

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="30"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2016"/> - * <input type="text" value="57"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	--	--

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 type="checkbox"/> 19b-4(f)(6)
			<input checked="" type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input type="checkbox"/> 19b-4(f)(6)	

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

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

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 * <input type="text" value="Chris"/>	Last Name * <input type="text" value="Solgan"/>
Title * <input type="text" value="Assistant General Counsel"/>	
E-mail * <input type="text" value="csolgan@bats.com"/>	
Telephone * <input type="text" value="(646) 856-8725"/>	Fax <input type="text"/>

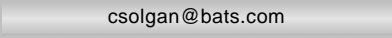
Signature

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

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

(Title *)

Date <input type="text" value="10/06/2016"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Chris Solgan"/>	<input type="text"/>
(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 *

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”),¹ and Rule 19b-4 thereunder,² 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 Members³ and non-Members of the Exchange pursuant to EDGX Rules 15.1(a) and (c). The changes to the fee schedule pursuant to this proposal are effective upon filing.

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

(b) Not applicable.

(c) Not applicable.

2. Procedures of the Self-Regulatory Organization

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

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

Eric Swanson
EVP, General Counsel

Chris Solgan
Assistant General Counsel

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).

(913) 815-7000

(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 amend its fee schedule for its equity options platform (“EDGX Options”) to: (i) add definition of OCC Customer Volume or OCV, to the Definitions section of the fee schedule; and (ii) modify the criteria for the Customer Volume, Market Maker Volume, and Firm Penny Pilot Cross-Asset Tiers to reflect the new definition of OCV; and (iii) to make a non-substantive change.

OCC Customer Volume Definition

The Exchange proposes to add the definition of “OCC Customer Volume” or “OCV” to the definition section of its fee schedule. OCC Customer Volume or OCV will be defined as the total equity and Exchange Traded Fund (“ETF”) options volume that clears in the Customer⁴ range at the Options Clearing Corporation (“OCC”) for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption⁵ and on any day with a scheduled early market close.

Tier Qualifications Change

The Exchange proposes to replace current tier qualifications which refer to Total

⁴ As defined in the Exchange’s fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

⁵ An “Exchange System Disruption” means “any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours.” Id.

Consolidated Volume (“TCV”)⁶ with a reference to OCV in the Customer Volume Tier, Market Maker Volume Tier and Firm Penny Pilot Cross-Asset Tier, in Footnotes 1, 2 and 4, respectively. Because OCV generally makes up a smaller range than the prior TCV, the Exchange also proposes to amend the percentage of OCV necessary to achieve the tier so that it is substantially identical to the previously required percentage of TCV. Doing so will keep each tier’s criteria relatively unchanged from its current requirements. The rates for each tier are unchanged. Changes to each tier are described below.

Customer Volume Tiers

Customer orders that yield fee codes NC⁷ or PC⁸ and are given a standard rebate of \$0.05 per contract. Footnote 1 of the fee schedule sets forth five tiers, each providing enhanced rebates, ranging from \$0.10 to \$0.25 per contract, to a Member’s order that yield fee codes NC or PC upon satisfying monthly volume criteria based on an ADV⁹ in Customer orders equal to or greater than a percentage of average TCV.

- Tier 1 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.15% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.20% of average OCV.
- Tier 2 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.30% of average TCV. As amended, a Member must have an

⁶ Id.

⁷ Fee code NC is appended to a Member’s order which removes liquidity (Customer), Non-Penny. Id.

⁸ Fee code PC is appended to a Member’s order which removes liquidity (Customer) Penny Pilot. Id.

⁹ As defined in the Exchange’s fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

ADV in Customer orders equal to or greater than 0.40% of average OCV.

- Tier 3 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.50% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.65% of average OCV.
- Tier 4 currently requires that a Member has an ADV in Customer orders equal to or greater than 0.80% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 1.05% of average OCV.
- Tier 5 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.05% of average TCV, and an ADV in Customer or Market Maker¹⁰ orders equal to or greater than 0.25% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.05% of average OCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.35% of average OCV.

Market Marker Volume Tier

Market Maker orders yield fee codes PM¹¹ or NM¹² and are charged a standard fee of \$0.19 per contract. Footnote 2 of the fee schedule sets forth seven tiers, each providing a reduced fee ranging from \$0.01 to \$0.16 per contract to a Member's order that yield fee code PM or NM upon satisfying monthly volume criteria based on a Member having an ADV in Market Maker orders equal to or greater than a percentage of average TCV.

