

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * <input type="text" value="22"/>	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - <input type="text" value="2017"/> - * <input type="text" value="22"/>	Amendment No. (req. for Amendments *) <input type="text"/>
---	--	--	--

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

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) 856-8723"/>	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="04/12/2017"/>	<input type="text" value="Assistant General Counsel"/>
By <input type="text" value="Chris Solgan"/>	<input type="text" value="Assistant General Counsel"/>
(Name *)	<input type="text" value="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 BZX Exchange, Inc. (the “Exchange” or “BZX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the fee schedule applicable to Members and non-Members³ of the Exchange pursuant to BZX 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 Exchange submits the proposed rule change pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the Exchange’s Board of Directors of any action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change and, therefore, the Exchange’s internal procedures with respect to the proposed change are complete.

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

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).

Joanne Moffic-Silver
Executive Vice President, General
Counsel, and Corporate Secretary
(312) 786-7462

Chris Solgan
Assistant General Counsel
(646) 856-8723

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

(a) Purpose

The Exchange proposes to amend its fee schedule applicable to its equities trading platform ("BZX Equities") to: (i) add new tiers under footnotes 1 and 4; and (ii) eliminate tier 4 under footnote 3.

Add Volume Tiers Under Footnote 1

The Exchange currently offers nine Add Volume Tiers under footnote 1, which provide an enhanced rebate of \$0.0025 to \$0.0032 per share for qualifying orders which yield fee codes B, V, or Y.⁴ The Exchange now proposes to add two additional tiers which will provide an enhanced rebate per share for qualifying orders which yield fee code HA.^{5, 6}

- Under the proposed Non-Displayed Add Volume Tier 1, a Member may receive an enhanced rebate of \$0.0020 per share where they add an ADV greater than or equal to 0.09% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.

⁴ Fee codes B, V, and Y are appended to displayed orders that add liquidity in tape B, A, or C, respectively. See the Exchange's fee schedule available at http://www.bats.com/us/equities/membership/fee_schedule/bzx/.

⁵ Fee code HA is appended to non-displayed orders which add liquidity. Id.

⁶ The Exchange proposes to add additional labels to the table in footnote 1 to further clarify which tiers apply to orders yielding the differentiating fee codes. The Exchange also proposes to append footnote 1 to fee code HA in connection with this change.

- Under the proposed Non-Displayed Add Volume Tier 2, a Member may receive an enhanced rebate of \$0.0025 per share where they add an ADV greater than or equal to 0.18% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.

Single MPID Investor Tier Under Footnote 4

The Exchange currently offers one Single MPID Investor Tier under footnote 4, which provides an enhanced rebate of \$0.0031 per share for qualifying orders which yield fee codes B, V, or Y. The distinction between the existing tier under footnote 4 and other tiers offered by the Exchange, is that the volume measured to determine whether a Member qualifies is performed on an MPID by MPID basis. The Exchange now proposes to add an additional single MPID tier which will provide an enhanced rebate per share for qualifying orders which yield fee codes B, V, or Y. Under the proposed Step-Up Add Tier under footnote 4, a Member may receive an enhanced rebate of \$0.0027 per share where the MPID has a Step-Up ADAV from November 2016, greater than or equal to 500,000 shares.

Eliminate Tier 4 Under Footnote 3

The Exchange currently offers five Cross-Asset Step-Up Tiers under footnote 3, which provide an enhanced rebate per contract ranging from \$0.0027 to \$0.0032 per share for qualifying orders. Tiers 1 through 4 apply to orders which yield fee codes B, V, or Y. Tier 5 applies to orders which yield fee codes BB, N, or W.⁷ The Exchange now proposes to eliminate Tier 4 under footnote 3, which provides a rebate of \$0.0032

⁷ Fee codes BB, N, and W are appended to orders that remove liquidity in tape B, C, or A, respectively. See the Exchange's fee schedule available at http://www.bats.com/us/equities/membership/fee_schedule/bzx/.

per share for Members that have an Options Step-Up Add TCV in Customer orders from October 2016 baseline greater than or equal to 0.35%.⁸

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule immediately.⁹

(b) Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,¹⁰ in general, and furthers the objectives of Section 6(b)(4),¹¹ 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 or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange.

