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SECURITIES AND EXCHANGE COMMISSION  
[Release No. 34-79430; File No. SR-BatsBYX-2016-36]

Self-Regulatory Organizations; Bats BYX Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Make Non-Substantive Changes to the Fee Schedule November 30, 2016

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 November 18, 2016, Bats BYX Exchange, Inc. (the “Exchange” or “BYX”) filed with the Securities and Exchange Commission (the “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 the Substance of the Proposed Rule Change

The Exchange filed a proposal to make several non-substantive changes to the fee schedule applicable to Members<sup>5</sup> and non-members of the Exchange pursuant to Exchange Rules 15.1(a) and (c).

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

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

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

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

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

1. Purpose

The Exchange proposes to make certain clarifying and non-substantive changes to its fee schedule in order to improve formatting, eliminate certain redundancies, increase overall readability, and provide users with straightforward descriptions to augment overall comprehensibility and usability of the existing fee schedule. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The proposed changes are simply intended to provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. Specifically, the Exchange proposes to:

- capitalize the title of the column setting forth each tier's rate under footnotes 1 and 3;
- amend the title of the column setting forth each tier's rate under footnote2 to

simply state “Fee Per Share to Add.” The fee offered under footnote 2’s Midpoint Peg Tier is available to orders that yield fee code MM. Fee code MM is appended to non-displayed orders that add liquidity using the Mid-Point Peg order type.<sup>6</sup> In renaming this column, the Exchange propose to remove reference to Mid-Point Peg orders as such language is redundant and set forth in the tier’s title and list of its applicable fee code;

- amend the name under first column of the tiers listed under footnote 1 to simply state “Tier 1”, Tier 2” and “Tier 3” as the deleted language is redundant with the respective tier’s title or with the description of the tier’s criteria;
- replace the phrase “equal to or greater than” with “ $\geq$ ” in all required criteria cells under footnotes 1, 2, and 3;
- amend the description of the required criteria under the third column of the tiers to begin with “Member has an” where applicable. Amending this description is intended to harmonize the description of the tier’s criteria with fee schedules of its affiliate exchanges;<sup>7</sup>
- delete a reference to the ROOC routing strategy, which was previously, removed from the Exchange’s rulebook.<sup>8</sup> The Exchange previously submitted a proposed rule change for immediate effectiveness to discontinue the ROOC routing strategy

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<sup>6</sup> See Exchange Rule 11.9(c)(9).

<sup>7</sup> The Exchange’s affiliates are Bats BZX Exchange, Inc., Bats EDGA Exchange, Inc. and Bats BZX Exchange, Inc.

<sup>8</sup> See Securities Exchange Act Release N. 75547 (July 29, 2015), 80 FR 46369 (August 4, 2015) (SR-BYX-2015-33). See also BATS EDGA Exchange and BYX Exchange Decommissioning ROOC Effective August 10, 2015, available at [http://cdn.batstrading.com/resources/release\\_notes/2015/BATS-EDGA-Exchange-and-BYX-Exchange-Decommissioning-ROOC-Effective-August-10-2015.pdf](http://cdn.batstrading.com/resources/release_notes/2015/BATS-EDGA-Exchange-and-BYX-Exchange-Decommissioning-ROOC-Effective-August-10-2015.pdf).

and to remove references to the ROOC routing strategy from its rulebook. The Exchange now proposes to delete fee code RN and its rebate, which is appended to orders routed to the Nasdaq Stock Market LLC using the ROOC routing strategy and add liquidity. The Exchange notes since ceasing to offer the ROOC routing option, orders routed to Nasdaq and that add liquidity yield feed code A and receive a rebate of \$0.0015 per share, which is the same rebate that was provided under fee code RN.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder that are applicable to a national securities exchange, and, in particular, with the requirements of Section 6 of the Act.<sup>9</sup> Specifically, the Exchange believes that the proposed rule change is consistent with Sections 6(b)(4) of the Act of the Act [sic],<sup>10</sup> in that it provides for the equitable allocation of reasonable dues, fees and other charges among members and other persons using any facility or system which the Exchange operates or controls. The Exchange believes that the proposed changes are reasonable and equitable because they are intended to simplify the Exchange's fee schedule and provide greater transparency to market participants regarding how the Exchange assesses fees and calculates rebates. The Exchange notes that these changes are purely clerical and do not substantively amend any fee or rebate, nor do they alter the manner in which the Exchange assesses fees or calculates rebates. The Exchange also believes that the proposal is non-discriminatory because it applies uniformly to all Members. Finally, the Exchange believes that the proposed changes will make the fee schedule clearer and eliminate potential investor confusion, thereby removing

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<sup>9</sup> 15 U.S.C. 78f.

<sup>10</sup> 15 U.S.C. 78f(b)(4).

impediments to and perfecting the mechanism of a free and open market and a national market system, and, in general, protecting investors and the public interest.

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

The Exchange does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended. To the contrary, the Exchange believes that the [sic] will not impose any burden on competition as the changes are purely clerical and do not amend and [sic] fee or rebate.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>11</sup> and paragraph (f) of Rule 19b-4 thereunder.<sup>12</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 proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>12</sup> 17 CFR 240.19b-4(f).

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 Number SR-BatsBYX-2016-36 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 Number SR-BatsBYX-2016-36. 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, D.C. 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of such filing also will 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 Number SR-BatsBYX-2016-36, and should be submitted on or before [INSERT DATE  
21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated  
authority.<sup>13</sup>

Eduardo A. Aleman  
Assistant Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

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