

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 21	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4		File No.* SR - 2014 - * 064	Amendment No. (req. for Amendments *)	
Filing by BATS Exchange 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"/>
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	Rule <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 Section 806(e)(1) * <input type="checkbox"/>			Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934 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 *). <input type="text" value="Amendments to the fee schedule of BATS Exchange, Inc."/>					
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="Anders"/> Last Name * <input type="text" value="Franzon"/> Title * <input type="text" value="VP, Associate General Counsel"/> E-mail * <input type="text" value="afranzone@bats.com"/> Telephone * <input type="text" value="(913) 815-7154"/> Fax <input type="text" value="(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. (Title *) Date <input type="text" value="12/01/2014"/> By <input type="text" value="Anders Franzon"/> <input type="text" value="VP, Associate General Counsel"/> <input type="text" value="afranzone@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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),¹ and Rule 19b-4 thereunder,² BATS Exchange, Inc. (the “Exchange” or “BATS”) 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 BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

(a) 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:

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).

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

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

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

(a) Purpose

The Exchange proposes to modify the "Options Pricing" section of its fee schedule effective immediately, in order to modify pricing charged by the Exchange's options platform ("BATS Options") including a new September Options Step-Up Add TCV tier that will apply to certain orders executed on the Exchange, as further described below.

Currently, the Exchange charges \$0.48 per contract for a Professional,⁴ Firm,⁵ or Market Maker⁶ order in a Penny Pilot Security⁷ that removes liquidity from BATS Options generally, or, where the Member has an ADV⁸ equal to or greater than 1.00% of average TCV,⁹ \$0.47 per contract for a Professional, Firm, or Market Maker order in a

⁴ "Professional" applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.

⁵ "Firm" applies to any transaction identified by a Member for clearing in the Firm range at the OCC.

⁶ "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC.

⁷ "Penny Pilot Securities" are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

⁸ "ADV" means average daily volume calculated as the number of contracts added or removed, combined, per day.

⁹ "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.

Penny Pilot Security that removes liquidity from BATS Options. The Exchange offers rebates of \$0.40 per share for Market Maker orders in Penny Pilot Securities that add liquidity to BATS Options and, as further discussed below, such orders are also eligible for additional rebates via the Quoting Incentive Program (“QIP”). The Exchange offers rebates of \$0.40 to Professional and Firm orders in Penny Pilot Securities that add liquidity to BATS Options and offers an enhanced \$0.44 rebate for Professional and Firm orders that add liquidity to BATS Options in Penny Pilot Securities where the Member has an Options Step-Up Add TCV¹⁰ of equal to or greater than 0.50%.¹¹ The Exchange also offers NBBO setter liquidity rebates in all securities such that: (i) a Member will receive an additional \$0.02 per contract for a Professional, Firm, or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1.00% of average TCV; and (ii) a Member will receive an additional \$0.04 per contract for a Professional, Firm, or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 1.00% of average TCV.

The Exchange is proposing to add the definition of “September Options Step-Up Add TCV” to its fee schedule along with three new fees and rebates associated with this new defined term. Specifically, the Exchange is proposing to define September Options

¹⁰ “Options Step-Up Add TCV” means ADAV as a percentage of TCV in June 2014 subtracted from current ADAV as a percentage of TCV.

¹¹ See Exchange Act Release No. 72128 (May 8, 2014), 79 FR 27666 (May 14, 2014) (SR-BATS-2014-017).

Step-Up Add TCV as a Member's ADAV¹² as a percentage of TCV in September 2014 subtracted from current ADAV as a percentage of TCV. Based on this definition, the Exchange is proposing to add an additional tier to fees charged to Professional, Firm, and Market Maker orders in Penny Pilot Securities such that the Exchange will charge \$0.47 per contract for a Professional, Firm, or Market Maker order that removes liquidity from the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV. Similarly, the Exchange is proposing to add an additional tier to liquidity rebates for Professional and Firm orders in Penny Pilot Securities such that the Exchange will provide a \$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV. Finally, the Exchange is proposing to add an additional tier to the NBBO Setter Liquidity Rebates, which apply to all securities, such that a Professional, Firm, or Market Maker order that adds liquidity to BATS Options that sets a new NBBO where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV will receive an additional \$0.04 per contract added.

