OMB APPROVAL	
OMB Number:	3235-0045
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Estimated average burden hours per response	38

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 19

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
Form 19b-4

File No.* SR - 2011 - * 005
Amendment No. (req. for Amendments *)

Proposed Rule Change by BATS Y-Exchange, Inc.

Pursuant to Rule 19b-4 under the Securities Exchange Act of 1934

Initial * ☑ Amendment * ☐ Withdrawal ☐

Section 19(b)(2) * ☐ Section 19(b)(3)(A) * ☑ Section 19(b)(3)(B) * ☐

Pilot ☐

Extension of Time Period for Commission Action * ☐

Date Expires *

Rule

☐ 19b-4(f)(1) ☐ 19b-4(f)(4)
☑ 19b-4(f)(2) ☐ 19b-4(f)(5)
☐ 19b-4(f)(3) ☐ 19b-4(f)(6)

Exhibit 2 Sent As Paper Document ☐

Exhibit 3 Sent As Paper Document ☐

Description

Provide a brief description of the proposed rule change (limit 250 characters, required when Initial is checked *).

Amendment to fee schedule of BATS Y-Exchange, Inc. (BYX).

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 proposed rule change.

First Name * Anders Last Name * Franzon
Title * VP, Associate General Counsel
E-mail * afranzon@batstrading.com
Telephone * (913) 815-7154 Fax (913) 815-7119

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 officer.

Date 02/28/2011

By Anders Franzon
(Name *)

VP, Associate General Counsel
(Title *)

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.

Anders Franzon,

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFS website.

Form 19b-4 Information (required)

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 (required)

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 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

Pursuant to the provisions of Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),[1] and Rule 19b-4 thereunder,[2] BATS Y-Exchange, Inc. (the "Exchange" or "BYX") is filing with the Securities and Exchange Commission ("Commission") a proposed rule change to amend the fee schedule applicable to Members[3] of the Exchange pursuant to BYX Rules 15.1(a) and (c). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on March 1, 2011.

(a) The text of the proposed rule change is below. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

* * * * *

BATS BYX Exchange Fee Schedule
Effective [January 4]March 1, 2011

The following is the Schedule of Fees (pursuant to Rule 15.1(a) and (c)) for BATS Y-Exchange, Inc. ("BYX Exchange" or "BYX").

All references to "per share" mean "per share executed."

Rebates for Accessing Liquidity for All Securities Priced $1.00 or Above

$0.0003 rebate per share that removes liquidity from the BYX Exchange order book

Liquidity Fees for All Securities Priced $1.00 or Above

No charge or rebate for adding displayed liquidity to the BYX Exchange order book for Members who have an average daily volume of 10 million shares or more added per day during the month

$0.0002 charge per share for adding displayed liquidity to the BYX Exchange order book for all other Members

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1 15 U.S.C. 78s(b)(1).

2 17 CFR 240.19b-4.

3 A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

$[0.0005]0.0010 charge per share that adds non-displayed* (hidden) liquidity to the BYX Exchange order book

Securities Priced Below $1.00

0.10% charge of the total dollar value to remove liquidity for securities priced below $1.00 traded on the BYX Exchange order book
No liquidity rebate for securities priced below $1.00 traded on the BYX Exchange order book

Standard Routing Pricing – Best Execution Routing

$0.0020 charge per share for shares executed at a dark liquidity venue ("DRT" routing)
$[0.0028]0.0026 charge per share for shares executed at any other venue ("CYCLE", "RECYCLE", "Parallel D", and "Parallel 2D" routing)
$0.0033 charge per share for shares executed at any other venue ("Parallel T" routing)

Note: Default Best Execution Routing = DRT + Parallel D

Discounted Destination Specific Routing ("One Under/Better") to NYSE, NYSE ARCA, [and] NASDAQ, and EDGA

- BYX + NYSE Destination Specific Orders: $0.0022 charge per share
- BYX + NYSE ARCA Destination Specific Orders for Tape B: $0.0027 charge per share
- BYX + NYSE ARCA Destination Specific Orders for Tapes A and C: $0.0029 charge per share
- BYX + NASDAQ Destination Specific Orders: $0.0029 charge per share
- BYX + EDGA Destination Specific Orders: $0.00025 rebate per share

Other Non-Standard Routing Options – Specific Order Types and Securities Priced Below $1.00

- BYX + BATS Exchange, Inc. ("BZX Exchange") Destination Specific Orders ("B2B"): $0.0028 charge per share
- BYX + DRT Destination Specific Orders: $0.0020 charge per share
- BYX + (Protected Market Center) Destination Specific Orders other than NYSE, NYSE ARCA, [and] NASDAQ, and EDGA: $0.0030 charge per share
- Directed ISO's: $0.0033 charge per share
- Stocks Priced Below $1.00 for CYCLE, RECYCLE, Parallel D, and Parallel 2D routed executions: [0.28]0.26% charge of the total dollar value
- Stocks Priced Below $1.00 for Parallel T routed executions: 0.33% charge of the total dollar value

