

## OMB APPROVAL

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

Required fields are shown with yellow backgrounds and asterisks.

Page 1 of \* 18

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

File No.\* SR - 2017 - \* 15  
 Amendment No. (req. for Amendments \*)

Filing by Bats BYX Exchange, Inc.

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

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

Notice of proposed change pursuant to the Payment, Clearing, and Settlement Act of 2010

Security-Based Swap Submission pursuant to the Securities Exchange Act of 1934

Section 806(e)(1) \*

Section 806(e)(2) \*

Section 3C(b)(2) \*

Exhibit 2 Sent As Paper Document



Exhibit 3 Sent As Paper Document



### Description

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

The Exchange proposes a rule change related to fees.

### Contact Information

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

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

### 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 06/09/2017

By Anders Franzon

(Name \*)

SVP, Associate General Counsel

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.

afranzon@bats.com

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

For complete Form 19b-4 instructions please refer to the EFFT 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

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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

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Copies of any form, report, or questionnaire that the self-regulatory organization proposes to use to help implement or operate the proposed rule change, or that is referred to by the proposed rule change.

**Exhibit 4 - Marked Copies**

Add Remove View

The full text shall be marked, in any convenient manner, to indicate additions to and deletions from the immediately preceding filing. The purpose of Exhibit 4 is to permit the staff to identify immediately the changes made from the text of the rule with which it has been working.

**Exhibit 5 - Proposed Rule Text**

Add Remove View

The self-regulatory organization may choose to attach as Exhibit 5 proposed changes to rule text in place of providing it in Item I and which may otherwise be more easily readable if provided separately from Form 19b-4. Exhibit 5 shall be considered part of the proposed rule change.

**Partial Amendment**

Add Remove View

If the self-regulatory organization is amending only part of the text of a lengthy proposed rule change, it may, with the Commission's permission, file only those portions of the text of the proposed rule change in which changes are being made if the filing (i.e. partial amendment) is clearly understandable on its face. Such partial amendment shall be clearly identified and marked to show deletions and additions.

## 1. Text of the Proposed Rule Change

(a) Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> Bats BYX Exchange, Inc. (the “Exchange” or “BYX”) is filing with the Securities and Exchange Commission (“Commission”) a proposed rule change to amend the fee schedule applicable to Members<sup>3</sup> and non-Members of the Exchange pursuant to BYX Rules 15.1(a) and (c). Changes to the fee schedule pursuant to this proposal are effective upon filing.

The text of the proposed rule change is attached as Exhibit 5. Material proposed to be added is underlined. Material proposed to be deleted is enclosed in brackets.

(b) Not applicable.

(c) Not applicable.

## 2. Procedures of the Self-Regulatory Organization

The Exchange submits the proposed rule change pursuant to authority delegated by the Board of Directors of the Exchange on February 11, 2014. Exchange staff will advise the 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 and, therefore, the Exchange’s internal procedures with respect to the proposed change are complete.

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

Joanne Moffic-Silver  
Executive Vice President, General

Anders Franzon  
SVP, Associate General Counsel

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 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).

Counsel, and Corporate Secretary  
(312) 786-7462

(913) 815-7154

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

(a) Purpose

The Exchange proposes to amend its fee schedule applicable to its equities trading platform ("BYX Equities") to: (i) modify the rates associated with fee codes AA, BJ and RA; and (ii) increase the scope of executions subject to fee code IX. The Exchange notes that Bats EDGA Exchange, Inc. ("EDGA") implemented certain pricing changes effective June 1, 2017, including modification of various fees and rebates to add and remove liquidity with a displayed or IOC order to a flat fee of \$0.0003 per share to add or remove liquidity with a displayed or IOC order.<sup>4</sup> The proposed changes to AA, BJ, and RA are proposed in light of these changes.

Fee Code AA

The Exchange proposes to modify the rate associated with orders yielding fee code AA, which results from an order routed to EDGA using ALLB routing strategy,<sup>5</sup> from a \$0.0002 per share rebate to a fee of \$0.0003 per share for securities priced at or above \$1.00. The Exchange does not propose to modify the rate for orders yielding fee code AA for securities priced below \$1.00, which are currently not charged a fee nor

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<sup>4</sup> See Press Release, Bats Announces Fee Overhaul of EDGA Equities Exchange (May 30, 2017), available at <http://ir.cboe.com/press-releases/2017/05-30-2017.aspx>.

