

Note: Proposed new language is underlined. Proposed deletions are enclosed in [brackets].

Rules of BATS Exchange, Inc.

CHAPTER XIV. BATS EXCHANGE LISTING RULES

Rule 14.3. General Procedures and Prerequisites for Initial and Continued Listing on the Exchange

(a)–(d) (No changes.)

(e) Additional Requirements for BATS-Listed Securities Issued by the Exchange or its Affiliates

(1) For purposes of this Rule, the terms below are defined as follows:

(A) “BATS Affiliate” means the Exchange and any entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the Exchange, where “control” means that one entity possesses, directly or indirectly, voting control of the other entity either through ownership of capital stock or other equity securities or through majority representation on the board of directors or other management body of such entity.

(B) “Affiliate Security” means any security issued by a BATS Affiliate, with the exception of Portfolio Depository Receipts as defined in Rule 14.11(b) and Index Fund Shares as defined in Rule 14.11(c).

(2) Prior to the initial listing of an Affiliate Security on the Exchange, Exchange personnel shall determine that such security satisfies the Exchange’s rules for listing, and such finding must be approved by the Regulatory Oversight Committee of the Exchange’s Board of Directors.

(3) Throughout the continued listing of the Affiliate Security on the Exchange:

(A) the Exchange shall prepare a quarterly report on the Affiliate Security for the Regulatory Oversight Committee of the Exchange’s Board of Directors that describes:

(i) the Exchange’s monitoring of the Affiliate Security’s compliance with the Exchange’s listing standards, including,

(a) the Affiliate Security's compliance with the Exchange's minimum share price requirement; and

(b) the Affiliate Security's compliance with each of the quantitative continued listing requirements; and

(ii) the Exchange's monitoring of the trading of the Affiliate Security, including summaries of all related surveillance alerts, complaints, regulatory referrals, trades cancelled or adjusted pursuant to Rule 11.17, investigations, examinations, formal and informal disciplinary actions, exception reports and trading data used to ensure the Affiliate Security's compliance with the Exchange's listing and trading rules.

A copy of the report required by this sub-paragraph (A) will be forwarded promptly to the Commission.

(B) to the extent the Exchange uses Exchange staff to conduct surveillance of trading activity on the Exchange, the Exchange shall engage an independent third party once a year to review and prepare a report regarding surveillance of the Affiliate Security and promptly forward to the Regulatory Oversight Committee of the Exchange's Board of Directors and the Commission a copy of the report prepared by the independent third party.

(C) once a year, an independent accounting firm shall review the listing standards for the Affiliate Security to ensure that the issuer is in compliance with the listing requirements and a copy of the report shall be forwarded promptly to the Regulatory Oversight Committee of the Exchange's Board of Directors and the Commission.

(4) In the event that the Exchange determines that the BATS Affiliate is not in compliance with any of the Exchange's listing standards, the Exchange shall notify the issuer of such non-compliance promptly and request a plan of compliance. The Exchange shall file a report with the Commission within five business days of providing such notice to the issuer of its non-compliance. The report shall identify the date of the non-compliance, type of non-compliance, and any other material information conveyed to the issuer in the notice of non-compliance. Within five business days of receipt of a plan of compliance from the issuer, the Exchange shall notify the Commission of such receipt, whether the plan of compliance was accepted by the Exchange or what other action was taken with respect to the plan and the time period provided to regain compliance with the Exchange's listing standards, if any.