¹⁰ Id.

¹¹ Fee code PM is appended to a Members order which adds liquidity (MM), Penny Pilot. Id.

¹² Fee code NM is appended to a Members order which adds liquidity (MM), Non-Penny. Id.

- Tier 1 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.05% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.05% of average OCV.¹³
- Tier 2 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.10% of average TCV. The equivalent proposed calculation would require that a Member has an ADV in Market Maker orders equal to or greater than 0.15% of average OCV.
- Tier 3: Currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.20% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.25% of average OCV.
- Tier 4 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.30% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.40% of average OCV.
- Tier 5 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.70% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.95% of average OCV.
- Tier 6 currently requires that a Member have an ADV in Market Maker orders

¹³ The Exchange proposes to retain the 0.05% requirement as adjusting that number to reflect replacing TCV with OCV will result in a de minimis change in the percentage.

equal to or greater than 1.10% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 1.45% of average OCV.

- Tier 7 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.05% of average TCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.25% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.05% of average OCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.35% of average OCV.

Firm Penny Pilot Cross-Asset Tier

Firm¹⁴ Penny Pilot¹⁵ orders yield fee code PF¹⁶ and are charged a standard fee of \$0.45 per contract. Footnote 4 of the fee schedule sets forth a Cross-Asset Tier, providing a reduced fee of \$0.32 per contract for Member's order that yield fee code PF where that Member has an ADV in Firm orders equal to or greater than 0.10% of average TCV and an ADAV¹⁷ on the Exchange's equity platform ("EDGX Equities") equal to or greater than 0.12% of average TCV. As amended, a Member must have an ADV in Firm orders equal to or greater than 0.15% of average OCV, and on EDGX Equities an ADAV equal to or greater than 0.12% of average TCV.

¹⁴ As defined in the Exchange's fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

¹⁵ Id.

¹⁶ Fee code PF is appended to a Members order which adds liquidity (Firm/BD/JBO), Penny Pilot.

¹⁷ As defined in the Exchange's fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

Non-Substantive Change

The header of each tier described on the Fee Schedule denotes three columns, the first of which is labeled as “Tier” in Footnotes 1 and 2, and labeled as “Description” in Footnote 3 and footnote 4. To harmonize the labeling of the tiers and promote clarity throughout the fee schedule the Exchange proposes to label the first columns of Footnotes 3 and 4, “Tier.”

Implementation Date

The Exchange proposes to implement the amendments to its fee schedule immediately.¹⁸

(b) Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,¹⁹ in general, and furthers the objectives of Section 6(b)(4),²⁰ in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members.

The proposed fee structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it

¹⁸ The Exchange initially filed the proposed amendments to its fee schedule on September 30, 2016 (SR-BatsEDGX-2016-56). On October 6, 2016, the Exchange withdrew SR-BatsEDGX-2016-56 and submitted this filing.

¹⁹ 15 U.S.C. 78f.

²⁰ 15 U.S.C. 78f(b)(4).

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

The Exchange believes adopting a definition of OCV and utilizing OCV in lieu of TCV is reasonable, fair and equitable, and non-discriminatory because the Exchange also proposed to modify the tier's related criteria in order to maintain substantially identical requirements to qualify for the tier without changing the rate provided for by the tiers. In addition, the amount of OCV historically tends to remain reasonably consistent from month to month, as opposed to TCV which is less consistent. OCV is also more consistent than options volume that clears in the Market Maker or Firm range at the OCC, as Market Maker and Firm volume may vary drastically from month to month based on market events, as opposed to Customer options volume which remains relatively consistent. Therefore, the Exchange believes utilizing OCV would result in consistent tier criteria as OCV is a relatively static monthly number which would enable market participants to better predict whether they may achieve a tier criteria each month and qualify for that tier's preferred pricing.

The Exchange also believes that the use OCV provides a calculation that is reasonably identical to and is not a significant departure from previous tier qualifications

conventions offered by other exchanges²¹ The Exchange believes that the proposed definitions of OCV is reasonable, fair and equitable, and non-discriminatory, and will provide additional transparency to Members regarding the calculations used to determine volume levels for purposes of the proposed tiered pricing model.