<sup>5</sup> ALLB is a routing option under which the order checks the System for available shares and is then sent to the Bats BZX Exchange, Inc. ("BZX"), EDGA, and Bats EDGX Exchange, Inc. ("EDGX" collectively with the Exchange, BZX, and EDGA, the "BGM Affiliated Exchanges"). See the Exchange's routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Exchange Rule 11.13(b)(3).

provided a rebate.

#### Fee Code BJ

The Exchange proposes to modify the rate associated with orders yielding fee code BJ, which result from an order routed to EDGA using the Destination Specific (“DIRC”),<sup>6</sup> TRIM or TRIM2 routing strategies,<sup>7</sup> from a rebate of \$0.0002 per share to a fee of \$0.0003 per share for all securities (i.e., those priced at or above \$1.00 and those priced below \$1.00).

#### Fee Code RA

The Exchange proposes to decrease the fee associated with orders yielding fee code RA, which results from an order routed to EDGA which adds liquidity, from a fee of \$0.0005 per share to a fee of \$0.0003 per share for securities priced at or above \$1.00. The Exchange does not propose to modify the rate for orders yielding fee code RA for securities priced below \$1.00, which are currently not charged a fee nor provided a rebate.

#### Fee Code IX

The Exchange proposes to modify the routing strategies applicable to fee code IX to include the TRIM or TRIM2 routing strategies. Fee code IX is currently appended to all orders that are routed to the Investors Exchange, Inc. (“IEX”) using the Destination

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<sup>6</sup> See the Exchange’s routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Exchange Rule 11.13(b)(3).

<sup>7</sup> The TRIM and TRIM2 routing strategies focus on seeking execution of orders while minimizing execution costs by routing only to certain low cost execution venues on the Exchange’s System routing table. Id.

Specific routing strategy (also referred to as “DIRC”).<sup>8</sup> The Exchange does not propose to modify the rate of \$0.0010 per share currently charged orders appended with IX. The Exchange notes that it has not previously included IEX on the routing tables for TRIM and TRIM2 but began to do so effective June 1, 2017, and thus, that the proposed change is necessary to account for executions at IEX through such routing strategies.

#### Implementation Date

The Exchange proposes to implement the above changes to its fee schedule immediately.<sup>9</sup>

#### (b) Statutory Basis

The Exchange believes that the proposed rule changes are consistent with the objectives of Section 6 of the Act,<sup>10</sup> in general, and furthers the objectives of Section 6(b)(4),<sup>11</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize

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<sup>8</sup> See the Exchange’s routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Rule 11.13(b)(3).

<sup>9</sup> The Exchange initially submitted the proposed fee change on June 1, 2017. (SR-Bats BYX-2017-14). On June 9, 2017, the Exchange withdrew SR-Bats BYX-2017-14 and submitted this filing.

<sup>10</sup> 15 U.S.C. 78f.

<sup>11</sup> 15 U.S.C. 78f(b)(4).

market participants to direct their order flow to the Exchange. Furthermore, the Exchange notes that routing through the Exchange's affiliate, Bats Trading, is voluntary.

#### Fee Codes AA, BJ, and RA

As noted above, EDGA implemented certain pricing changes effective June 1, 2017, including modification of various fees and rebates to add or remove liquidity with a displayed or IOC order to a flat fee of \$0.0003 per share to add or remove liquidity with a displayed or IOC order.<sup>12</sup> The changes to fee codes AA, BJ, and RA are proposed in light of these changes and reflect a pass-through of the pricing provided by EDGA. As the pricing in securities priced at or above \$1.00 reflects the same pricing a Member would receive for participation on EDGA directly and the pricing in securities priced below \$1.00 is based on the current pricing model applied by the Exchange, the Exchange believes the proposed fees are reasonable and equitably allocated. The Exchange further believes the proposed fees are non-discriminatory because they apply uniformly to all Members.

#### Fee Code IX

The Exchange believes that its proposal to include TRIM and TRIM2 routing strategies for orders routed to IEX that yield fee code IX is equitable and reasonable because routing through Bats Trading is voluntary and Members may utilize other avenues to route orders to IEX, such as connecting to IEX directly. Lastly, the Exchange also believes that the proposed alternative routing strategies are non-discriminatory because the availability applies uniformly to all Members.

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

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<sup>12</sup> See supra, note 4.

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed changes to the Exchange's routing pricing burden competition, as they are based on the pricing on other venues. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available to all Members uniformly.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

6. Extension of Time Period for Commission Action

Not applicable.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>13</sup> and Rule 19b-4(f)(2) thereunder,<sup>14</sup> 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.

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<sup>13</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>14</sup> 17 CFR 240.19b-4(f)(2).

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

Exhibit 2 – 4: Not applicable.

Exhibit 5: Text of the Proposed Rule Change.

