

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-77307; File No. SR-BATS-2016-25)

March 7, 2016

Self-Regulatory Organizations; BATS Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change to Amend its Rules as well as Certain Corporate Documents of the Exchange to Reflect a Legal Name Change by BATS Global Markets, Inc. and the Legal Names of Certain Subsidiaries

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 February 26, 2016, Bats BZX Exchange, Inc. f/k/a BATS Exchange, Inc. (the “Exchange” or “BZX”) 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 this proposal as one being concerned solely with the administration of the Exchange pursuant to Section 19(b)(3)(A)(iii) of the Act³ and Rule 19b-4(f)(3) thereunder,⁴ which renders the proposal 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 is proposing a rule change to amend its rules as well as certain corporate documents of the Exchange to reflect a legal name change by the Exchange’s ultimate parent entity, BATS Global Markets, Inc. (the “Parent”) to Bats Global Markets, Inc., and the legal names of certain of the Parent’s subsidiaries. As a result of this change, the Exchange also proposes to amend its rules to change its name from BATS Exchange, Inc. to Bats BZX

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(iii).

⁴ 17 CFR 240.19b-4(f)(3).

Exchange, Inc.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange, on behalf of its Parent, recently filed to change the Parent's legal name from "BATS Global Markets, Inc." to "Bats Global Markets, Inc."⁵ For the purposes of consistency, certain of the Parent's subsidiaries have also undertaken to change their legal names. As a result, the Exchange also proposes to change its name from BATS Exchange, Inc. to Bats BZX Exchange, Inc. throughout its rules and corporate documents (collectively, with the other legal name changes for the Parent and certain of its subsidiaries, the "name changes").⁶ Therefore, the Exchange proposes to amend its: (i) Rulebook; (ii) fee schedules applicable to its

⁵ See Securities Exchange Act Release No. 77155 (February 17, 2016) (SR-BATS-2016-10).

⁶ The Exchange initially filed the proposed fee [sic] change on February 19, 2016 (SR-BATS-2016-21). On February 26, 2016, the Exchange withdrew that filing and submitted this filing.

equity and options platforms issued pursuant to Exchange Rules 15.1(a) and (c) (“Fee Schedules”); (iii) Certificate of Incorporation (“Certificate”); and (iv) Third Amended and Restated Bylaws of the Exchange (“Bylaws”) (collectively, the “Operative Documents”) to reflect the name change and to replace all references to “BATS” with “Bats”.

The Exchange proposes to replace all references to BATS with Bats throughout the Exchange’s Rulebook and Fee Schedule. The Exchange understands that its affiliated Exchanges also intend to file similar proposed rule changes with the Commission to amend their exchange names.⁷ Therefore, the Exchange proposes to amend the following rules to reflect the name changes, including the expected filings by its affiliates to amend their names: Rule 1.5 (Definitions), Rule 2.3 (Member Eligibility), Rule 2.10 (Affiliation Between Exchange and a Member), Rule 2.11 (BATS Trading, Inc. as Outbound Router), Rule 2.12 (BATS Trading, Inc. as Inbound Router), Rule 8.15 (Imposition of Fines for Minor Violation(s) of Rules), Rule 11.1 (Hours of Trading and Trading Days), Rule 11.8 (Obligations of Market Makers), Rule 11.9 (Orders and Modifiers), Rule 11.12 (Priority of Orders), Rule 11.13 (Order Execution and Routing), Rule 11.14 (Trade Execution and Reporting), Rule 11.18 (Trading Halts Due to Extraordinary Market Volatility), Rule 11.22 (Data Products), Rule 11.23 (Auctions), Rule 11.24 (Opening Process for Non-BATS-Listed Securities), Rule 11.26 (Usage of Data Feeds), Rule 13.8 (BATS Connect), Rule 14.3 (General Procedures and Prerequisites for Initial and Continued Listing on the Exchange), Rule 14.11 (Other Securities), Rule 16.1 (Definitions), Rule 16.2 (Applicability), Rule 17.1 (Options Participation), Rule 17.2 (Requirements for Options

⁷ The Exchange’s affiliates are EDGA Exchange, Inc., BATS Y-Exchange, Inc. and EDGX Exchange, Inc. The Exchange understands that proposed rule changes are to be filed by each of its affiliates to amend their names as follows: EDGA Exchange, Inc. would be changed to Bats EDGA Exchange, Inc., BATS Y-Exchange, Inc. would be amended to Bats BYX Exchange, Inc., and EDGX Exchange, Inc. would be amended to Bats EDGX Exchange, Inc.

