

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of * 20	SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549 Form 19b-4	File No.* SR - 2015 - * 22	Amendment No. (req. for Amendments *)
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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"/>			Rule		
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 adopt new Rule 21.17, Exchange Sharing of User Designated Risk Settings.

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 03/13/2015
By Anders Franzon
(Name *)
VP, Associate General Counsel
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 *

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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 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 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 proposal to authorize the BATS Options Market (“BATS Options”) to share a User’s³ risk settings with the Clearing Member⁴ that clears transactions on behalf of the User. 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.⁵

(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

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A User is defined as “any Options member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3 (Access).” See Exchange Rule 16.1(a)(63).

⁴ A Clearing Member is defined as “an Options Member that is self-clearing or an Options Member that clears BATS Options Transactions for other Members of BATS Options.” See Exchange Rule 16.1(a)(15).

⁵ 17 CFR 240.19b-4(f)(6)(iii).

action taken pursuant to delegated authority. No other action is necessary for the filing of the rule change.

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

Eric Swanson
EVP, General Counsel
(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 is proposing to adopt new Rule 21.17, Exchange Sharing of User Designated Risk Settings, in order to authorize the Exchange to share any of a User's risk settings with the Clearing Member that clears transactions on behalf of the User.

Under BATS Rule 17.2(b), Options Members⁶ must be Clearing Members or establish a clearing arrangement with a Clearing Member. Rule 21.13(a) provides that every Clearing Member is responsible for the clearance of BATS Options Transactions⁷ of such Clearing Member and of each User that gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee, or other authorization given by such Clearing Member to such User, which authorization must be submitted to the Exchange. Further, no Options Member may make any transactions on the Exchange

⁶ An Options Member is defined as "a firm, or organization that is registered with the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on BATS Options as an 'Options Order Entry Firm' or 'Options Market Maker.'" See Exchange Rule 16.1(a)(38).

⁷ A BATS Options Transactions is defined as "a transaction involving an options contract that is effected on or through BATS Options or its facilities or systems." See Exchange Rule 16.1(a)(11).

unless a letter of guarantee providing that the issuing Clearing Member accepts financial responsibilities for all BATS Options Transactions made by the Options Member (a “Letter of Guarantee”) has been issued for such Options Member by a Clearing Member and filed with the Exchange.

Thus, while not all Options Members are Clearing Members, all Options Members require a Clearing Member’s consent to clear transactions on their behalf (or on behalf of any Sponsored Participants⁸ for which the Options Member is a Sponsoring Member⁹) in order to conduct business on the Exchange. Each Options Member that transacts through a Clearing Member on the Exchange executes a Letter of Guarantee which codifies the relationship between the Options Member and the Clearing Member and provides the Exchange with notice of which Clearing Members have relationships with which Options Members. The Clearing Member that guarantees the Options Member’s transactions on the Exchange has a financial interest in understanding the risk tolerance of the Options Member. The proposal would provide the Exchange with authority to directly provide Clearing Members with information that may otherwise be available to such Clearing Members by virtue of their relationship with the respective

⁸ A Sponsored Participant is defined as “a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to Rule 11.3. See Exchange Rule 1.5(x).

⁹ A Sponsoring Member is defined as “a broker-dealer that has been issued a membership by the Exchange who has been designated by a Sponsored Participant to execute, clear and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through which transactions may be cleared or (ii) a correspondent firm with a clearing arrangement with any such clearing firm.” See Exchange Rule 1.5(y).

Users.

At this time, the risk settings covered by this proposal are set forth in Rule 21.16, entitled Risk Monitor Mechanism.¹⁰ The Exchange may adopt additional rules providing for Options Member designated risk settings other than those provided in Rule 21.16 that could be shared with an Options Member's Clearing Member under the proposal and the Exchange would announce these additional risk settings by issuing a Trade Desk Notice.

(b) Statutory Basis

The Exchange believes that its proposal 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.¹¹ In particular, the proposal is consistent with Section 6(b)(5) of the Act¹² because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

The proposed rule change will allow the Exchange to directly provide an Options Member's designated risk settings to the Clearing Member that clears trades on behalf of the Options Member. Because a Clearing Member that executes a clearing Letter of Guarantee on behalf of an Options Member guarantees all transactions of that Options

¹⁰ See Exchange Rule 21.16.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

Member, and therefore bears the risk associated with those transactions, it is appropriate for the Clearing Member to have knowledge of what risk settings the Options Member may utilize within the Trading System.¹³ The proposal will permit Clearing Members who have a financial interest in the risk settings of Options Members with whom the Clearing Participant has entered into a Letter of Guarantee to better monitor and manage the potential risks assumed by Clearing Members, thereby providing Clearing Members with greater control and flexibility over setting their own risk tolerance and exposure and aiding Clearing Members in complying with the Act. To the extent a Clearing Member might reasonably require an Options Member to provide access to its risk setting as a prerequisite to continuing to clear trades on the Options Member's behalf, the Exchange's proposal to share those risk settings directly reduces the administrative burden on Options Members and ensures that Clearing Members are receiving information that is up to date and conforms to the settings active in the Trading System.