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

The Exchange does not believe its proposed amendment to its fee schedule would 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 changes represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. The Exchange believes that its proposal to amend the qualification criteria and to incorporate OCV as proposed would not impose any burden on competition that is not necessary or appropriate in furtherance of the

²¹ See the NYSE MKT LLC ("NYSE MKT") fee schedule available at https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE_Amex_Options_Fee_Schedule.pdf (setting forth tiers that provide preferred pricing to options market makers who meet certain criteria, including achieving a specific "Monthly Volume as a % of Industry Customer Equity and Exchange Traded Fund ("ETF") Option Volume"); NYSE Arca, Inc. ("NYSE ARCA") options fee schedule available at https://www.nyse.com/publicdocs/nyse/markets/arca-options/NYSE_Arca_Options_Fee_Schedule.pdf (setting forth a Market Maker Incentive tier that provides preferred pricing to market makers who meet certain criteria, including achieving a specific percentage of "Total Industry Customer equity and ETF option ADV"); Nasdaq Stock Market LLC ("Nasdaq") options fee schedule available at <http://www.nasdaqtrader.com/Micro.aspx?id=optionsPricing> (setting forth tiers that provide preferred pricing to market makers who meet certain criteria, including achieving a specific percentage of "total industry customer equity and ETF option ADV contracts per month"); and Nasdaq BX LLC ("BX") options fee schedule available at <http://www.nasdaqtrader.com/Micro.aspx?id=BXOptionsPricing> (setting forth tiers that provide preferred pricing to market makers who meet certain criteria, including achieving a specific percentage of "total industry customer equity and ETF option ADV contracts per month").

purposes of the Act because the Exchange also proposed to modify the tier's related criteria in order to maintain substantially identical requirements to qualify for each tier. 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 changes will impair the ability of Members or competing venues to maintain their competitive standing in the financial markets. The Exchange believes that its proposal would not burden intramarket competition because the proposed rates would continue to apply uniformly to all Members. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The Exchange does not believe the proposed tiers and standard rates would burden intramarket competition as they would apply to all Members uniformly.

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 Act²² and Rule 19b-4(f)(2) thereunder,²³ the Exchange has designated this proposal as establishing or changing a due, fee, or other

²² 15 U.S.C. 78s(b)(3)(A)(ii).

²³ 17 CFR 240.19b-4(f)(2).

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BatsEDGX-2016-57)

Self-Regulatory Organizations; Bats EDGX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Fees for Use of Bats EDGX Exchange, Inc. 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 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 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 EDGX Rules 15.1(a) and (c).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

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

The text of the proposed rule change is available at the Exchange's website at www.batstrading.com, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to amend its fee schedule for its equity options platform ("EDGX Options") to: (i) add definition of OCC Customer Volume or OCV, to the Definitions section of the fee schedule; and (ii) modify the criteria for the Customer Volume, Market Maker Volume, and Firm Penny Pilot Cross-Asset Tiers to reflect the new definition of OCV; and (iii) to make a non-substantive change.

OCC Customer Volume Definition

The Exchange proposes to add the definition of "OCC Customer Volume" or "OCV" to the definition section of its fee schedule. OCC Customer Volume or OCV will be defined as the total equity and Exchange Traded Fund ("ETF") options volume that

clears in the Customer⁶ range at the Options Clearing Corporation (“OCC”) for the month for which the fees apply, excluding volume on any day that the Exchange experiences an Exchange System Disruption⁷ and on any day with a scheduled early market close.

Tier Qualifications Change

The Exchange proposes to replace current tier qualifications which refer to Total Consolidated Volume (“TCV”)⁸ with a reference to OCV in the Customer Volume Tier, Market Maker Volume Tier and Firm Penny Pilot Cross-Asset Tier, in Footnotes 1, 2 and 4, respectively. Because OCV generally makes up a smaller range than the prior TCV, the Exchange also proposes to amend the percentage of OCV necessary to achieve the tier so that it is substantially identical to the previously required percentage of TCV. Doing so will keep each tier’s criteria relatively unchanged from its current requirements. The rates for each tier are unchanged. Changes to each tier are described below.

