

Required fields are shown with yellow backgrounds and asterisks.

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"/>
			Rule		
Pilot <input type="checkbox"/>	Extension of Time Period for Commission Action * <input type="checkbox"/>	Date Expires * <input type="text"/>	<input type="checkbox"/> 19b-4(f)(1)	<input type="checkbox"/> 19b-4(f)(4)	
			<input type="checkbox"/> 19b-4(f)(2)	<input type="checkbox"/> 19b-4(f)(5)	
			<input type="checkbox"/> 19b-4(f)(3)	<input checked="" type="checkbox"/> 19b-4(f)(6)	

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

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

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

BATS Exchange, Inc. proposes to amend Rule 8.15 entitled "Imposition of Fines for Minor Violation(s) of Rules."

Contact Information

Provide the name, telephone number, and e-mail address of the person on the staff of the self-regulatory organization prepared to respond to questions and comments on the action.

First Name * Anders	Last Name * Franzon
Title * VP, Associate General Counsel	
E-mail * afranzon@bats.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.

(Title *)

Date 02/05/2015	VP, Associate General Counsel
By Anders Franzon <small>(Name *)</small>	

 afranzon@bats.com

NOTE: Clicking the button at right will digitally sign and lock this form. A digital signature is as legally binding as a physical signature, and once signed, this form cannot be changed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

Form 19b-4 Information *

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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 *

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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

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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

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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

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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 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 Exchange, Inc. (the “Exchange” or “BZX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend Rule 8.15 entitled “Imposition of Fines for Minor Violation(s) of Rules.” The Exchange has designated this proposal as non-controversial and provided the Commission with the notice required by Rule 19b-4(f)(6)(iii) under the Act.³

(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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6)(iii).

comments on the proposed rule change are:

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 amend Rule 8.15 in order to make it substantively identical to the corresponding rules on EDGX Exchange, Inc. ("EDGX") and EDGA Exchange, Inc. ("EDGA"), as further described below. Earlier this year, the Exchange and its affiliate, BATS Y-Exchange, Inc. ("BYX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, BATS Global Markets, Inc., with Direct Edge Holdings LLC, the indirect parent of EDGX, and EDGA (together with BZX, BYX and EDGX, the "BGM Affiliated Exchanges").⁴ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to amend Rule 8.15 in order to make the rule substantively identical to corresponding rules on EDGA and EDGX related to minor violations of exchange rules in order to provide a consistent regulatory approach across each of the BGM Affiliated Exchanges.

Currently, Rule 8.15(a) provides that, in lieu of commencing a disciplinary proceeding as described in Rules 8.1 through 8.13, the Exchange may, subject to the requirements set forth in this Rule, impose a fine, not to exceed \$2,500, on any Member,

⁴ See Securities Exchange Act Release No. 71375 (January 23, 2014), 79 FR 4771 (January 29, 2014) (SR-BATS-2013-059; SR-BYX-2013-039).

associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange, which violation the Exchange shall have determined is minor in nature. The Exchange is proposing to add language in order to make Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15 identical to the corresponding EDGA and EDGX rules.⁵ Specifically, the Exchange is proposing that the Exchange may, if no exceptional circumstances are present, impose a fine based upon a determination that there exists a pattern or practice of violative conduct. As proposed, the Exchange also may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected.

Currently, under Interpretation and Policy .01 to Rule 8.15, the Exchange fines individuals \$100, \$300, and \$500 and Member firms \$500, \$1,000, and \$2,500 for their first, second, and third time fined under Rule 8.15 within a rolling 12-month period, respectively, for the following violations of Exchange rules: (a) Rule 4.2 and Interpretation and Policy thereunder requiring the submission of responses to Exchange requests for trading data within a specified time period; (b) Rule 11.19 requirement to identify short sale orders as such; and (c) Rule 11.20 requirement to comply with locked and crossed market rules. The Exchange is proposing to add two additional instances to the fine structure described above. These additional instances include: (1) Rule 3.5 Advertising Practices; and (2) Rule 12.11 Interpretation and Policy .01 and Exchange Act Rule 604 – Failure to properly display limit orders.⁶

⁵ See EDGX Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15 and EDGA Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15.