Addition of New Volume Tiers

⁸ In connection with the elimination of Tier 4, the Exchange proposes that Tier 5 be renamed to Tier 4.

⁹ The Exchange initially filed the proposed amendments to its fee schedule on March 31, 2017 (SR-BatsBZX-2017-21). On April 12, 2017, the Exchange withdrew SR-BatsBZX-2017-21 and then subsequently submitted this filing (SR-BatsBZX-2017-22).

¹⁰ 15 U.S.C. 78f.

¹¹ 15 U.S.C. 78f(b)(4).

The Exchange believes that the proposed modifications to the tiered pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive or incentives provided to be insufficient. The proposed 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 pricing such as that proposed 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.

Add Volume Tiers. The proposed additions of two Non-Displayed Add Volume Tiers reinforces the purpose of the Add Volume Tier by incentivizing Members to send Non-Displayed orders to the Exchange. Thus, the Exchange believes that the proposed modifications to the tiered pricing structure under footnote 1 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because they will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow and because such an incentive is open to all Members on an equal basis.

Single MPID Investor Tier. The proposed addition of a Single MPID Step-Up Add Tier reinforces the purpose of the Single MPID Investor Tier by incentivizing Members to send higher level of orders to the Exchange. By applying the tier on a single MPID rather than across a Member's entire trading activity, the Exchange is also allowing more Members to potentially receive the enhanced rebates for their trading activity related to liquidity provision. Thus, the Exchange believes that the proposed modification to the tiered pricing structure under footnote 4 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because it will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow. As is true for the Add Volume Tiers described above, the proposed tier under footnote 4 is available to all Members.

Elimination of Unused Tiers

The Exchange believes that the proposed modifications to eliminate Tier 4 under footnote 3 is reasonable, fair, and equitable because the current tier was not providing the desired result of incentivizing Members to increase their participation in BZX Equities and in the Exchange's equity options platform ("BZX Options"). Therefore, eliminating this tier will have a negligible effect on order flow and market behavior. The Exchange believes the proposed change is not unfairly discriminatory because it will apply equally to all participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed change to the Exchange's

tiered pricing structure burden competition, but instead, that they enhance competition as they are intended to increase the competitiveness of BZX by modifying pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The proposed changes are generally intended to enhance the rebates for liquidity added to the Exchange, which is intended to draw additional liquidity to the Exchange, and to eliminate a rebate that has not achieved its desired result. The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available 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 unsolicited 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)

(a) This proposed rule change is filed pursuant to paragraph (A) of Section 19(b)(3) of the Act.

(b) This proposed rule change establishes dues, fees or other charges among its members and, as such, may take effect upon filing with the Commission pursuant to

Section 19(b)(3)(A)(ii) of the Act¹² and paragraph (f)(2) of Rule 19b-4 thereunder.¹³

(c) Inapplicable.

(d) Inapplicable.

8. Proposed Rule change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

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 – Form of Notice of Proposed Rule Change for Publication in the Federal Register.

Exhibit 5 – Text of the Proposed Rule Change.

¹² 15 U.S.C. 78s(b)(3)(A)(ii).

¹³ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BatsBZX-2017-22)

Self-Regulatory Organizations; Bats BZX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Related to Fees for Use on Bats BZX Exchange, Inc.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on _____, Bats BZX Exchange, Inc. (the “Exchange” or “BZX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act³ and Rule 19b-4(f)(2) thereunder,⁴ which renders the proposed rule change effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange filed a proposal to amend the fee schedule applicable to Members⁵ and non-members of the Exchange pursuant to BZX Rules 15.1(a) and (c).

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.bats.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 applicable to its equities trading platform ("BZX Equities") to: (i) add new tiers under footnotes 1 and 4; and (ii) eliminate tier 4 under footnote 3.