Customer Volume Tiers

Customer orders that yield fee codes NC⁹ or PC¹⁰ and are given a standard rebate of \$0.05 per contract. Footnote 1 of the fee schedule sets forth five tiers, each providing

⁶ As defined in the Exchange’s fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

⁷ An “Exchange System Disruption” means “any day that the Exchange’s system experiences a disruption that lasts for more than 60 minutes during Regular Trading Hours.” Id.

⁸ Id.

⁹ Fee code NC is appended to a Member’s order which removes liquidity (Customer), Non-Penny. Id.

¹⁰ Fee code PC is appended to a Member’s order which removes liquidity (Customer) Penny Pilot. Id.

enhanced rebates, ranging from \$0.10 to \$0.25 per contract, to a Member's order that yield fee codes NC or PC upon satisfying monthly volume criteria based on an ADV¹¹ in Customer orders equal to or greater than a percentage of average TCV.

- Tier 1 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.15% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.20% of average OCV.
- Tier 2 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.30% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.40% of average OCV.
- Tier 3 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.50% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.65% of average OCV.
- Tier 4 currently requires that a Member has an ADV in Customer orders equal to or greater than 0.80% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 1.05% of average OCV.
- Tier 5 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.05% of average TCV, and an ADV in Customer or Market Maker¹² orders equal to or greater than 0.25% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.05% of

¹¹ As defined in the Exchange's fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

¹² Id.

average OCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.35% of average OCV.

Market Maker Volume Tier

Market Maker orders yield fee codes PM¹³ or NM¹⁴ and are charged a standard fee of \$0.19 per contract. Footnote 2 of the fee schedule sets forth seven tiers, each providing a reduced fee ranging from \$0.01 to \$0.16 per contract to a Member's order that yield fee code PM or NM upon satisfying monthly volume criteria based on a Member having an ADV in Market Maker orders equal to or greater than a percentage of average TCV.

- Tier 1 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.05% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.05% of average OCV.¹⁵
- Tier 2 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.10% of average TCV. The equivalent proposed calculation would require that a Member has an ADV in Market Maker orders equal to or greater than 0.15% of average OCV.

¹³ Fee code PM is appended to a Members order which adds liquidity (MM), Penny Pilot. Id.

¹⁴ Fee code NM is appended to a Members order which adds liquidity (MM), Non-Penny. Id.

¹⁵ The Exchange proposes to retain the 0.05% requirement as adjusting that number to reflect replacing TCV with OCV will result in a de minimis change in the percentage.

- Tier 3: Currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.20% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.25% of average OCV.
- Tier 4 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.30% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.40% of average OCV.
- Tier 5 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 0.70% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 0.95% of average OCV.
- Tier 6 currently requires that a Member have an ADV in Market Maker orders equal to or greater than 1.10% of average TCV. As amended, a Member must have an ADV in Market Maker orders equal to or greater than 1.45% of average OCV.
- Tier 7 currently requires that a Member have an ADV in Customer orders equal to or greater than 0.05% of average TCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.25% of average TCV. As amended, a Member must have an ADV in Customer orders equal to or greater than 0.05% of average OCV, and an ADV in Customer or Market Maker orders equal to or greater than 0.35% of average OCV.

Firm Penny Pilot Cross-Asset Tier

Firm¹⁶ Penny Pilot¹⁷ orders yield fee code PF¹⁸ and are charged a standard fee of \$0.45 per contract. Footnote 4 of the fee schedule sets forth a Cross-Asset Tier, providing a reduced fee of \$0.32 per contract for Member's order that yield fee code PF where that Member has an ADV in Firm orders equal to or greater than 0.10% of average TCV and an ADAV¹⁹ on the Exchange's equity platform ("EDGX Equities") equal to or greater than 0.12% of average TCV. As amended, a Member must have an ADV in Firm orders equal to or greater than 0.15% of average OCV, and on EDGX Equities an ADAV equal to or greater than 0.12% of average TCV.

Non-Substantive Change

The header of each tier described on the Fee Schedule denotes three columns, the first of which is labeled as "Tier" in Footnotes 1 and 2, and labeled as "Description" in Footnote 3 and footnote 4. To harmonize the labeling of the tiers and promote clarity throughout the fee schedule the Exchange proposes to label the first columns of Footnotes 3 and 4, "Tier."

Implementation Date

The Exchange proposes to implement the amendments to its fee schedule

¹⁶ As defined in the Exchange's fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

¹⁷ Id.