EXHIBIT 1

## SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-\_\_\_\_\_; File No. SR-BatsBYX-2017-15)

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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the “Act”),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on \_\_\_\_\_, Bats BYX Exchange, Inc. (the “Exchange” or “BYX”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Exchange has designated the proposed rule change as one establishing or changing a member due, fee, or other charge imposed by the Exchange under Section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder,<sup>4</sup> 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 Members<sup>5</sup> and non-Members of the Exchange pursuant to BYX Rules 15.1(a) and (c).

The text of the proposed rule change is available at the Exchange’s website at

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<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>4</sup> 17 CFR 240.19b-4(f)(2).

<sup>5</sup> The term “Member” is defined as “any registered broker or dealer that has been admitted to membership in the Exchange.” See Exchange Rule 1.5(n).

[www.bats.com](http://www.bats.com), at the principal office of the Exchange, and at the Commission's Public Reference Room.

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

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

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

1. Purpose

The Exchange proposes to amend its fee schedule applicable to its equities trading platform ("BYX Equities") to: (i) modify the rates associated with fee codes AA, BJ and RA; and (ii) increase the scope of executions subject to fee code IX. The Exchange notes that Bats EDGA Exchange, Inc. ("EDGA") implemented certain pricing changes effective June 1, 2017, including modification of various fees and rebates to add and remove liquidity with a displayed or IOC order to a flat fee of \$0.0003 per share to add or remove liquidity with a displayed or IOC order.<sup>6</sup> The proposed changes to AA, BJ, and RA are proposed in light of these changes.

Fee Code AA

The Exchange proposes to modify the rate associated with orders yielding fee

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<sup>6</sup> See Press Release, Bats Announces Fee Overhaul of EDGA Equities Exchange (May 30, 2017), available at <http://ir.cboe.com/press-releases/2017/05-30-2017.aspx>.

code AA, which results from an order routed to EDGA using ALLB routing strategy,<sup>7</sup> from a \$0.0002 per share rebate to a fee of \$0.0003 per share for securities priced at or above \$1.00. The Exchange does not propose to modify the rate for orders yielding fee code AA for securities priced below \$1.00, which are currently not charged a fee nor provided a rebate.

#### Fee Code BJ

The Exchange proposes to modify the rate associated with orders yielding fee code BJ, which result from an order routed to EDGA using the Destination Specific (“DIRC”),<sup>8</sup> TRIM or TRIM2 routing strategies,<sup>9</sup> from a rebate of \$0.0002 per share to a fee of \$0.0003 per share for all securities (i.e., those priced at or above \$1.00 and those priced below \$1.00).

#### Fee Code RA

The Exchange proposes to decrease the fee associated with orders yielding fee code RA, which results from an order routed to EDGA which adds liquidity, from a fee of \$0.0005 per share to a fee of \$0.0003 per share for securities priced at or above \$1.00. The Exchange does not propose to modify the rate for orders yielding fee code RA for

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<sup>7</sup> ALLB is a routing option under which the order checks the System for available shares and is then sent to the Bats BZX Exchange, Inc. (“BZX”), EDGA, and Bats EDGX Exchange, Inc. (“EDGX” collectively with the Exchange, BZX, and EDGA, the “BGM Affiliated Exchanges”). See the Exchange’s routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Exchange Rule 11.13(b)(3).

<sup>8</sup> See the Exchange’s routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Exchange Rule 11.13(b)(3).

<sup>9</sup> The TRIM and TRIM2 routing strategies focus on seeking execution of orders while minimizing execution costs by routing only to certain low cost execution venues on the Exchange’s System routing table. *Id.*

securities priced below \$1.00, which are currently not charged a fee nor provided a rebate.

#### Fee Code IX

The Exchange proposes to modify the routing strategies applicable to fee code IX to include the TRIM or TRIM2 routing strategies. Fee code IX is currently appended to all orders that are routed to the Investors Exchange, Inc. (“IEX”) using the Destination Specific routing strategy (also referred to as “DIRC”).<sup>10</sup> The Exchange does not propose to modify the rate of \$0.0010 per share currently charged orders appended with IX. The Exchange notes that it has not previously included IEX on the routing tables for TRIM and TRIM2 but began to do so effective June 1, 2017, and thus, that the proposed change is necessary to account for executions at IEX through such routing strategies.

#### Implementation Date

The Exchange proposes to implement the above changes to its fee schedule immediately.<sup>11</sup>

#### 2. Statutory Basis

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

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<sup>10</sup> See the Exchange’s routing strategies available at [http://cdn.batstrading.com/resources/features/bats\\_exchange\\_routing-strategies.pdf](http://cdn.batstrading.com/resources/features/bats_exchange_routing-strategies.pdf). See also Rule 11.13(b)(3).