⁶ The Exchange notes that these proposed changes would make the Exchange's

The Exchange is also proposing to make several non-substantive changes to Interpretation and Policy .01 to Rule 8.15. First, the Exchange is proposing to change the numbering within the rule to reflect the additions described above. Second, the Exchange is proposing to change the phrase “limit orders” in paragraph (e) of Interpretation and Policy .01 to Rule 8.15 to “quotations.” The Exchange believes that this change is non-substantive because, in this instance, the terms limit orders and quotations are interchangeable. Paragraph (e) is referring to the obligation of a Market Maker under Rule 11.8 to maintain continuous liquidity of both buy and sell orders, which are referred to as quotes or quotations in Rule 11.8, at certain prices. Based on Exchange functionality, the only way to enter priced orders that could meet such quotation obligations would be through use of limit orders. As such, the Exchange believes that the proposed change is non-substantive, makes the rule more clear, and more accurately reflects the language used in Exchange Rule 11.8. Further, the change would make the rule text identical to that of EDGA and EDGX.

b. Statutory Basis

The Exchange believes that the rule change proposed in this submission 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

Rule 8.15, with the exception of current Rule 8.15(a) and paragraph (d) of Interpretation and Policy .01 to Rule 8.15 related to the rules of the Exchange’s options platform (“BATS Options”), substantively identical to the corresponding EDGA and EDGX rules based on filings SR-EDGA-2015-11 and SR-EDGX-2015-10. Such filings propose to remove paragraph (d) of Interpretation and Policy .01 to both EDGA and EDGX rules 8.15. The Exchange also notes that BYX intends to file a proposal very similar to this proposal that will align the rules related to fines for minor violation of exchange rules across each of the BGM Affiliated Exchanges.

of Section 6(b) of the Act.⁷ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,⁸ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. As mentioned above, the proposed rule changes, combined with the planned filing for BYX,⁹ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the imposition of fines for minor violations of rules across each of the exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on BYX, EDGA, and/or EDGX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Specifically, the changes to Rule 8.15(a) and the addition of new paragraphs (d) and (e) to Interpretation and Policy .01 of Rule 8.15 will provide the Exchange with additional ways to handle related minor violations as well as providing the Exchange with the ability to handle other rule violations which it believes to be minor under Rule 8.15. The Exchange believes that, in addition to the benefits to Members described

⁷ 15 U.S.C. 78f(b).

⁸ 15 U.S.C. 78f(b)(5).

⁹ See supra note 6.

above, the proposal will enhance the Exchange's ability to efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place.

Further, the Exchange believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act¹⁰ which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of the Commission and Exchange rules. The Exchange also believes that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act because the proposal helps to strengthen the Exchange's ability to carry out its oversight and enforcement responsibilities as a self-regulatory organization in cases where full disciplinary proceedings are unsuitable in view of the minor nature of a particular violation.

Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid confusion with respect to Exchange rules.

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. To the contrary, allowing the Exchange to implement substantively identical rules related to the imposition of fines for minor violations of rules across each of the BGM Affiliated Exchanges does not present any competitive issues, but rather is designed to

¹⁰ 15 U.S.C. 78f(b)(1) and 78f(b)(6).

provide greater harmonization among Exchange, BYX, EDGA, and EDGX rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members of the BGM Affiliated Exchanges and an enhanced ability of the BGM Affiliated Exchanges to fairly and efficiently regulate members, which will further enhance competition.

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

Not applicable.

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)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹¹ and paragraph (f)(6) of Rule 19b-4 thereunder.¹² The Exchange asserts that the proposed rule change: (1) will not significantly affect the protection of investors or the public interest, (2) will not impose any significant burden on competition, (3) and will not become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate. In addition, the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing.¹³

¹¹ 15 U.S.C. 78s(b)(3)(A).

¹² 17 C.F.R. 240.19b-4.

¹³ 17 C.F.R. 240.19b-4(f)(6)(iii).