¹⁸ Fee code PF is appended to a Members order which adds liquidity (Firm/BD/JBO), Penny Pilot.

¹⁹ As defined in the Exchange's fee schedule available at http://www.batsoptions.com/support/fee_schedule/edgx/.

immediately.²⁰

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the objectives of Section 6 of the Act,²¹ in general, and furthers the objectives of Section 6(b)(4),²² in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that the proposed rates are equitable and non-discriminatory in that they apply uniformly to all Members.

The proposed fee structure remains intended to attract order flow to the Exchange by offering market participants a competitive pricing structure. The Exchange believes it is reasonable to offer and incrementally modify incentives intended to help to contribute to the growth of the Exchange. Volume-based rebates such as that described herein have been widely adopted by exchanges, including the Exchange, and are equitable because they are open to all Members on an equal basis and provide additional benefits or discounts that are reasonably related to: (i) the value to an exchange's market quality; (ii) associated higher levels of market activity, such as higher levels of liquidity provisions and/or growth patterns; and (iii) introduction of higher volumes of orders into the price

²⁰ The Exchange initially filed the proposed amendments to its fee schedule on September 30, 2016 (SR-BatsEDGX-2016-56). On October 6, 2016, the Exchange withdrew SR-BatsEDGX-2016-56 and submitted this filing.

²¹ 15 U.S.C. 78f.

²² 15 U.S.C. 78f(b)(4).

and volume discovery processes.

The Exchange believes adopting a definition of OCV and utilizing OCV in lieu of TCV is reasonable, fair and equitable, and non-discriminatory because the Exchange also proposed to modify the tier's related criteria in order to maintain substantially identical requirements to qualify for the tier without changing the rate provided for by the tiers. In addition, the amount of OCV historically tends to remain reasonably consistent from month to month, as opposed to TCV which is less consistent. OCV is also more consistent than options volume that clears in the Market Maker or Firm range at the OCC, as Market Maker and Firm volume may vary drastically from month to month based on market events, as opposed to Customer options volume which remains relatively consistent. Therefore, the Exchange believes utilizing OCV would result in consistent tier criteria as OCV is a relatively static monthly number which would enable market participants to better predict whether they may achieve a tier criteria each month and qualify for that tier's preferred pricing.

The Exchange also believes that the use OCV provides a calculation that is reasonably identical to and is not a significant departure from previous tier qualifications conventions offered by other exchanges²³ The Exchange believes that the proposed

²³ See the NYSE MKT LLC ("NYSE MKT") fee schedule [available at https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE_Amex_Options_Fee_Schedule.pdf](https://www.nyse.com/publicdocs/nyse/markets/amex-options/NYSE_Amex_Options_Fee_Schedule.pdf) (setting forth tiers that provide preferred pricing to options market makers who meet certain criteria, including achieving a specific "Monthly Volume as a % of Industry Customer Equity and Exchange Traded Fund ("ETF") Option Volume"); NYSE Arca, Inc. ("NYSE ARCA") options 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) (setting forth a Market Maker Incentive tier that provides preferred pricing to market makers who meet certain

definitions of OCV is reasonable, fair and equitable, and non-discriminatory, and will provide additional transparency to Members regarding the calculations used to determine volume levels for purposes of the proposed tiered pricing model.

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

The Exchange does not believe its proposed amendment to its fee schedule would 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 changes represents a significant departure from previous pricing offered by the Exchange or pricing offered by the Exchange's competitors. The Exchange believes that its proposal to amend the qualification criteria and to incorporate OCV as proposed would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act because the Exchange also proposed to modify the tier's related criteria in order to maintain substantially identical requirements to qualify for each tier. 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 changes will impair the ability of Members or competing venues to maintain

criteria, including achieving a specific percentage of "Total Industry Customer equity and ETF option ADV"); Nasdaq Stock Market LLC ("Nasdaq") options fee schedule available at <http://www.nasdaqtrader.com/Micro.aspx?id=optionsPricing> (setting forth tiers that provide preferred pricing to market makers who meet certain criteria, including achieving a specific percentage of "total industry customer equity and ETF option ADV contracts per month"); and Nasdaq BX LLC ("BX") options fee schedule available at <http://www.nasdaqtrader.com/Micro.aspx?id=BXOptionsPricing> (setting forth tiers that provide preferred pricing to market makers who meet certain criteria, including achieving a specific percentage of "total industry customer equity and ETF option ADV contracts per month").

their competitive standing in the financial markets. The Exchange believes that its proposal would not burden intramarket competition because the proposed rates would continue to apply uniformly to all Members. As stated above, the Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The Exchange does not believe the proposed tiers and standard rates would burden intramarket competition as they would apply to all Members uniformly.

