



December 15, 2016

Brent J. Fields
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File No. SR-BatsEDGX-2016-41, Amendment No. 1

Dear Mr. Fields:

On December 15, 2016, Bats EDGX Exchange, Inc. (the "Exchange") filed with the Securities and Exchange Commission (the "Commission") Amendment No. 1 to SR-BatsEDGX-2016-41, an amendment which amended and replaced in its entirety the original proposal, which was submitted on September 16, 2016 ("Proposal"). The Exchange submitted proposal SR-BatsEDGX-2016-41 in order to establish a price improvement auction, the Bats Auction Mechanism ("BAM", "BAM Auction", or "Auction") on the Exchange. Amendment No. 1 was filed in order to clarify certain points and add additional details to the proposal, as highlighted below. Unless otherwise specified, all defined terms below have the meaning set forth in the Proposal. Specifically, Amendment No. 1 has been submitted to:

- Restrict an Auction from commencing with a stop price equal to a same side resting order unless the resting order is not a Priority Customer order, the Exchange's Customer Overlay is in effect pursuant to Rule 21.8(d)(1) and the incoming Agency Order to commence an Auction is a Priority Customer order – in all other instances the Agency Order must be priced better than the resting interest;
- Prohibit an Initiating Order from being a solicited order for the account of an Options Market Maker registered in the applicable series on the Exchange;
- Provide details regarding a survey conducted by the Exchange regarding the ability of participants to respond to an Auction lasting no less than one hundred milliseconds and no more than one second;
- Provide additional explanation and justification of certain aspects of the Proposal, including a modified example, additional examples related to the Proposal, and details regarding the handling of overlapping Auctions, which are only proposed to be allowed with respect to Auctions for 50 contracts or more; and
- Make other minor structural, technical and clarifying amendments to the Proposal and the proposed rule text to improve the understandability of the Proposal.

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The Exchange is filing this comment letter with the Commission in order to provide notice for public review of this Amendment No. 1, in addition to posting on the Exchange's public website.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anders Franzon', written in a cursive style.

Anders Franzon
SVP, Associate General Counsel