	Fee [p]Per [c]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] $\geq$ 0.60% of average TCV;  (2) Member has an ADAV in Market Maker orders [equal to or greater than] $\geq$ 0.25% of average TCV; <u>and</u>  (3) Member has on BZX Equities an ADAV [equal to or greater than] $\geq$ 0.30% of average TCV
[Non-Customer Take Volume] Tier 2	\$0.47	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.00% of average TCV
[Non-Customer Take Volume] Tier 3	\$0.44	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.30% of average TCV

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

Tier	Discount Per Contract to Remove	Required Criteria
Step-Up Tier	(\$0.01)	Member has an Options Step-Up Add TCV in Customer orders from September 2016 baseline [greater than or equal to] $\geq$ 0.30%

#### <sup>4</sup> NBBO Setter Tiers

Applicable to the following fee codes: PF, PM, PN, NF, NM and NN. Applicable only to orders which establish a new NBBO.

Tier	Additional [r]Rebate [p]Per [c]Contract [for a Non-Customer order ]to Add	Required Criteria

[NBBO Setter] Tier 1	(\$0.02)	[(1) ]Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV  [(2) Any order establishing a new NBBO]
[NBBO Setter] Tier 2	(\$0.04)	[(1) ]Member has an ADV [equal to or greater than] $\geq$ 1.00% of average TCV  [(2) Any order establishing a new NBBO]
[NBBO Setter] Tier 3	(\$0.04)	(1) Member has an ADV [equal to or greater than] $\geq$ 0.40% of average TCV; <u>and</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.30% of average TCV  [(3)Any order establishing a new NBBO]
[NBBO Setter] Tier 4	(\$0.03)	[(1)] Member has an ADAV in Market Maker orders [equal to or greater than] $\geq$ 0.40% of average TCV[.]  [(2)Any order establishing a new NBBO]

Applicable to the following fee codes: PF, PM and PN.

Tier	Additional [r]Rebate [p]Per [c]Contract[for a Non-Customer order ]to Add	Required Criteria
[NBBO Setter] Tier 5	(\$0.05)	(1) Member has an ADAV in Non-Customer orders [equal to or greater than] $\geq$ 1.00% of average TCV; <u>and</u>

		(2) Member has an ADV in Non-Customer orders [equal to or greater than] $\geq$ 1.80% of average TCV  [(3) Any order establishing a new NBBO]
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### **<sup>5</sup> Quoting Incentive Program (“QIP”) Tiers**

Applicable to the following fee codes: PM and NM.

The additional rebate is per contract for an order that adds liquidity to the BZX Options order book in options classes in which a Member is a Market Maker registered on BZX Options pursuant to Rule 22.2. A Market Maker must be registered with BZX Options in an average of 20% or more of the associated options series in a class in order to qualify for QIP rebates for that class.

Tier	Additional [r]Rebate [p]Per [c]Contract to Add	Required Criteria
[QIP ]Tier 1	(\$0.02)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
[QIP ]Tier 2	(\$0.04)	Member has an ADV [equal to or greater than] $\geq$ 1.00% of average TCV
[QIP ]Tier 3	(\$0.05)	Member has an ADV [equal to or greater than] $\geq$ 2.50% of average TCV
[QIP ]Tier 4	(\$0.03)	Member has an ADAV in Market Maker orders [equal to or greater than] $\geq$ 0.40% of average TCV

### **<sup>6</sup> Market Maker Penny Pilot Add Volume Tiers**

Applicable to fee code PM.

Tier	Rebate [p]Per [c]Contract [for a Market Maker order ]to Add [ for Penny Pilot Securities]	Required Criteria

Tier 1	(\$0.40)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
Tier 2	(\$0.42)	(1) Member has an ADAV in Market Maker and/or Away Market Maker orders [equal to or greater than] $\geq$ 1.00% of average TCV; <u>and</u> (2) Member has an ADV [equal to or greater than] $\geq$ 2.00% of average TCV

### **<sup>7</sup> Market Maker Non-Penny Pilot Add Volume Tiers**

Applicable to fee code NM.