Add Volume Tiers Under Footnote 1

The Exchange currently offers nine Add Volume Tiers under footnote 1, which provide an enhanced rebate of \$0.0025 to \$0.0032 per share for qualifying orders which yield fee codes B, V, or Y.⁶ The Exchange now proposes to add two additional tiers which will provide an enhanced rebate per share for qualifying orders which yield fee

⁶ Fee codes B, V, and Y are appended to displayed orders that add liquidity in tape B, A, or C, respectively. See the Exchange's fee schedule available at http://www.bats.com/us/equities/membership/fee_schedule/bzx/.

code HA.^{7, 8}

- Under the proposed Non-Displayed Add Volume Tier 1, a Member may receive an enhanced rebate of \$0.0020 per share where they add an ADV greater than or equal to 0.09% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.
- Under the proposed Non-Displayed Add Volume Tier 2, a Member may receive an enhanced rebate of \$0.0025 per share where they add an ADV greater than or equal to 0.18% of the TCV, as Non-Displayed orders that yield fee codes HA or HI.

Single MPID Investor Tier Under Footnote 4

The Exchange currently offers one Single MPID Investor Tier under footnote 4, which provides an enhanced rebate of \$0.0031 per share for qualifying orders which yield fee codes B, V, or Y. The distinction between the existing tier under footnote 4 and other tiers offered by the Exchange, is that the volume measured to determine whether a Member qualifies is performed on an MPID by MPID basis. The Exchange now proposes to add an additional single MPID tier which will provide an enhanced rebate per share for qualifying orders which yield fee codes B, V, or Y. Under the proposed Step-Up Add Tier under footnote 4, a Member may receive an enhanced rebate of \$0.0027 per share where the MPID has a Step-Up ADAV from November 2016, greater than or equal

⁷ Fee code HA is appended to non-displayed orders which add liquidity. Id.

⁸ The Exchange proposes to add additional labels to the table in footnote 1 to further clarify which tiers apply to orders yielding the differentiating fee codes. The Exchange also proposes to append footnote 1 to fee code HA in connection with this change.

to 500,000 shares.

Eliminate Tier 4 Under Footnote 3

The Exchange currently offers five Cross-Asset Step-Up Tiers under footnote 3, which provide an enhanced rebate per contract ranging from \$0.0027 to \$0.0032 per share for qualifying orders. Tiers 1 through 4 apply to orders which yield fee codes B, V, or Y. Tier 5 applies to orders which yield fee codes BB, N, or W.⁹ The Exchange now proposes to eliminate Tier 4 under footnote 3, which provides a rebate of \$0.0032 per share for Members that have an Options Step-Up Add TCV in Customer orders from October 2016 baseline greater than or equal to 0.35%.¹⁰

Implementation Date

The Exchange proposes to implement these amendments to its fee schedule immediately.¹¹

2. Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,¹² in general, and furthers the objectives of Section

⁹ Fee codes BB, N, and W are appended to orders that remove liquidity in tape B, C, or A, respectively. See the Exchange's fee schedule available at http://www.bats.com/us/equities/membership/fee_schedule/bzx/.

¹⁰ In connection with the elimination of Tier 4, the Exchange proposes that Tier 5 be renamed to Tier 4.

¹¹ The Exchange initially filed the proposed amendments to its fee schedule on March 31, 2017 (SR-BatsBZX-2017-21). On April 12, 2017, the Exchange withdrew SR-BatsBZX-2017-21 and then subsequently submitted this filing (SR-BatsBZX-2017-22).

¹² 15 U.S.C. 78f.

6(b)(4),¹³ 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 or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange.

Addition of New Volume Tiers

The Exchange believes that the proposed modifications to the tiered pricing structure are reasonable, fair and equitable, and non-discriminatory. The Exchange operates in a highly competitive market in which market participants may readily send order flow to many competing venues if they deem fees at the Exchange to be excessive or incentives provided to be insufficient. The proposed 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 pricing such as that proposed 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

¹³ 15 U.S.C. 78f(b)(4).

patterns; and (iii) introduction of higher volumes of orders into the price and volume discovery processes.

Add Volume Tiers. The proposed additions of two Non-Displayed Add Volume Tiers reinforces the purpose of the Add Volume Tier by incentivizing Members to send Non-Displayed orders to the Exchange. Thus, the Exchange believes that the proposed modifications to the tiered pricing structure under footnote 1 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because they will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow and because such an incentive is open to all Members on an equal basis.