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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues and does not pose an undue burden on non-Clearing Members because, unlike Clearing Members, non-Clearing Members do not guarantee the execution of an Options Member's transactions on the Exchange. The proposal is structured to offer the same enhancement to all Clearing Members, regardless of size, and would not impose a

¹³ Trading System is defined as "the automated trading system used by BATS Options for the trading of options contracts." See Exchange Rule 16.1(a)(59).

competitive burden on any Options Member. Any Options Member that does not wish to share its designated risk settings with its Clearing Member could avoid sharing such settings by becoming a Clearing Member.

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)

The Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁴ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁵ 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, and (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, or such shorter time as designated by the Commission.¹⁶

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b-4.

¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

The Exchange believes that the proposed rule change does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. The rule change is being proposed as a competitive response to similar filings by other options exchanges.¹⁷ Further, the proposed rule change does not significantly affect the protection of investors or the public interest because the proposal will permit Clearing Members who have a financial interest in the risk settings of Options Member with whom the Clearing Member has entered into a Letter of Guarantee to better monitor and manage the potential risks assumed by Options Members, thereby aiding Clearing Members in complying with the Act. Accordingly, the Exchange has designated this rule filing as non-controversial under Section 19(b)(3)(A) of the Act¹⁸ and paragraph (f)(6) of Rule 19b-4 thereunder.¹⁹

The Exchange respectfully requests that the Commission waive the 30-day operative delay so that the proposed rule change may become effective and operative upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act²⁰ and paragraph (f)(6) of Rule 19b-4 thereunder.²¹ Waiver of the 30-day operative delay will allow Clearing Members to immediately monitor and manage the potential risks assumed by Options Members, functionality which is already available on other Exchanges.

Waiver of the operative delay is consistent with the protection of investors and the public

¹⁷ See Securities Exchange Act Release Nos. 73817 (December 11, 2014), 79 FR 75215 (December 17, 2014) (SR-NYSEMKT-2014-81) and 74198 (February 3, 2015), 80 FR 7062 (February 9, 2015) (SR-NASDAQ-2015-007).

¹⁸ 15 U.S.C. 78s(b)(3)(A).

¹⁹ 17 CFR 240.19b-4.

²⁰ 15 U.S.C. 78s(b)(3)(A).

²¹ 17 CFR 240.19b-4(f)(6).

interest for the reasons described above.

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

The proposed rule change is based on NYSE MKT Rule 902.1NY and Section 20 of Chapter VI of The NASDAQ Options Market Rules.²²

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

²² See supra note 17.

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-_____; File No. SR-BATS-2015-22)

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Adopt New Rule 21.17, Exchange Sharing of User Designated Risk Settings

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 authorize the BATS Options Market (“BATS

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).

Options”) to share a User’s⁵ risk settings with the Clearing Member⁶ that clears transactions on behalf of the User.

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

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

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

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

1. Purpose

The Exchange is proposing to adopt new Rule 21.17, Exchange Sharing of User Designated Risk Settings, in order to authorize the Exchange to share any of a User’s risk settings with the Clearing Member that clears transactions on behalf of the User.

Under BATS Rule 17.2(b), Options Members⁷ must be Clearing Members or

⁵ A User is defined as “any Options member or Sponsored Participant who is authorized to obtain access to the System pursuant to Rule 11.3 (Access).” See Exchange Rule 16.1(a)(63).

⁶ A Clearing Member is defined as “an Options Member that is self-clearing or an Options Member that clears BATS Options Transactions for other Members of BATS Options.” See Exchange Rule 16.1(a)(15).

⁷ An Options Member is defined as “a firm, or organization that is registered with

establish a clearing arrangement with a Clearing Member. Rule 21.13(a) provides that every Clearing Member is responsible for the clearance of BATS Options Transactions⁸ of such Clearing Member and of each User that gives up such Clearing Member's name pursuant to a letter of authorization, letter of guarantee, or other authorization given by such Clearing Member to such User, which authorization must be submitted to the Exchange. Further, no Options Member may make any transactions on the Exchange unless a letter of guarantee providing that the issuing Clearing Member accepts financial responsibilities for all BATS Options Transactions made by the Options Member (a "Letter of Guarantee") has been issued for such Options Member by a Clearing Member and filed with the Exchange.

Thus, while not all Options Members are Clearing Members, all Options Members require a Clearing Member's consent to clear transactions on their behalf (or on behalf of any Sponsored Participants⁹ for which the Options Member is a Sponsoring Member¹⁰) in order to conduct business on the Exchange. Each Options Member that

the Exchange pursuant to Chapter XVII of these Rules for purposes of participating in options trading on BATS Options as an 'Options Order Entry Firm' or 'Options Market Maker.'" See Exchange Rule 16.1(a)(38).