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

¹² "ADAV" means average daily added volume calculated as the number of contracts added.

(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.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 or providers of routing services if they deem fee levels to be excessive.

Volume-based rebates and fees such as the ones maintained on BATS Options and the new September Options Step-Up Add TCV tiers proposed herein, have been widely adopted by equities and options exchanges 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 the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth patterns, and introduction of higher volumes of orders into the price and volume discovery processes. Further, the Exchange believes the proposed amendments are reasonable and equitable allocations of fees and rebates because the September Options Step-Up Add TCV tiers, combined with the requirement that a Member achieve an ADV

¹³ 15 U.S.C. 78f.

¹⁴ 15 U.S.C. 78f(b)(4).

of equal to or greater than 0.40% of average TCV, will provide such enhancements in market quality on BATS Options by incentivizing increased participation on BATS Options as compared to September 2014, especially as it relates to incentivizing Members to add orders that will set the NBBO on BATS Options. The Exchange notes that it is not proposing to modify any existing tiers, but rather to add new tiers that will provide Members with additional ways to receive higher rebates or pay lower fees. As such, under the proposal a Member will receive either the same or a higher rebate or be charged either the same or a lower fee than they would today. Accordingly, the Exchange believes that the proposed additions to the Exchange's tiered pricing structure and incentives are not unfairly discriminatory because they will, except as noted below, apply uniformly to all Members and are consistent with the overall goals of enhancing market quality on BATS Options. The Exchange notes that it believes that restricting the availability of the proposed rebates in Penny Pilot Securities associated with the September Options Step-Up tier to Professional and Firm orders is reasonable and equitably allocated as well as not unreasonably discriminatory because Market Maker orders are already afforded an opportunity to receive QIP rebates of up to an additional \$0.04 per contract, a rebate which is not available to Professional and Firm orders. Professional and Firm orders can receive the same maximum rebate that Market Maker orders can receive via QIP under the existing Options Step-Up Add TCV but, pursuant to the proposal, the Exchange is proposing to add an additional way for Professional and Firm orders to achieve such rebate via the proposed new tier. The Exchange notes that Market Maker orders will be eligible for both the reduced fees and NBBO Setter tiers proposed as part of the September Options Step-Up Add TCV tiers.

The Exchange reiterates 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 to be excessive or providers of routing services if they deem fee levels to be excessive.

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. With respect to the proposed new tiered rebates, the Exchange does not believe that any such changes burden competition, but instead, enhance competition, as they are intended to increase the competitiveness of and draw additional volume to BATS Options. The Exchange also believes the proposed step-up tiers would enhance competition because they are similar to pricing tiers currently available on both the Exchange and other exchanges. 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 the deem fee structures to be unreasonable or excessive.

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 Act¹⁵ 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 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.

¹⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

¹⁶ 17 CFR 240.19b-4(f)(2).

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2014-064)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Related to Fees for Use of BATS 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 Exchange, Inc. (the “Exchange” or “BATS”) 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 BATS Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

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 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 <http://www.batstrading.com/>, at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

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

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

1. Purpose

The Exchange proposes to modify the "Options Pricing" section of its fee schedule effective immediately, in order to modify pricing charged by the Exchange's options platform ("BATS Options") including a new September Options Step-Up Add TCV tier that will apply to certain orders executed on the Exchange, as further described below.

Currently, the Exchange charges \$0.48 per contract for a Professional,⁶ Firm,⁷ or Market Maker⁸ order in a Penny Pilot Security⁹ that removes liquidity from BATS

⁶ "Professional" applies to any transaction identified by a Member as such pursuant to Exchange Rule 16.1.