TRIM Routing Strategy

- TRIM orders executed at low-priced venues: no charge
- TRIM orders executed at a DRT venue: $0.0020 charge per share
- TRIM orders executed at NYSE: $0.0022 charge per share
- TRIM orders executed at BZX Exchange: $0.0028 charge per share

SLIM Routing Strategy

- SLIM orders executed at BZX Exchange: $0.0028 charge per share
- SLIM orders executed at NYSE: $0.0022 charge per share
- SLIM orders executed at any other venue, including any DRT venue: $0.0026 charge per share

* Non-displayed order types include all forms of Pegged, Mid-Point Peg and Non-Displayed Limit orders. The non-displayed rebate does not apply to Reserve or Discretionary orders.

* * * * *

(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 September 27, 2010. 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.

Questions regarding this rule filing may be directed to Eric Swanson, Senior Vice President and General Counsel of the Exchange at (913) 815-7000.

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

(a) Purpose

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective March 1, 2011, in order to: (i) amend the liquidity fees for adding liquidity, including increased fees to add non-displayed liquidity and adoption of a fee to add displayed liquidity unless a Member has an average daily volume of 10 million shares or more added per day in a given month; (ii) reduce certain standard routing fees;

and (iii) expand the Exchange's Discounted Destination Specific Routing program to include a rebate for Destination Specific Orders[4] routed to EDGA Exchange.

(i) *Amending the Liquidity Fees for Adding Liquidity*

The Exchange has not previously provided any rebate or imposed any charge for adding displayed liquidity to the BYX order book in securities priced $1.00 and above. The Exchange proposes to introduce a tiered pricing structure applicable to added displayed liquidity in securities priced $1.00 and above, under which Members adding a daily average of 10 million shares or more of liquidity (including displayed and non-displayed liquidity) during a month will continue to be able to add displayed liquidity without charge, while Members adding a daily average of less than 10 million shares of liquidity during a month will be charged $0.0002 per share. Thus, while the fee change will result in a small fee increase for Members providing low volumes of liquidity on BYX, it will remain unchanged for Members providing higher volumes of liquidity.

The Exchange also proposes to increase its fee to add non-displayed liquidity to the BYX order book in securities priced $1.00 and above from a charge of $0.0005 per share to a charge of $0.0010 per share. As defined on the BYX fee schedule, the reference to "non-displayed liquidity" for purposes of the fee schedule includes liquidity resulting from all forms of Pegged Orders,[5] Mid-Point Peg Orders,[6] and Non-Displayed

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4 As defined in BYX Rule 11.9(c)(12).

5 As defined in BYX Rule 11.9(c)(8).

6 As defined in BYX Rule 11.9(c)(9).

Orders,[7] but does not include liquidity resulting from Reserve Orders[8] or Discretionary Orders.[9]

The Exchange does not propose to change its pricing structure for added liquidity in securities priced below $1.00.

(ii) *Reduced Standard Routing Fees*

The Exchange proposes to reduce the fee that it charges for certain of its standard best execution routing strategies. The Exchange currently offers the Parallel D, Parallel 2D, CYCLE and RECYCLE routing strategies at a charge of $0.0028 per share for executions that occur at other trading venues as a result of such strategies in securities priced $1.00 and above.[10] The Exchange proposes to reduce the fee for use of such strategies to a charge of $0.0026 per share to in order to encourage use of these strategies. To be consistent with this change, the Exchange proposes to charge 0.26%, rather than 0.28%, of the total dollar value of the executions at other trading venues as a result of Parallel D, Parallel 2D, CYCLE and RECYCLE in securities priced under $1.00 per share.

(iii) *Destination Specific Routing to EDGA Exchange*

The Exchange currently provides a discounted fee for Destination Specific Orders routed to certain market centers (NYSE, NYSE Arca and NASDAQ), which, in each instance is $0.0001 less per share for orders routed to such market centers by the Exchange than such market centers currently charge for removing liquidity (referred to

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7 As defined in BYX Rule 11.9(c)(11).

8 As defined in BYX Rule 11.9(c)(1).

9 As defined in BYX Rule 11.9(c)(10).

10 The Exchange's routing strategies are described in Rule 11.13(a)(3).

by the Exchange as "One Under" pricing). Consistent with this program, the Exchange proposes to adopt pricing for Destination Specific Orders routed to EDGA Exchange. Specifically, the Exchange proposes to provide a rebate of $0.00025 per share for BYX + EDGA Destination Specific Orders executed at EDGA, which is $0.0001 higher per share than the $0.00015 per share rebate provided by EDGA for orders that remove liquidity.

