

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-63299; File No. SR-BYX-2010-005)

November 10, 2010

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Related to Fees for Use of BATS Y-Exchange, Inc.

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 October 29, 2010, BATS Y-Exchange, Inc. (“Exchange”, “BYX 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. BYX 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 Act³ and Rule 19b-4(f)(2) thereunder,⁴ 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 proposes to modify its fee schedule applicable to Members⁵ of the Exchange pursuant to BYX Rules 15.1(a) and (c). While changes to the fee schedule pursuant to this proposal will be effective upon filing, the changes will become operative on November 1, 2010.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ A Member is any registered broker or dealer that has been admitted to membership in the Exchange.

The text of the proposed rule change is available at the Exchange's website at <http://www.batstrading.com>, at the principal office of the Exchange, on the Commission's website at <http://www.sec.gov>, 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 is proposing to modify its fee schedule to revise pricing for routed orders that are sent to and executed by the Exchange's affiliate, BATS Exchange, Inc. ("BZX Exchange"). Effective November 1, 2010, BZX Exchange is increasing its standard fee to remove liquidity to \$0.0028 per share.⁶ The Exchange has various routing strategies and order types that route to BZX Exchange and charge the current remove rate charged by BZX Exchange. These strategies include BYX + BZX Exchange Destination Specific Orders orders⁷ (referred to by the

⁶ See "BATS October U.S. Markets Update and Pricing November 1, 2010" (October 25, 2010), available at: http://batstrading.com/resources/fee_schedule/2010/BATS-October-US-Markets-Update-and-Pricing-November-1-2010.pdf.

⁷ As defined in BYX Rule 11.9(c)(12), a "Destination Specific Order" is "[a] market or limit order that instructs the System to route the order to a specified away trading center or centers, after exposing the order to the BATS Book."

Exchange as “B2B” orders), the TRIM routing strategy⁸ and the SLIM routing strategy.⁹ The Exchange proposes to increase the fee for executions at BZX Exchange through B2B, TRIM and SLIM to \$0.0028 per share, consistent with the BZX Exchange fee increase.

In addition to the changes described above, the Exchange proposes to use the name “BYX Exchange” and “BYX” throughout the fee schedule. Similarly, the Exchange proposes defining its affiliate, as it has done above, as “BZX Exchange.” Also, the Exchange proposes to make stylistic changes, including referring to its book of orders as its “order book”, rather than just its “book.”

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. Specifically, the Exchange believes that the proposed rule change is consistent with Section 6(b)(4) of the Act, 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 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. Also, although routing services offered by the Exchange are available to all Members, Members are not required to use the Exchange’s routing services, but instead, the Exchange’s routing services are completely optional. Members can manage their

⁸ As defined in BYX Rule 11.13(a)(3)(G), “TRIM is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.”

⁹ As defined in BYX Rule 11.13(a)(3)(H), “SLIM is a routing option under which an order checks the System for available shares and then is sent to destinations on the System routing table.”

own routing practices or can utilize a myriad of other routing solutions that are available to market participants. Finally, the change to the fee will allow the Exchange to continue to charge its Members the same fee for orders routed to and executed by its affiliate, BZX Exchange, as BZX Exchange would charge directly if such Members routed to BZX Exchange directly.

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

The Exchange does not believe that the proposed rule change imposes any burden on competition.

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

No written comments were solicited or received.

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

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act¹⁰ and Rule 19b-4(f)(2) thereunder,¹¹ because it establishes or changes a due, fee or other charge imposed on members by the Exchange. Accordingly, the proposal is effective upon filing with the Commission.

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.

¹⁰ 15 U.S.C. 78s(b)(3)(A)(ii).

¹¹ 17 CFR 240.19b-4(f)(2).

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-BYX-2010-005 on the subject line.

Paper comments:

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

All submissions should refer to File Number SR-BYX-2010-005. 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 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 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 publicly available. All submissions should refer to File Number SR-BYX-2010-005 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.¹²

Florence E. Harmon
Deputy Secretary

¹² 17 CFR 200.30-3(a)(12).