As described above, the Exchange notes that the proposed change is directly based on the rules of EDGA and EDGX.¹⁴ Based on the foregoing, the proposed rule change does not present any unique issues not previously considered by the Commission, and the Exchange has accordingly designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁵ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁶

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule changes may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act¹⁷ and paragraph (f)(6) thereunder.¹⁸ Waiver of the operative delay is consistent with the protection of investors and the public interest because it will allow the Exchange to have consistent rules related to minor violations across each of the BGM Affiliated Exchanges, which will both more consistently and efficiently regulate members of the BGM Affiliated Exchanges as well as reduce the regulatory burden on Members of the Exchange that are also members of EDGA, EDGX, and/or BYX.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to

¹⁴ See supra note 5.

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 C.F.R. 240.19b-4.

¹⁷ 15 U.S.C. 78s(b)(3)(A).

¹⁸ 17 C.F.R. 240.19b-4(f)(6).

determine whether the proposed rule should be approved or disapproved.

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

The proposed rule change is based on EDGA and EDGX Rule 8.15. The proposed rule text for Exchange Rule 8.15 is nearly identical to such rules. However, as described above, Exchange Rule 8.15 includes a reference to BATS Options that is not included in the EDGA and EDGX rules because they have no related options platforms.

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.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2015-12)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend Rule 8.15 entitled “Imposition of Fines for Minor Violation(s) of Rules”

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 and II below, which Items have been prepared by the Exchange. The Exchange has designated this proposal as a “non-controversial” proposed rule change pursuant to Section 19(b)(3)(A) of the Act³ and Rule 19b-4(f)(6)(iii) thereunder,⁴ which renders it 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 Rule 8.15 entitled “Imposition of Fines for Minor Violation(s) of Rules.”

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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A).

⁴ 17 CFR 240.19b-4(f)(6)(iii).

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 Rule 8.15 in order to make it substantively identical to the corresponding rules on EDGX Exchange, Inc. ("EDGX") and EDGA Exchange, Inc. ("EDGA"), as further described below. Earlier this year, the Exchange and its affiliate, BATS Y-Exchange, Inc. ("BYX"), received approval to effect a merger (the "Merger") of the Exchange's parent company, BATS Global Markets, Inc., with Direct Edge Holdings LLC, the indirect parent of EDGX, and EDGA (together with BZX, BYX and EDGX, the "BGM Affiliated Exchanges").⁵ In the context of the Merger, the BGM Affiliated Exchanges are working to align certain system and regulatory functionality, retaining only intended differences between the BGM Affiliated Exchanges. Thus, the proposal set forth below is intended to amend Rule 8.15 in order to make the rule substantively identical to corresponding rules on EDGA and EDGX related

⁵ See Securities Exchange Act Release No. 71375 (January 23, 2014), 79 FR 4771 (January 29, 2014) (SR-BATS-2013-059; SR-BYX-2013-039).

to minor violations of exchange rules in order to provide a consistent regulatory approach across each of the BGM Affiliated Exchanges.

Currently, Rule 8.15(a) provides that, in lieu of commencing a disciplinary proceeding as described in Rules 8.1 through 8.13, the Exchange may, subject to the requirements set forth in this Rule, impose a fine, not to exceed \$2,500, on any Member, associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange, which violation the Exchange shall have determined is minor in nature. The Exchange is proposing to add language in order to make Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15 identical to the corresponding EDGA and EDGX rules.⁶ Specifically, the Exchange is proposing that the Exchange may, if no exceptional circumstances are present, impose a fine based upon a determination that there exists a pattern or practice of violative conduct. As proposed, the Exchange also may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected.