Participation), Rule 17.4 (Good Standing For Options Members), Rule 18.2 (Conduct and Compliance with the Rules), Rule 18.4 (Prevention of the Misuse of Material Nonpublic Information), Rule 18.6 (Other Restrictions on Members), Rule 18.7 (Position Limits), Rule 18.8 (Exemptions from Position Limits), Rule 18.9 (Exercise Limits), Rule 18.11 (Liquidation Positions), Rule 18.12 (Other Restrictions on Options Transactions and Exercises), Rule 18.14 (Limit on Outstanding Uncovered Short Positions), Rule 19.1 (Designation of Securities), Rule 19.3 (Criteria for Underlying Securities), Rule 19.4 (Withdrawal of Approval of Underlying Securities), Rule 19.6 (Series of Options Contracts Open for Trading), Rule 20.1 (Access to and Conduct on the BATS Options Market), Rule 20.2 (Surveillance), Rule 20.3 (Trading Halts), Rule 20.5 (Unusual Market Conditions), Rule 20.6 (Nullification and Adjustment of Options Transactions including Obvious Errors), Rule 20.7 (Audit Trail), Rule 20.8 (Failure to Pay Premium), Rule 21.1 (Definitions), Rule 21.2 (Days and Hours of Business), Rule 21.3 (Units of Trading), Rule 21.4 (Meaning of Premium Quotes and Orders), Rule 21.5 (Minimum Increments), Rule 21.7 (Market Opening Procedures), Rule 21.8 (Order Display and Booking Process), Rule 21.9 (Order Routing), Rule 21.12 (Clearing Member Give Up), Rule 21.13 (Submission for Clearance), Rule 21.14 (Message Traffic Mitigation), Rule 22.1 (Customer Orders and Order Entry Firms), Rule 22.2 (Options Market Maker Registration), Rule 22.5 (Obligations of Market Makers), Rule 22.6 (Market Maker Quotations), Rule 22.7 (Securities Accounts and Orders of Market Makers), Rule 22.8 (Letters of Guarantee), Rule 22.12 (Order Exposure Requirements), Rule 23.1 (Exercise of Options Contracts), Rule 24.2 (Reports of Uncovered Short Positions), Rule 25.1 (Suspensions), Rule 25.2 (Contracts of Suspended Members), Rule 25.3 (Penalty for Minor Rule Violations), Rule 26.5 (Discretionary Accounts), Rule 28.1 (General Rule), Rule 28.4 (Margin Required is Minimum), Rule 29.2 (Definitions),

Rule 29.3 (Designation of a Broad-Based Index), Rule 29.4 (Dissemination of Information), Rule 29.5 (Position Limits for Broad-Based Index Options), Rule 29.6 (Designation of Narrow-Based and Micro-Narrow-Based Index Options), Rule 29.7 (Position Limits for Narrow-Based and Micro-Narrow-Based Index Options), Rule 29.8 (Exemptions from Position Limits), Rule 29.10 (Trading Sessions), Rule 29.11 (Terms of Index Options Contracts), and Rule 29.12 (Debit Put Spread Cash Account Transactions). Throughout these rules, the Exchange proposes the following changes:

- All references to “BATS Exchange”, “BATS EXCHANGE” and “BATS EXCHANGE, INC.” are proposed to be changed to “Bats BZX Exchange, Inc.”;
- All references to “BATS” are proposed to be changed to “Bats” or “Exchange”;
- All references to “BATS Y-Exchange, Inc.” are proposed to be changed to “Bats BYX Exchange, Inc.”;
- All references to “EDGX Exchange, Inc.” are proposed to be changed to “Bats EDGX Exchange, Inc.”;
- All references to “EDGA Exchange, Inc.” are proposed to be changed to “Bats EDGA Exchange, Inc.”;
- All references to “BATS Options” are proposed to be changed to “BZX Options”.
- All references to “BATS Book”, “BATS market orders”, “BATS Post Only Orders”, “BATS Only Orders”, and “BATS-listed securities” are proposed to be changed to “BZX Book”, “BZX market orders”, “BZX Post Only Orders”, “BZX Only Orders”, and “BZX-listed securities”, respectively.⁸