(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 Act²⁴ and paragraph (f) of Rule 19b-4 thereunder.²⁵ 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

²⁴ 15 U.S.C. 78s(b)(3)(A).

²⁵ 17 CFR 240.19b-4(f).

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-BatsEDGX-2016-57 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-2016-57. 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-2016-57 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.²⁶

Robert W. Errett
Deputy Secretary

²⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Bats EDGX Options Exchange Fee Schedule

Effective [~~September 1~~]October 6, 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. 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.
- “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).
- “Non-Customer” applies to any transaction that is not a Customer order.
- “OCC Customer Volume” or “OCV” means the total equity and ETF options volume that clears in the Customer range at the Options Clearing Corporation (“OCC”) 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.
- “OEF” means Order Entry Firm as defined in Rule 16.1.
- “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.
- “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.
- “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.

* * * * *

Footnotes:

¹ Customer Volume Tiers

Applicable to fee codes PC and NC.

Tier	Rebate per contract for a Customer order	Required Criteria
Tier 1	(\$0.10)	Member has an ADV in Customer orders equal to or greater than [0.15] <u>0.20</u> % of average [TCV] <u>OCV</u>
Tier 2	(\$0.16)	Member has an ADV in Customer orders equal to or greater than [0.30] <u>0.40</u> % of average [TCV] <u>OCV</u>

Tier 3	(\$0.21)	Member has an ADV in Customer orders equal to or greater than [0.50] <u>0.65%</u> of average [TCV] <u>OCV</u>
Tier 4	(\$0.25)	Member has an ADV in Customer orders equal to or greater than [0.80] <u>1.05%</u> of average [TCV] <u>OCV</u>
Tier 5	(\$0.21)	(1) Member has an ADV in Customer orders equal to or greater than 0.05% of average [TCV] <u>OCV</u> ; and (2) Member has an ADV in Customer or Market Maker orders equal to or greater than [0.25] <u>0.35%</u> of average [TCV] <u>OCV</u>

² Market Maker Volume Tiers

Applicable to fee codes PM and NM.

Tier	Transaction Fee/Rebate per contract for a Market Maker order	Required Criteria
Tier 1	\$0.16	Member has an ADV in Market Maker orders equal to or greater than 0.05% of average [TCV] <u>OCV</u>
Tier 2	\$0.13	Member has an ADV in Market Maker orders equal to or greater than [0.10] <u>0.15%</u> of average [TCV] <u>OCV</u>
Tier 3	\$0.10	Member has an ADV in Market Maker orders equal to or greater than [0.20] <u>0.25%</u> of average [TCV] <u>OCV</u>
Tier 4	\$0.07	Member has an ADV in Market Maker orders equal to or greater than [0.30] <u>0.40%</u> of average [TCV] <u>OCV</u>
Tier 5	\$0.02	Member has an ADV in Market Maker orders equal to or greater than [0.70] <u>0.95%</u> of average [TCV] <u>OCV</u>
Tier 6	(\$0.01)	Member has an ADV in Market Maker orders equal to or greater than [1.10] <u>1.45%</u> of average [TCV] <u>OCV</u>

Tier 7	\$0.03	(1) Member has an ADV in Customer orders equal to or greater than 0.05% of average [TCV] <u>OCV</u> (2) Member has an ADV in Customer or Market Maker orders equal to or greater than [0.25] <u>0.35</u> % of average [TCV] <u>OCV</u>
--------	--------	---

³ 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.

[Description] Tier	Additional rebate per contract	Required Criteria
SUM Responder	(No Change.)	

⁴ Firm Penny Pilot Cross-Asset Tier

Applicable to fee code PF.

[Description] Tier	Transaction Fee per contract	Required Criteria
Tier 1	\$0.32	(1) Member has an ADV in Firm orders equal to or greater than [0.10] <u>0.15</u> % of average [TCV] <u>OCV</u> ; and (2) Member has on EDGX Equities an ADAV equal to or greater than 0.12% of average TCV

* * * * *