

Required fields are shown with yellow backgrounds and asterisks.

|                |  |                            |                                       |
|----------------|--|----------------------------|---------------------------------------|
| Page 1 of * 17 | SECURITIES AND EXCHANGE COMMISSION<br>WASHINGTON, D.C. 20549<br>Form 19b-4 | File No.* SR - 2016 - * 32 | Amendment No. (req. for Amendments *) |
|----------------|--|----------------------------|---------------------------------------|

Filing by Bats EDGX 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"/> |
|---|---|

**Description**

Provide a brief description of the action (limit 250 characters, required when Initial is checked \*).

The Exchange proposed a rule change related to fees as they apply to the recently adopted Step Up Mechanism on its 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 * Anders                    | Last Name * Franzon      |
| Title * SVP, Associate General Counsel |                          |
| E-mail * afranzon@bats.com             |                          |
| Telephone * (913) 815-7154             | Fax <input type="text"/> |


**Signature**

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

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

(Title \*)

|                   |                                |
|-------------------|--------------------------------|
| Date 07/11/2016   | SVP, Associate General Counsel |
| By Anders Franzon | <input type="text"/>           |
| (Name *)          |                                |



afranzon@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 \***

Add Remove View

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 \***

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, security-based swap submission, or advance notice being deemed not properly filed. See also Rule 0-3 under the Act (17 CFR 240.0-3)

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

Add Remove View

Exhibit Sent As Paper Document

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

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

Add Remove View

Exhibit Sent As Paper Document

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

**Exhibit 4 - Marked Copies**

Add Remove View

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

**Exhibit 5 - Proposed Rule Text**

Add Remove View

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

**Partial Amendment**

Add Remove View

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

1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Bats EDGX Exchange, Inc. (the “Exchange” or “EDGX”) 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 EDGX Rules 15.1(a) and (c).

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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

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

Anders Franzon  
SVP, Associate General Counsel  
(913) 815-7154

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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 the fee schedule applicable to the Exchange’s options platform (“EDGX Options”) to adopt fees for its recently adopted Step Up Mechanism (“SUM”).<sup>4</sup> SUM is a feature within the Exchange’s System<sup>5</sup> that will provide automated order handling in designated classes for qualifying orders that are not automatically executed by the System. For order handling and responses regarding SUM, orders that are received by SUM shall be electronically exposed at the NBBO immediately upon receipt. The exposure shall be for a period of time determined by the Exchange on a class-by-class basis, which period of time shall not exceed one second. All Users will be permitted to submit responses to the exposure message during the exposure period.<sup>6</sup> The Exchange proposes to provide an additional rebate per contract for orders submitted by Users in response to a SUM auction, as described below.

In order to encourage Users to respond to SUM auctions, the Exchange proposes to adopt footnote 3 to the Fee Schedule, under which the Exchange would provide an additional rebate of \$0.05 per contract for any order submitted in response to a SUM auction. As with all other fees and rebates on EDGX Options, this rebate would only apply to orders that are executed; and in this case, to orders that are specifically executed

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<sup>4</sup> See SR-BatsEDGX-2016-29 (“Step Up Mechanism Filing”), available at: [http://cdn.batstrading.com/resources/regulation/rule\\_filings/approved/2016/SR-BatsEDGX-2016-29.pdf](http://cdn.batstrading.com/resources/regulation/rule_filings/approved/2016/SR-BatsEDGX-2016-29.pdf).

<sup>5</sup> See Exchange Rule 16.1(a)(59) (defining the term System as the automated trading system used by EDGX Options for the trading of options contracts).

<sup>6</sup> See Step Up Mechanism Filing, supra note 4.

against orders exposed via SUM.

As noted above, all Users are permitted to submit orders in response to a SUM auction, and thus, the Exchange proposes to append footnote 3 to all fee codes on the Exchange's fee schedule other than those specific to routing away from the Exchange and the Exchange's opening process. Specifically, the additional rebate per contract for responding to and executing against an order exposed through a SUM auction would apply to fee codes: NB, NC, NF, NM, NN, NO, NP, PB, PC, PF, PM, PN, PO and PP.

The proposed rebate is an additional rebate per contract, and would therefore be applied on top of any existing fee or rebate currently provided for in the Exchange's fee schedule. For example, pursuant to fee code NB, the Exchange charges a standard fee of \$0.75 per contract for Broker Dealer<sup>7</sup> orders in Non-Penny Pilot Securities.<sup>8</sup> If a User were to submit a Broker Dealer order in a Non-Penny Pilot Security in response to a SUM auction, the resulting transaction fee would be \$0.70 per contract after applying the proposed \$0.05 per contract rebate for SUM responses.

The additional SUM rebate would also apply in addition to any tiered pricing rate otherwise achieved by a Member. For instance, pursuant to footnote 2 of the Exchange's fee schedule, a Member's Market Maker<sup>9</sup> orders are eligible for reduced fees or even a rebate to the extent the Member reaches certain volume thresholds. The additional rebate

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<sup>7</sup> The term "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 OCC.