The Exchange imposes a charge of $0.0030 per share for Destination Specific Orders sent to and executed by any market center for which it does not have any separately identified pricing. Based on the change described above, the Exchange proposes to add EDGA to the list of market centers to which this charge does not apply.

Consistent with the changes described above, the Exchange proposes to change the title of its Discounted Destination Specific Routing section to refer to the program as "One Under/Better," rather than "One Under," and to add reference to EDGA.

(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.[11] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[12] 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

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11 15 U.S.C. 78f.

12 15 U.S.C. 78f(b)(4).

order flow to competing venues if they deem fee levels at a particular venue to be excessive. The Exchange believes that its fees and credits are competitive with those charged by other venues.

While the establishment of tiered pricing for adding displayed liquidity to the Exchange's order book will result in a small increase in fees for some Members, this fee still remains lower than other markets that impose a fee to add liquidity, such as EDGA Exchange and NASDAQ OMX BX. Similarly, while the Exchange's proposal to increase the fee to add non-displayed liquidity to the Exchange will result in an increase in fees for Members that add non-displayed liquidity, this fee is lower than the fee to add liquidity (whether displayed or non-displayed) to NASDAQ OMX BX. As it relates to its differentiation between displayed and non-displayed liquidity, the Exchange believes that a fee structure that provides greater incentives to add displayed liquidity than incentives to add non-displayed liquidity is fair and reasonable. In addition, to the extent the proposed changes will result in increased fees charged to Members, the Exchange believes that any additional revenue it receives will allow the Exchange to devote additional capital to its operations and to continue to offer competitive pricing, which, in turn, will benefit Members of the Exchange.

The reduction of the routing fee for several of the BYX standard routing options and the adoption of new pricing for a Destination Specific Order that offers improvement of the execution rebate offered by another market center are changes intended to attract order flow to BYX by offering competitive rates to Exchange Members for strategies that first check the BYX order book before routing to away venues. Accordingly, the Exchange's proposal will result in reduced fees that will benefit Members due to the

obvious economic savings those Members will receive and the potential of increased available liquidity at the Exchange.

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

The proposed rule change does not impose any burden on competition.

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[13] and Rule 19b-4(f)(2) thereunder,[14] 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.

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13 15 U.S.C. 78s(b)(3)(A)(ii).

14 17 CFR 240.19b-4(f)(2).

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

Not applicable.

9. Exhibits

Exhibit 1: Completed Notice of the Proposed Rule Change for publication in the Federal Register.

Exhibit 2 – 5: Not applicable.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-_____; File No. SR-BYX-2011-005)

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Y-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 February 28, 2011, BATS Y-Exchange, Inc. (the "Exchange" or "BYX") 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[3] 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 proposes to amend the fee schedule applicable to Members[5] of the Exchange pursuant to BYX Rules 15.1(a) and (c). While changes to the fee schedule

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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 A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

pursuant to this proposal will be effective upon filing, the changes will become operative on March 1, 2011.

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

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

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

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

1. Purpose

The Exchange proposes to modify its fee schedule applicable to use of the Exchange effective March 1, 2011, in order to: (i) amend the liquidity fees for adding liquidity, including increased fees to add non-displayed liquidity and adoption of a fee to add displayed liquidity unless a Member has an average daily volume of 10 million shares or more added per day in a given month; (ii) reduce certain standard routing fees; and (iii) expand the Exchange's Discounted Destination Specific Routing program to include a rebate for Destination Specific Orders[6] routed to EDGA Exchange.

(i) *Amending the Liquidity Fees for Adding Liquidity*

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6 As defined in BYX Rule 11.9(c)(12).

The Exchange has not previously provided any rebate or imposed any charge for adding displayed liquidity to the BYX order book in securities priced $1.00 and above. The Exchange proposes to introduce a tiered pricing structure applicable to added displayed liquidity in securities priced $1.00 and above, under which Members adding a daily average of 10 million shares or more of liquidity (including displayed and non-displayed liquidity) during a month will continue to be able to add displayed liquidity without charge, while Members adding a daily average of less than 10 million shares of liquidity during a month will be charged $0.0002 per share. Thus, while the fee change will result in a small fee increase for Members providing low volumes of liquidity on BYX, it will remain unchanged for Members providing higher volumes of liquidity.

The Exchange also proposes to increase its fee to add non-displayed liquidity to the BYX order book in securities priced $1.00 and above from a charge of $0.0005 per share to a charge of $0.0010 per share. As defined on the BYX fee schedule, the reference to "non-displayed liquidity" for purposes of the fee schedule includes liquidity resulting from all forms of Pegged Orders,[7] Mid-Point Peg Orders,[8] and Non-Displayed Orders,[9] but does not include liquidity resulting from Reserve Orders[10] or Discretionary Orders.[11]

The Exchange does not propose to change its pricing structure for added liquidity in securities priced below $1.00.