⁷ "Firm" applies to any transaction identified by a Member for clearing in the Firm range at the OCC.

⁸ "Market Maker" applies to any transaction identified by a Member for clearing in the Market Maker range at the OCC.

Options generally, or, where the Member has an ADV¹⁰ equal to or greater than 1.00% of average TCV,¹¹ \$0.47 per contract for a Professional, Firm, or Market Maker order in a Penny Pilot Security that removes liquidity from BATS Options. The Exchange offers rebates of \$0.40 per share for Market Maker orders in Penny Pilot Securities that add liquidity to BATS Options and, as further discussed below, such orders are also eligible for additional rebates via the Quoting Incentive Program (“QIP”). The Exchange offers rebates of \$0.40 to Professional and Firm orders in Penny Pilot Securities that add liquidity to BATS Options and offers an enhanced \$0.44 rebate for Professional and Firm orders that add liquidity to BATS Options in Penny Pilot Securities where the Member has an Options Step-Up Add TCV¹² of equal to or greater than 0.50%.¹³ The Exchange also offers NBBO setter liquidity rebates in all securities such that: (i) a Member will receive an additional \$0.02 per contract for a Professional, Firm, or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 0.30% of average TCV but less than 1.00% of average TCV; and (ii) a Member will receive an additional \$0.04 per contract for a Professional, Firm, or Market Maker order that adds liquidity to the BATS

⁹ “Penny Pilot Securities” are those issues quoted pursuant to Exchange Rule 21.5, Interpretation and Policy .01.

¹⁰ “ADV” means average daily volume calculated as the number of contracts added or removed, combined, per day.

¹¹ “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.

¹² “Options Step-Up Add TCV” means ADAV as a percentage of TCV in June 2014 subtracted from current ADAV as a percentage of TCV.

¹³ See Exchange Act Release No. 72128 (May 8, 2014), 79 FR 27666 (May 14, 2014) (SR-BATS-2014-017).

Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 1.00% of average TCV.

The Exchange is proposing to add the definition of “September Options Step-Up Add TCV” to its fee schedule along with three new fees and rebates associated with this new defined term. Specifically, the Exchange is proposing to define September Options Step-Up Add TCV as a Member’s ADAV¹⁴ as a percentage of TCV in September 2014 subtracted from current ADAV as a percentage of TCV. Based on this definition, the Exchange is proposing to add an additional tier to fees charged to Professional, Firm, and Market Maker orders in Penny Pilot Securities such that the Exchange will charge \$0.47 per contract for a Professional, Firm, or Market Maker order that removes liquidity from the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV. Similarly, the Exchange is proposing to add an additional tier to liquidity rebates for Professional and Firm orders in Penny Pilot Securities such that the Exchange will provide a \$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV. Finally, the Exchange is proposing to add an additional tier to the NBBO Setter Liquidity Rebates, which apply to all securities, such that a Professional, Firm, or Market Maker order that adds liquidity to BATS Options that sets a new NBBO where the Member has a September Options Step-Up Add TCV equal to or

¹⁴ “ADAV” means average daily added volume calculated as the number of contracts added.

greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV will receive an additional \$0.04 per contract added.

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

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.¹⁵ Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act,¹⁶ in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues or providers of routing services if they deem fee levels to be excessive.

Volume-based rebates and fees such as the ones maintained on BATS Options and the new September Options Step-Up Add TCV tiers proposed herein, have been widely adopted by equities and options exchanges 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 the value to an exchange's market quality associated with higher levels of market activity, such as higher levels of liquidity provision and/or growth

¹⁵ 15 U.S.C. 78f.