<sup>8</sup> The term "Non-Penny Pilot Security" applies to those issues that are not Penny Pilot Securities quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

<sup>9</sup> The term "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

per contract would apply in addition to this reduced fee or rebate (*e.g.*, Tier 1, which normally yields a decreased fee of \$0.16 per contract for qualifying Members' Market Maker orders would instead yield a fee of \$0.11 per contract for a SUM response; Tier 5, which normally yields a decreased fee of \$0.02 per contract for qualifying Members' Market Maker orders would instead yield a rebate of \$0.03 per contract for a SUM response; and so forth).

Implementation Date

The Exchange proposes to implement the proposed changes on July 11, 2016.

(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>10</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>11</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 notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues or providers of routing services if they deem fee levels to be excessive.

The Exchange believes the proposed rebate is equitable and not unfairly discriminatory because it would be equally available and objectively applied to all

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

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

Members orders submitted and executed in response to SUM auctions on the Exchange.

The Exchange further believes the proposed rebate is equitable and reasonable as it is an additional rebate per contract designed to encourage Members to enter orders in response to SUM auctions on the Exchange. The Exchange further believes that the rebate is reasonable because the proposed additional rebate per contract does not represent a significant departure from pricing previously offered by the Exchange or other options exchanges. Lastly, the Exchange believes the proposed rebate is not unfairly discriminatory as all Members may enter orders in response to a SUM auction and receive the proposed rebate if their order is executed.

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

The Exchange believes the proposed rebate would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that the proposed rebate represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Rather, the Exchange believes the proposal will enhance competition as it is a competitive proposal that seeks to further the growth of the Exchange by encouraging Members to enter orders in response to SUM auctions.

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>12</sup> and Rule 19b-4(f)(2) thereunder,<sup>13</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.

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.

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<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>13</sup> 17 CFR 240.19b-4(f)(2).



EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BatsEDGX-2016-32)

Self-Regulatory Organizations; Bats EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees as they Apply to the Recently Adopted Step Up Mechanism on its Equity Options Platform

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

The text of the proposed rule change is available at the Exchange's website at [www.batstrading.com](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 the fee schedule applicable to the Exchange's options platform ("EDGX Options") to adopt fees for its recently adopted Step Up Mechanism ("SUM").<sup>6</sup> SUM is a feature within the Exchange's System<sup>7</sup> that will provide automated order handling in designated classes for qualifying orders that are not automatically executed by the System. For order handling and responses regarding SUM, orders that are received by SUM shall be electronically exposed at the NBBO immediately upon receipt. The exposure shall be for a period of time determined by the Exchange on a class-by-class basis, which period of time shall not exceed one second.

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<sup>6</sup> See SR-BatsEDGX-2016-29 ("Step Up Mechanism Filing"), available at: [http://cdn.batstrading.com/resources/regulation/rule\\_filings/approved/2016/SR-BatsEDGX-2016-29.pdf](http://cdn.batstrading.com/resources/regulation/rule_filings/approved/2016/SR-BatsEDGX-2016-29.pdf).

<sup>7</sup> See Exchange Rule 16.1(a)(59) (defining the term System as the automated trading system used by EDGX Options for the trading of options contracts).

All Users will be permitted to submit responses to the exposure message during the exposure period.<sup>8</sup> The Exchange proposes to provide an additional rebate per contract for orders submitted by Users in response to a SUM auction, as described below.

In order to encourage Users to respond to SUM auctions, the Exchange proposes to adopt footnote 3 to the Fee Schedule, under which the Exchange would provide an additional rebate of \$0.05 per contract for any order submitted in response to a SUM auction. As with all other fees and rebates on EDGX Options, this rebate would only apply to orders that are executed; and in this case, to orders that are specifically executed against orders exposed via SUM.

As noted above, all Users are permitted to submit orders in response to a SUM auction, and thus, the Exchange proposes to append footnote 3 to all fee codes on the Exchange's fee schedule other than those specific to routing away from the Exchange and the Exchange's opening process. Specifically, the additional rebate per contract for responding to and executing against an order exposed through a SUM auction would apply to fee codes: NB, NC, NF, NM, NN, NO, NP, PB, PC, PF, PM, PN, PO and PP.

The proposed rebate is an additional rebate per contract, and would therefore be applied on top of any existing fee or rebate currently provided for in the Exchange's fee schedule. For example, pursuant to fee code NB, the Exchange charges a standard fee of \$0.75 per contract for Broker Dealer<sup>9</sup> orders in Non-Penny Pilot Securities.<sup>10</sup> If a User

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<sup>8</sup> See Step Up Mechanism Filing, *supra* note 6.

<sup>9</sup> The term "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 OCC.

were to submit a Broker Dealer order in a Non-Penny Pilot Security in response to a SUM auction, the resulting transaction fee would be \$0.70 per contract after applying the proposed \$0.05 per contract rebate for SUM responses.