⁸ A BATS Options Transactions is defined as "a transaction involving an options contract that is effected on or through BATS Options or its facilities or systems." See Exchange Rule 16.1(a)(11).

⁹ A Sponsored Participant is defined as "a person which has entered into a sponsorship arrangement with a Sponsoring Member pursuant to Rule 11.3. See Exchange Rule 1.5(x).

¹⁰ A Sponsoring Member is defined as "a broker-dealer that has been issued a membership by the Exchange who has been designated by a Sponsored Participant to execute, clear and settle transactions resulting from the System. The Sponsoring Member shall be either (i) a clearing firm with membership in a clearing agency registered with the Commission that maintains facilities through

transacts through a Clearing Member on the Exchange executes a Letter of Guarantee which codifies the relationship between the Options Member and the Clearing Member and provides the Exchange with notice of which Clearing Members have relationships with which Options Members. The Clearing Member that guarantees the Options Member's transactions on the Exchange has a financial interest in understanding the risk tolerance of the Options Member. The proposal would provide the Exchange with authority to directly provide Clearing Members with information that may otherwise be available to such Clearing Members by virtue of their relationship with the respective Users.

At this time, the risk settings covered by this proposal are set forth in Rule 21.16, entitled Risk Monitor Mechanism.¹¹ The Exchange may adopt additional rules providing for Options Member designated risk settings other than those provided in Rule 21.16 that could be shared with an Options Member's Clearing Member under the proposal and the Exchange would announce these additional risk settings by issuing a Trade Desk Notice.

2. Statutory Basis

The Exchange believes that its proposal 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.¹² In

which transactions may be cleared or (ii) a correspondent firm with a clearing arrangement with any such clearing firm." See Exchange Rule 1.5(y).

¹¹ See Exchange Rule 21.16.

¹² 15 U.S.C. 78f(b).

particular, the proposal is consistent with Section 6(b)(5) of the Act¹³ because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, 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.

The proposed rule change will allow the Exchange to directly provide an Options Member's designated risk settings to the Clearing Member that clears trades on behalf of the Options Member. Because a Clearing Member that executes a clearing Letter of Guarantee on behalf of an Options Member guarantees all transactions of that Options Member, and therefore bears the risk associated with those transactions, it is appropriate for the Clearing Member to have knowledge of what risk settings the Options Member may utilize within the Trading System.¹⁴ The proposal will permit Clearing Members who have a financial interest in the risk settings of Options Members with whom the Clearing Participant has entered into a Letter of Guarantee to better monitor and manage the potential risks assumed by Clearing Members, thereby providing Clearing Members with greater control and flexibility over setting their own risk tolerance and exposure and aiding Clearing Members in complying with the Act. To the extent a Clearing Member might reasonably require an Options Member to provide access to its risk setting as a prerequisite to continuing to clear trades on the Options Member's behalf, the

¹³ 15 U.S.C. 78f(b)(5).

¹⁴ Trading System is defined as "the automated trading system used by BATS Options for the trading of options contracts." See Exchange Rule 16.1(a)(59).

Exchange's proposal to share those risk settings directly reduces the administrative burden on Options Members and ensures that Clearing Members are receiving information that is up to date and conforms to the settings active in the Trading System.

(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 that is not necessary or appropriate in furtherance of the purposes of the Act. The proposed rule change is not designed to address any competitive issues and does not pose an undue burden on non-Clearing Members because, unlike Clearing Members, non-Clearing Members do not guarantee the execution of an Options Member's transactions on the Exchange. The proposal is structured to offer the same enhancement to all Clearing Members, regardless of size, and would not impose a competitive burden on any Options Member. Any Options Member that does not wish to share its designated risk settings with its Clearing Member could avoid sharing such settings by becoming a Clearing Member.

(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 Exchange has 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 proposed rule change effects a change that (A) does not significantly affect the protection of investors or the public interest; (B) does not impose any significant burden on competition; and (C) by its terms, does not become operative for 30 days after the date of the filing, or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest; provided that the self-regulatory organization has given the Commission 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 of the proposed rule change, or such shorter time as designated by the Commission.

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 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:

¹⁵ 15 U.S.C. 78s(b)(3)(A).

¹⁶ 17 C.F.R. 240.19b-4.

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-2015-22 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-2015-22. 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-2015-22 and should be submitted on or before [_____] 21 days from publication

in the Federal Register].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.¹⁷

Kevin M. O'Neill
Deputy Secretary

¹⁷ 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 XXI. TRADING SYSTEMS

* * * * *

Rule 21.17. Exchange Sharing of User Designate Risk Settings

The Exchange may share any of a User's risk settings with the Clearing Member that clears transactions on behalf of the User.

* * * * *