Currently, under Interpretation and Policy .01 to Rule 8.15, the Exchange fines individuals \$100, \$300, and \$500 and Member firms \$500, \$1,000, and \$2,500 for their first, second, and third time fined under Rule 8.15 within a rolling 12-month period, respectively, for the following violations of Exchange rules: (a) Rule 4.2 and Interpretation and Policy thereunder requiring the submission of responses to Exchange requests for trading data within a specified time period; (b) Rule 11.19 requirement to

⁶ See EDGX Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15 and EDGA Rule 8.15(a) and Interpretation and Policy .01 to Rule 8.15.

identify short sale orders as such; and (c) Rule 11.20 requirement to comply with locked and crossed market rules. The Exchange is proposing to add two additional instances to the fine structure described above. These additional instances include: (1) Rule 3.5 Advertising Practices; and (2) Rule 12.11 Interpretation and Policy .01 and Exchange Act Rule 604 – Failure to properly display limit orders.⁷

The Exchange is also proposing to make several non-substantive changes to Interpretation and Policy .01 to Rule 8.15. First, the Exchange is proposing to change the numbering within the rule to reflect the additions described above. Second, the Exchange is proposing to change the phrase “limit orders” in paragraph (e) of Interpretation and Policy .01 to Rule 8.15 to “quotations.” The Exchange believes that this change is non-substantive because, in this instance, the terms limit orders and quotations are interchangeable. Paragraph (e) is referring to the obligation of a Market Maker under Rule 11.8 to maintain continuous liquidity of both buy and sell orders, which are referred to as quotes or quotations in Rule 11.8, at certain prices. Based on Exchange functionality, the only way to enter priced orders that could meet such quotation obligations would be through use of limit orders. As such, the Exchange believes that the proposed change is non-substantive, makes the rule more clear, and more accurately

⁷ The Exchange notes that these proposed changes would make the Exchange’s Rule 8.15, with the exception of current Rule 8.15(a) and paragraph (d) of Interpretation and Policy .01 to Rule 8.15 related to the rules of the Exchange’s options platform (“BATS Options”), substantively identical to the corresponding EDGA and EDGX rules based on filings SR-EDGA-2015-11 and SR-EDGX-2015-10. Such filings propose to remove paragraph (d) of Interpretation and Policy .01 to both EDGA and EDGX rules 8.15. The Exchange also notes that BYX intends to file a proposal very similar to this proposal that will align the rules related to fines for minor violation of exchange rules across each of the BGM Affiliated Exchanges.

reflects the language used in Exchange Rule 11.8. Further, the change would make the rule text identical to that of EDGA and EDGX.

2. Statutory Basis

The Exchange believes that the rule change proposed in this submission 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(b) of the Act.⁸ Specifically, the proposed change is consistent with Section 6(b)(5) of the Act,⁹ because it is designed to promote just and equitable principles of trade, to remove impediments to, and perfect the mechanism of, a free and open market and a national market system, and, in general, to protect investors and the public interest. As mentioned above, the proposed rule changes, combined with the planned filing for BYX,¹⁰ would allow the BGM Affiliated Exchanges to provide a consistent set of rules as it relates to the imposition of fines for minor violations of rules across each of the exchanges. Consistent rules, in turn, will simplify the regulatory requirements for Members of the Exchange that are also participants on BYX, EDGA, and/or EDGX. The proposed rule change would provide greater harmonization between rules of similar purpose on the BGM Affiliated Exchanges, resulting in greater uniformity and less burdensome and more efficient regulatory compliance. As such, the proposed rule change would foster cooperation and coordination with persons engaged in facilitating

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ See supra note 7.

transactions in securities and would remove impediments to and perfect the mechanism of a free and open market and a national market system.

Specifically, the changes to Rule 8.15(a) and the addition of new paragraphs (d) and (e) to Interpretation and Policy .01 of Rule 8.15 will provide the Exchange with additional ways to handle related minor violations as well as providing the Exchange with the ability to handle other rule violations which it believes to be minor under Rule 8.15. The Exchange believes that, in addition to the benefits to Members described above, the proposal will enhance the Exchange's ability to efficiently regulate its Members, meaning that the proposed rule change is equitable and will promote fairness in the market place.