The additional SUM rebate would also apply in addition to any tiered pricing rate otherwise achieved by a Member. For instance, pursuant to footnote 2 of the Exchange's fee schedule, a Member's Market Maker<sup>11</sup> orders are eligible for reduced fees or even a rebate to the extent the Member reaches certain volume thresholds. The additional rebate per contract would apply in addition to this reduced fee or rebate (*e.g.*, Tier 1, which normally yields a decreased fee of \$0.16 per contract for qualifying Members' Market Maker orders would instead yield a fee of \$0.11 per contract for a SUM response; Tier 5, which normally yields a decreased fee of \$0.02 per contract for qualifying Members' Market Maker orders would instead yield a rebate of \$0.03 per contract for a SUM response; and so forth).

#### Implementation Date

The Exchange proposes to implement the proposed changes on July 11, 2016.

#### 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

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<sup>10</sup> The term "Non-Penny Pilot Security" applies to those issues that are not Penny Pilot Securities quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

<sup>11</sup> The term "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC, where such Member is registered with the Exchange as a Market Maker as defined in Rule 16.1(a)(37).

Act.<sup>12</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,<sup>13</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 notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues or providers of routing services if they deem fee levels to be excessive.

The Exchange believes the proposed rebate is equitable and not unfairly discriminatory because it would be equally available and objectively applied to all Members orders submitted and executed in response to SUM auctions on the Exchange. The Exchange further believes the proposed rebate is equitable and reasonable as it is an additional rebate per contract designed to encourage Members to enter orders in response to SUM auctions on the Exchange. The Exchange further believes that the rebate is reasonable because the proposed additional rebate per contract does not represent a significant departure from pricing previously offered by the Exchange or other options exchanges. Lastly, the Exchange believes the proposed rebate is not unfairly discriminatory as all Members may enter orders in response to a SUM auction and receive the proposed rebate if their order is executed.

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

The Exchange believes the proposed rebate would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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<sup>12</sup> 15 U.S.C. 78f.

<sup>13</sup> 15 U.S.C. 78f(b)(4).

The Exchange does not believe that the proposed rebate represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. Rather, the Exchange believes the proposal will enhance competition as it is a competitive proposal that seeks to further the growth of the Exchange by encouraging Members to enter orders in response to SUM auctions.

(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>14</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>15</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.

IV. Solicitation of Comments

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

Comments may be submitted by any of the following methods:

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<sup>14</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>15</sup> 17 CFR 240.19b-4(f).

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-BatsEDGX-2016-32 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-BatsEDGX-2016-32. 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-BatsEDGX-2016-32 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>16</sup>

Robert W. Errett  
Deputy Secretary

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<sup>16</sup> 17 CFR 200.30-3(a)(12).



## Exhibit 5

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

## Bats EDGX Options Exchange Fee Schedule

Effective July [1]11, 2016

\* \* \* \* \*

**Fee Codes and Associated Fees:**

| Fee Code          | Description                    | Fee/(Rebate) |
|-------------------|--------------------------------|--------------|
| D1 – D4           | (No change.)                   |              |
| NB <sup>3</sup>   | Broker Dealer, Non-Penny       | 0.75         |
| NC <sup>1,3</sup> | Customer, Non-Penny            | (0.05)       |
| NF <sup>3</sup>   | Firm, Non-Penny                | 0.75         |
| NM <sup>2,3</sup> | Market Maker, Non-Penny        | 0.19         |
| NN <sup>3</sup>   | Away Market Maker, Non-Penny   | 0.75         |
| NO <sup>3</sup>   | Joint Back Office, Non-Penny   | 0.75         |
| NP <sup>3</sup>   | Professional, Non-Penny        | 0.75         |
| OO                | (No change.)                   |              |
| PB <sup>3</sup>   | Broker Dealer, Penny Pilot     | 0.48         |
| PC <sup>1,3</sup> | Customer, Penny Pilot          | (0.05)       |
| PF <sup>3</sup>   | Firm, Penny Pilot              | 0.45         |
| PM <sup>2,3</sup> | Market Maker, Penny Pilot      | 0.19         |
| PN <sup>3</sup>   | Away Market Maker, Penny Pilot | 0.48         |
| PO <sup>3</sup>   | Joint Back Office, Penny Pilot | 0.48         |
| PP <sup>3</sup>   | Professional, Penny Pilot      | 0.48         |
| RN – RR           | (No change.)                   |              |

\* \* \* \* \*

**Footnotes:**

\* \* \* \* \*

**3. [Reserved.]Step Up Mechanism (“SUM”) Auction Pricing**

Applicable to fee codes NB, NC, NF, NM, NN, NO, NP, PB, PC, PF, PM, PN, PO and PP.

| <u>Description</u>   | <u>Additional rebate per contract</u> | <u>Required Criteria</u>   |
|----------------------|---------------------------------------|--|
| <u>SUM Responder</u> | <u>(\$0.05)</u>                       | <u>Member responds to and executes against an order subject to the SUM Auction</u> |

\* \* \* \* \*