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7 As defined in BYX Rule 11.9(c)(8).

8 As defined in BYX Rule 11.9(c)(9).

9 As defined in BYX Rule 11.9(c)(11).

10 As defined in BYX Rule 11.9(c)(1).

11 As defined in BYX Rule 11.9(c)(10).

(ii) *Reduced Standard Routing Fees*

The Exchange proposes to reduce the fee that it charges for certain of its standard best execution routing strategies. The Exchange currently offers the Parallel D, Parallel 2D, CYCLE and RECYCLE routing strategies at a charge of $0.0028 per share for executions that occur at other trading venues as a result of such strategies in securities priced $1.00 and above.[12] The Exchange proposes to reduce the fee for use of such strategies to a charge of $0.0026 per share to in order to encourage use of these strategies. To be consistent with this change, the Exchange proposes to charge 0.26%, rather than 0.28%, of the total dollar value of the executions at other trading venues as a result of Parallel D, Parallel 2D, CYCLE and RECYCLE in securities priced under $1.00 per share.

(iii) *Destination Specific Routing to EDGA Exchange*

The Exchange currently provides a discounted fee for Destination Specific Orders routed to certain market centers (NYSE, NYSE Arca and NASDAQ), which, in each instance is $0.0001 less per share for orders routed to such market centers by the Exchange than such market centers currently charge for removing liquidity (referred to by the Exchange as "One Under" pricing). Consistent with this program, the Exchange proposes to adopt pricing for Destination Specific Orders routed to EDGA Exchange. Specifically, the Exchange proposes to provide a rebate of $0.00025 per share for BYX + EDGA Destination Specific Orders executed at EDGA, which is $0.0001 higher per share than the $0.00015 per share rebate provided by EDGA for orders that remove liquidity.

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[12] The Exchange's routing strategies are described in Rule 11.13(a)(3).

The Exchange imposes a charge of $0.0030 per share for Destination Specific Orders sent to and executed by any market center for which it does not have any separately identified pricing. Based on the change described above, the Exchange proposes to add EDGA to the list of market centers to which this charge does not apply.

Consistent with the changes described above, the Exchange proposes to change the title of its Discounted Destination Specific Routing section to refer to the program as "One Under/Better," rather than "One Under," and to add reference to EDGA.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.[13] Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,[14] 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 if they deem fee levels at a particular venue to be excessive. The Exchange believes that its fees and credits are competitive with those charged by other venues.

While the establishment of tiered pricing for adding displayed liquidity to the Exchange's order book will result in a small increase in fees for some Members, this fee

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13 15 U.S.C. 78f.

14 15 U.S.C. 78f(b)(4).

still remains lower than other markets that impose a fee to add liquidity, such as EDGA Exchange and NASDAQ OMX BX. Similarly, while the Exchange's proposal to increase the fee to add non-displayed liquidity to the Exchange will result in an increase in fees for Members that add non-displayed liquidity, this fee is lower than the fee to add liquidity (whether displayed or non-displayed) to NASDAQ OMX BX. As it relates to its differentiation between displayed and non-displayed liquidity, the Exchange believes that a fee structure that provides greater incentives to add displayed liquidity than incentives to add non-displayed liquidity is fair and reasonable. In addition, to the extent the proposed changes will result in increased fees charged to Members, the Exchange believes that any additional revenue it receives will allow the Exchange to devote additional capital to its operations and to continue to offer competitive pricing, which, in turn, will benefit Members of the Exchange.

The reduction of the routing fee for several of the BYX standard routing options and the adoption of new pricing for a Destination Specific Order that offers improvement of the execution rebate offered by another market center are changes intended to attract order flow to BYX by offering competitive rates to Exchange Members for strategies that first check the BYX order book before routing to away venues. Accordingly, the Exchange's proposal will result in reduced fees that will benefit Members due to the obvious economic savings those Members will receive and the potential of increased available liquidity at the Exchange.

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

The Exchange does not believe that the proposed rule change imposes any burden on competition.

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

No written comments were solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Pursuant to Section 19(b)(3)(A)(ii) of the Act[15] and Rule 19b-4(f)(2) thereunder,[16] the Exchange has designated this proposal as establishing or changing a due, fee, or other charge applicable to its 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.

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-BYX-2011-005 on the subject line.

Paper Comments:

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15 15 U.S.C. 78s(b)(3)(A)(ii).

16 17 CFR 240.19b-4(f)(2).

- Send paper comments in triplicate to Elizabeth M. Murphy, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-BYX-2011-005. 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 Web site (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 Web site 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-BYX-2011-005 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.[17]

Cathy H. Ahn
Deputy Secretary

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[17] 17 CFR 200.30-3(a)(12).