¹⁶ 15 U.S.C. 78f(b)(4).

patterns, and introduction of higher volumes of orders into the price and volume discovery processes. Further, the Exchange believes the proposed amendments are reasonable and equitable allocations of fees and rebates because the September Options Step-Up Add TCV tiers, combined with the requirement that a Member achieve an ADV of equal to or greater than 0.40% of average TCV, will provide such enhancements in market quality on BATS Options by incentivizing increased participation on BATS Options as compared to September 2014, especially as it relates to incentivizing Members to add orders that will set the NBBO on BATS Options. The Exchange notes that it is not proposing to modify any existing tiers, but rather to add new tiers that will provide Members with additional ways to receive higher rebates or pay lower fees. As such, under the proposal a Member will receive either the same or a higher rebate or be charged either the same or a lower fee than they would today. Accordingly, the Exchange believes that the proposed additions to the Exchange's tiered pricing structure and incentives are not unfairly discriminatory because they will, except as noted below, apply uniformly to all Members and are consistent with the overall goals of enhancing market quality on BATS Options. The Exchange notes that it believes that restricting the availability of the proposed rebates in Penny Pilot Securities associated with the September Options Step-Up tier to Professional and Firm orders is reasonable and equitably allocated as well as not unreasonably discriminatory because Market Maker orders are already afforded an opportunity to receive QIP rebates of up to an additional \$0.04 per contract, a rebate which is not available to Professional and Firm orders. Professional and Firm orders can receive the same maximum rebate that Market Maker orders can receive via QIP under the existing Options Step-Up Add TCV but, pursuant to

the proposal, the Exchange is proposing to add an additional way for Professional and Firm orders to achieve such rebate via the proposed new tier. The Exchange notes that Market Maker orders will be eligible for both the reduced fees and NBBO Setter tiers proposed as part of the September Options Step-Up Add TCV tiers.

The Exchange reiterates 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 to be excessive or providers of routing services if they deem fee levels to be excessive.

(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. With respect to the proposed new tiered rebates, the Exchange does not believe that any such changes burden competition, but instead, enhance competition, as they are intended to increase the competitiveness of and draw additional volume to BATS Options. The Exchange also believes the proposed step-up tiers would enhance competition because they are similar to pricing tiers currently available on both the Exchange and other exchanges. 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 the deem fee structures to be unreasonable or excessive.

(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 Act¹⁷ and paragraph (f) of Rule 19b-4 thereunder.¹⁸ 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-BATS-2014-064 on the subject line.

Paper Comments:

- 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-BATS-2014-064. 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

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 CFR 240.19b-4(f).

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-BATS-2014-064 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.¹⁹

Kevin M. O'Neill
Deputy Secretary

¹⁹ 17 CFR 200.30-3(a)(12).

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

BATS BZX Exchange Fee Schedule
 Effective December 1, 2014

The following is the Schedule of Fees (pursuant to Rule 15.1(a) and (c)) for BATS Exchange, Inc. (“BZX Exchange” or “BZX”). The Schedule of Fees is divided into Equities Pricing, Options Pricing and Physical Connection Charges.

* * * * *

Options Pricing:

* * * * *

“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. For purposes of Options Pricing, “Options Step-Up Add TCV” means ADAV as a percentage of TCV in June 2014 subtracted from current ADAV as a percentage of TCV and “September Options Step-Up Add TCV” means ADAV as a percentage of TCV in September 2014 subtracted from current ADAV as a percentage of TCV. 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

* * * * *

\$0.47 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book where the Member has an ADV equal to or greater than 1.00% of average TCV

\$0.47 charge per contract for a Professional, Firm or Market Maker order that removes liquidity from the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

* * * * *

\$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has an Options Step-Up Add TCV equal to or greater than 0.50%

\$0.44 rebate per contract for a Professional or Firm order that adds liquidity to the BATS Options order book where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

* * * * *

\$0.04 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has an ADV equal to or greater than 1.00% of average TCV

\$0.04 additional rebate per contract for a Professional, Firm or Market Maker order that adds liquidity to the BATS Options order book that sets a new national best bid or offer where the Member has a September Options Step-Up Add TCV equal to or greater than 0.30% and an ADV equal to or greater than 0.40% of average TCV

* * * * *