Further, the Exchange believes that the proposal is consistent with Sections 6(b)(1) and 6(b)(6) of the Act¹¹ which require that the rules of an exchange enforce compliance with, and provide appropriate discipline for, violations of the Commission and Exchange rules. The Exchange also believes that the proposal is consistent with the public interest, the protection of investors, or otherwise in furtherance of the purposes of the Act because the proposal helps to strengthen the Exchange's ability to carry out its oversight and enforcement responsibilities as a self-regulatory organization in cases where full disciplinary proceedings are unsuitable in view of the minor nature of a particular violation.

Finally, the Exchange believes that the non-substantive changes discussed above will contribute to the protection of investors and the public interest by helping to avoid

¹¹ 15 U.S.C. 78f(b)(1) and 78f(b)(6).

confusion with respect to Exchange rules.

(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. To the contrary, allowing the Exchange to implement substantively identical rules related to the imposition of fines for minor violations of rules across each of the BGM Affiliated Exchanges does not present any competitive issues, but rather is designed to provide greater harmonization among Exchange, BYX, EDGA, and EDGX rules of similar purpose, resulting in less burdensome and more efficient regulatory compliance for common members of the BGM Affiliated Exchanges and an enhanced ability of the BGM Affiliated Exchanges to fairly and efficiently regulate members, which will further enhance competition.

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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹² and paragraph (f)(6) of Rule 19b-4 thereunder.¹³

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily temporarily suspend such rule change if it appears to the

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 C.F.R. 240.19b-4.

Commission that such action is: (1) necessary or appropriate in the public interest; (2) for the protection of investors; or (3) otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

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-2015-12 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-2015-12. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>).

Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the

provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 am and 3:00 pm. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-BATS-2015-12 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.¹⁴

Kevin M. O'Neill
Deputy Secretary

¹⁴ 17 CFR 200.30-3(a)(12).

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

Rules of BATS Exchange, Inc.

CHAPTER VIII. DISCIPLINE

Rule 8.15. Imposition of fines for Minor Violation(s) of Rules

(a) In lieu of commencing a disciplinary proceeding as described in Rules 8.1 through 8.13, the Exchange may, subject to the requirements set forth in this Rule, impose a fine, not to exceed \$2,500, on any Member, associated person of a Member, or registered or non-registered employee of a Member, for any violation of a Rule of the Exchange, which violation the Exchange shall have determined is minor in nature. The Exchange may, if no exceptional circumstances are present, impose a fine based upon a determination that there exists a pattern or practice of violative conduct. The Exchange also may aggregate similar violations generally if the conduct was unintentional, there was no injury to public investors, or the violations resulted from a single systemic problem or cause that has been corrected. Any fine imposed pursuant to this Rule and not contested shall not be publicly reported, except as may be required by Rule 19d-1 under the Act or as may be required by any other regulatory authority.

(b)-(e) (No changes.)

Interpretations and Policies

.01 List of Exchange Rule Violations and Recommended Fine Schedule Pursuant to Rule 8.15:

Recommended Fine Schedule – 8.15.01(a)-([c]e)

Occurrence*	Individual	Member firm
First time fined	\$100	\$500
Second time fined	\$300	\$1,000
Third time fined	\$500	\$2,500

*Within a “rolling” 12-month period.

(a) Rule 4.2 and Interpretations, thereunder, requiring the submission of responses to Exchange requests for trading data within specified time period.

(b) Rule 11.19 requirement to identify short sale orders as such.

(c) Rule 11.20 requirement to comply with locked and crossed market rules.

(d) Rule 3.5 Advertising Practices.

(e) Rule 12.11 Interpretation and Policy .01 and Exchange Act Rule 604 – Failure to properly display limit orders.

Recommended Fine Amount for 8.15.01([d]f)-([e]g): \$100 per violation

([d]f) Rule 4.2 and Interpretations thereunder related to the requirement to furnish Exchange-related order, market and transaction data, as well as financial or regulatory records and information.

([e]g) Rule 11.8(a)(1) requirement for Market Makers to maintain continuous two-sided [limit orders]quotations.

Recommended Fines for 8.15.01([f]h): see Rule 25.3

([f]h) Rules contained in the Rules applicable to BATS Options, as set forth in Rule 25.3 (Penalty for Minor Rule Violations).