⁸ The Exchange notes that “BATS” is synonymous with “BZX”. For example, Rule 11.22(k) is titled “BZX Book Viewer” and described a market data product offered by the Exchange. In addition, the Fee Schedule also includes BZX in the title of the Exchange’s

In addition to these changes, the Exchange proposes to modify its Fee Schedules to reflect the name change of the Exchange to Bats BZX Exchange⁹ and to change all references to “BATS” to instead refer to “Bats”. The Exchange also proposes on its Fee Schedule to refer to its affiliate, Bats BYX Exchange, Inc. (as proposed to be re-named), simply as “BYX”. The Exchange believes that this is more consistent with other references on the Fee Schedule, such as the general references to “EDGA”, which refer to the Exchange’s affiliate, Bats EDGA Exchange, Inc. (as proposed to be re-named). Finally, the Exchange proposes to replace the term “Non-BATS Market Maker” with “Away Market Maker” (rather than changing the capitalization of “Non-BATS” to “Non-Bats”), which is consistent with the terminology used on the fee schedule of EDGX Options, which is the options platform operated by Bats EDGX Exchange, Inc. (as proposed to be renamed).¹⁰

The Exchange also proposes to amend Article First of the Certificate to change the name of the Exchange to Bats BZX Exchange, Inc. and make conforming changes throughout, including the title of the Certificate. The Exchange proposes to amend the Bylaws to amend the title to reflect that the Bylaws will be titled the “FOURTH AMENDED AND RESTATED BYLAWS OF BATS BZX EXCHANGE, INC.” The Exchange also proposes to amend Article I, paragraph (f) and Article XI, Section 2 to reflect the name changes.

market data products. The Exchange does not propose to amend the names of these products.

⁹ The Exchange notes that the Exchange will continue to be referred to as “BZX” in certain areas of the Fee Schedules. These areas of the Fee Schedules are: (i) the Fee Codes and Associated Fees table; (ii) footnote 6; (ii) footnote 7; (iii) the Bats Connect pricing table; and (iv) in the Unicast Access – Order Entry section of its Fee Schedule.

¹⁰ See EDGX Options fee schedule, available at: http://www.batsoptions.com/support/fee_schedule/edgx/.

The name change from BATS Exchange, Inc. to Bats BZX Exchange, Inc. is a non-substantive change. No changes to the ownership or structure of the Exchange or BATS Global Markets, Inc. have taken place.

2. Statutory Basis

The Exchange believes that its proposal is consistent with Section 6(b) of the Act,¹¹ in general, and furthers the objectives of Section 6(b)(5) of the Act,¹² in particular, in that 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. The Exchange also believes that the proposed rule change is consistent with Section 6(b)(1) of the Act¹³ in that it is designed to continue to ensure that the Exchange is so organized and has the capacity to carry out the purposes of Act and to comply, and enforce compliance by its members with the provisions of the Act and the rules and regulations thereunder, and rules of the Exchange. The Exchange is proposing amendments to the Operative Documents to effectuate its name change to Bats BZX Exchange, Inc. and to reflect the name changes of its affiliates. These changes are limited to capitalization and ministerial name changes and to reflect similar proposed rule changes to be submitted to the Commission by the Exchange's affiliates. The Exchange believes that the changes will protect investors and the public interest by eliminating confusion that may exist because of differences between its corporate name and the new naming conventions of the Parent and its subsidiaries, including the Exchange.

¹¹ 15 U.S.C. 78f.

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78f(b)(1).

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

Because the rule change proposes ministerial changes related to the administration, and not the governance or operation, of the Exchange, 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.

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

Because it is concerned solely with the administration of the Exchange, the foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act¹⁴ and Rule 19b-4(f)(3) thereunder.¹⁵

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: (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.

¹⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

¹⁵ 17 CFR 240.19b-4(f)(3).

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:

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 Number SR-BATS-2016-25 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-BATS-2016-25. 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 a.m. and 3:00 p.m. Copies of the 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-BATS-2016-25, 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.¹⁶

Robert W. Errett
Deputy Secretary

¹⁶ 17 CFR 200.30-3(a)(12).