<sup>11</sup> The Exchange initially submitted the proposed fee change on June 1, 2017. (SR-Bats BYX-2017-14). On June 9, 2017, the Exchange withdrew SR-Bats BYX-2017-14 and submitted this filing.

<sup>12</sup> 15 U.S.C. 78f.

6(b)(4),<sup>13</sup> in particular, as it is designed to provide for the equitable allocation of reasonable dues, fees and other charges among its Members and other persons using its facilities. The Exchange also notes that it operates in a highly-competitive market in which market participants can readily direct order flow to competing venues if they deem fee levels at a particular venue to be excessive or incentives to be insufficient. The proposed rule changes reflect a competitive pricing structure designed to incentivize market participants to direct their order flow to the Exchange. Furthermore, the Exchange notes that routing through the Exchange's affiliate, Bats Trading, is voluntary.

#### Fee Codes AA, BJ, and RA

As noted above, EDGA implemented certain pricing changes effective June 1, 2017, including modification of various fees and rebates to add or remove liquidity with a displayed or IOC order to a flat fee of \$0.0003 per share to add or remove liquidity with a displayed or IOC order.<sup>14</sup> The changes to fee codes AA, BJ, and RA are proposed in light of these changes and reflect a pass-through of the pricing provided by EDGA. As the pricing in securities priced at or above \$1.00 reflects the same pricing a Member would receive for participation on EDGA directly and the pricing in securities priced below \$1.00 is based on the current pricing model applied by the Exchange, the Exchange believes the proposed fees are reasonable and equitably allocated. The Exchange further believes the proposed fees are non-discriminatory because they apply uniformly to all Members.

#### Fee Code IX

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<sup>13</sup> 15 U.S.C. 78f(b)(4).

<sup>14</sup> See supra, note 6.

The Exchange believes that its proposal to include TRIM and TRIM2 routing strategies for orders routed to IEX that yield fee code IX is equitable and reasonable because routing through Bats Trading is voluntary and Members may utilize other avenues to route orders to IEX, such as connecting to IEX directly. Lastly, the Exchange also believes that the proposed alternative routing strategies are non-discriminatory because the availability applies uniformly to all Members.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. The Exchange does not believe that any of the proposed changes to the Exchange's routing pricing burden competition, as they are based on the pricing on other venues. The Exchange notes that it operates in a highly competitive market in which market participants can readily direct order flow to competing venues if they deem fee structures to be unreasonable or excessive. The Exchange does not believe the proposed amendments would burden intramarket competition as they would be available to all Members uniformly.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from Members or other interested parties.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)

of the Act<sup>15</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>16</sup> 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](mailto:rule-comments@sec.gov). Please include File No. SR-BatsBYX-2017-15 on the subject line.

##### Paper Comments:

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

All submissions should refer to File No. SR-BatsBYX-2017-15. 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

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<sup>15</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>16</sup> 17 CFR 240.19b-4(f).

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-BatsBYX-2017-15 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.<sup>17</sup>

Robert W. Errett  
Deputy Secretary

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<sup>17</sup> 17 CFR 200.30-3(a)(12).

**EXHIBIT 5**

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

**Bats BYX Exchange Fee Schedule**

**Effective June [1]9, 2017**

\* \* \* \* \*

**Fee Codes and Associated Fees:**

| <b>Fee Code</b>                         | <b>Description</b>   | <b>Fee/(Rebate)</b>        |
|---|--|----------------------------|
| 10 <sup>10</sup> - A <sup>10</sup>      | (No change).   |                            |
| AA <sup>11</sup>                        | Routed to EDGA using ALLB routing strategy   | [(0.00020)] <u>0.00030</u> |
| AX <sup>12</sup> -<br>BB <sup>1,6</sup> | (No change).   |                            |
| BJ                                      | Routed to EDGA using Destination Specific, TRIM or TRIM2 routing strategy              | [(0.00020)] <u>0.00030</u> |
| BO -<br>HI <sup>4,7</sup>               | (No change).   |                            |
| IX                                      | Routed to IEX using Destination Specific, <u>TRIM</u> or <u>TRIM2</u> routing strategy | 0.00100                    |
| J - R                                   | (No change).   |                            |
| RA <sup>10</sup>                        | Routed to EDGA, adds liquidity   | [0.00050] <u>0.00030</u>   |
| RB <sup>10</sup> -<br>ZR <sup>5,6</sup> | (No change).   |                            |

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