Tier	Rebate [p]Per [c]Contract [for a Market Maker order ]to Add[ for Non-Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.45)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
Tier 2	(\$0.52)	Member has an ADV [equal to or greater than] $\geq$ 1.00% of average TCV

### **<sup>8</sup> Firm, Broker Dealer, and Joint Back Office Non-Penny Pilot Add Volume Tiers**

Applicable to fee code NF.

Tier	Rebate [p]Per [c]Contract [for a Firm/BD/JBO order ]to Add[ for Non-Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.45)	Member has an ADV [equal to or greater than] $\geq$ 0.15% of average TCV
Tier 2	(\$0.65)	Member has an ADV [equal to or greater than] $\geq$ 0.25% of

		average TCV
Tier 3	(\$0.67)	(1) Member has an ADV [equal to or greater than] $\geq$ 0.40% of average TCV; <u>and</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.30% of average TCV

### <sup>9</sup> Professional Penny Pilot Add Volume Tiers

Applicable to fee code PA.

Tier	Rebate [p]Per [c]Contract [for a Professional order ]to Add[ for Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.42)	Member has an ADAV in Customer and Professional orders [equal to or greater than] $\geq$ 0.10% of average TCV
Tier 2	(\$0.44)	Member has an ADAV in Customer and Professional orders [equal to or greater than] $\geq$ 0.20% of average TCV
Tier 3	(\$0.46)	Member has an ADAV in Customer and Professional orders [equal to or greater than] $\geq$ 0.30% of average TCV
Tier 4	(\$0.48)	Member has an ADAV in Customer and Professional orders [equal to or greater than] $\geq$ 0.50% of average TCV

### <sup>10</sup> Away Market Maker Penny Pilot Add Volume Tiers

Applicable to fee code PN.

Tier	Rebate [p]Per [c]Contract [for an Away Market Maker order ]to Add[ for Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.40)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
Tier 2	(\$0.46)	(1) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.80% of average TCV; <u>and</u> (2) Member has an ADV [equal to or greater than] $\geq$ 1.50% of average TCV
Tier 3	(\$0.43)	(1) Member has an ADV [equal to or greater than] $\geq$ 0.40% of average TCV; <u>and</u> (2) Member has an ADAV in Away MM/Firm/BD/JBO orders [equal to or greater than] $\geq$ 0.30% of average TCV

#### <sup>11</sup> Away Market Maker Non-Penny Pilot Add Volume Tiers

Applicable to fee code NN.

Tier	Rebate [p]Per [c]Contract [for an Away Market Maker order ]to Add[ for Non-Penny Pilot Securities]	Required Criteria
Tier 1	(\$0.45)	Member has an ADV [equal to or greater than] $\geq$ 0.30% of average TCV
Tier 2	(\$0.52)	Member has an ADV [equal to or greater than] $\geq$ 1.00% of average TCV

**12 Customer Non-Penny Pilot Add Volume Tier**

Applicable to fee code NY.

Tier	Rebate [p]Per [c]Contract [for a Customer Order ]to Add[ for Non-Penny Pilot Securities]	Required Criteria
[Customer Non-Penny Pilot Add Volume ]Tier 1	(\$1.00)	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 0.70% of average TCV

**13 Non-Customer Non-Penny Pilot Take Volume Tiers**

Applicable to fee code NP.

Tier	Fee [p]Per [c]Contract [for a Non-Customer Order ]to Remove[ for Non-Penny Pilot Securities]	Required Criteria
[Non-Customer Take Volume] Tier 1	\$1.02	(1) Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 0.60% of average TCV; (2) Member has an ADAV in Market Maker orders [equal to or greater than] $\geq$ 0.25% of average TCV; and (3) Member has on BZX Equities an ADAV [equal to or greater than] $\geq$ 0.30% of average TCV
[Non-Customer Take Volume] Tier 2	\$1.02	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.00% of average TCV
[Non-Customer Take Volume] Tier 3	\$1.01	Member has an ADAV in Customer orders [equal to or greater than] $\geq$ 1.30% of average TCV

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