Single MPID Investor Tier. The proposed addition of a Single MPID Step-Up Add Tier reinforces the purpose of the Single MPID Investor Tier by incentivizing Members to send higher level of orders to the Exchange. By applying the tier on a single MPID rather than across a Member's entire trading activity, the Exchange is also allowing more Members to potentially receive the enhanced rebates for their trading activity related to liquidity provision. Thus, the Exchange believes that the proposed modification to the tiered pricing structure under footnote 4 is a reasonable, equitable, and not an unfairly discriminatory allocation of fees and rebates because it will provide Members with an incentive to reach certain thresholds on the Exchange by contributing a meaningful amount of order flow. As is true for the Add Volume Tiers described above, the proposed tier under footnote 4 is available to all Members.

Elimination of Unused Tiers

The Exchange believes that the proposed modifications to eliminate Tier 4 under

footnote 3 is reasonable, fair, and equitable because the current tier was not providing the desired result of incentivizing Members to increase their participation in BZX Equities and in the Exchange's equity options platform ("BZX Options"). Therefore, eliminating this tier will have a negligible effect on order flow and market behavior. The Exchange believes the proposed change is not unfairly discriminatory because it will apply equally to all participants.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed change to the Exchange's tiered pricing structure burden competition, but instead, that they enhance competition as they are intended to increase the competitiveness of BZX by modifying pricing incentives in order to attract order flow and incentivize participants to increase their participation on the Exchange. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The proposed changes are generally intended to enhance the rebates for liquidity added to the Exchange, which is intended to draw additional liquidity to the Exchange, and to eliminate a rebate that has not achieved its desired result. The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available 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 unsolicited 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 Act¹⁴ and paragraph (f) of Rule 19b-4 thereunder.¹⁵ 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:

Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File No. SR-BatsBZX-2017-22 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-2017-22. This file number should be included on the subject line if e-mail is used. To help the Commission process and

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4(f).

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-2017-22 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.¹⁶

Robert W. Errett
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).

EXHIBIT 5

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

Bats BZX Exchange Fee Schedule

Effective April [3] 12, 2017

* * * * *

Fee Codes and Associated Fees:

Fee Code	Description	Fee/(Rebate)
10 ¹⁰ - G	(No change).	
HA ^{1,5,7}	Non-displayed order, adds liquidity	(0.00170)
HI ^{5,7} - ZR ⁶	(No change).	

* * * * *

Footnotes:**1. Add Volume Tiers**

Applicable to the following fee codes: B, V and Y.

Tier	Rebate Per Share to Add	Member has an ADAV as a percentage of TCV \geq
Tier 1 – Tier 6	(No change).	

Applicable to the following fee codes: B, V and Y.

Tier	Rebate Per Share to Add	Required Criteria
Market Depth Tier - Cross-Asset Add Volume Tier 2	(No change).	

Applicable to the following fee code: HA.

<u>Tier</u>	<u>Rebate Per Share to Add</u>	<u>Required Criteria</u>

<u>Non-Displayed Add Volume Tier 1</u>	<u>(\$0.0020)</u>	<u>Member adds an ADV \geq 0.09% of the TCV as Non-Displayed orders that yield fee codes HA or HI</u>
<u>Non-Displayed Add Volume Tier 2</u>	<u>(\$0.0025)</u>	<u>Member adds an ADV \geq 0.18% of the TCV as Non-Displayed orders that yield fee codes HA or HI</u>

2. **(No change).**

3. **Cross-Asset Step-Up Tiers**

Applicable to the following fee codes: B, V and Y.

Tier	Rebate Per Share to Add	Required Criteria
Tier 1 – Tier 3	(No change).	
[Tier 4	(\$0.0032)	Member has an Options Step-Up Add TCV in Customer orders from October 2016 baseline \geq 0.35%]

Applicable to the following fee codes: BB, N and W.

Tier	Fee Per Share to Remove	Required Criteria
Tier [5]4	\$0.00295	(1) Member has an Options Customer Remove TCV \geq 0.30%; and (2) Member has a Step-Up Remove TCV from July 2016 \geq 0.05%.

4. **Single MPID Investor Tiers**

Applicable to the following fee codes: B, V and Y.

Tier	Rebate Per Share to Add	Required Criteria
Tier	(No change).	
<u>Step-Up Add Tier</u>	<u>(\$0.0027)</u>	<u>MPID has a Step-Up ADAV from November 2016 \geq 500,000 shares</u>

5. -19. (No change).

* * * * *