



June 30, 2017

Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549-0609

Re: [BATS Market Close Proposal for non-BATS Listed Securities](#)  
Release No. 34-80683; File Number SR-BatsBZX-2017-34

Dear Mr. Fields:

IMC Chicago, LLC d/b/a IMC Financial Markets (“IMC”) appreciates the opportunity to provide comments to the Securities and Exchange Commission (“Commission”) in response to the proposal by Bats BZX Exchange, Inc. (“Bats”) to introduce Bats Market Close. According to the filing, Bats Market Close is a new closing match process for non-Bats Listed Securities (the “Bats Proposal”). IMC is a proprietary trading firm and registered market maker, engaged in providing liquidity in nearly every listed equities and derivatives market in the U.S. IMC is also a Designated Market Maker (“DMM”) on the New York Stock Exchange, responsible for maintaining markets for approximately 450 issuers and over 600 securities. We respectfully urge the Commission to reject the Bats Proposal as it would unnecessarily fragment the closing auction process and needlessly render this critical moment of price discovery both more complex and less reliable.

IMC believes in the value of transparency and the important price discovery function offered by exchanges. Proposals that are likely to detract from the reliability of the vital price discovery function of exchanges must be closely scrutinized. IMC believes that the Bats Proposal, while perhaps fairly aimed at offering an alternative mechanism with competitive pricing, unnecessarily and negatively impacts the price discovery functions of primary listing exchanges. Our concern stems from the resultant fragmentation of the closing process. In other words, by incentivizing volume away from the primary exchange, the price discovery process of the closing auction becomes unnecessarily dispersed, more complex and thus inherently less stable and reliable. Although Bats proposes to distribute a Bats Auction Feed identifying its closing matched volume per symbol, we believe this only enhances the complexity of the closing process, creating yet another data feed participants are required to consume and therefore another potential point of failure at a time of the trading day where the resilient and efficient operation of the primary market is paramount. Indeed, in a survey of some of our DMM issuers, from small to midsized to large, we confirmed that, for issuers, determining the closing price is one of the two most

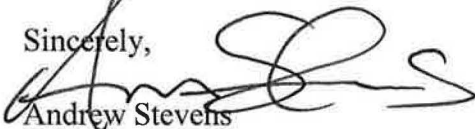
important events of the trading day. Any proposal that undermines the efficiency, reliability or resiliency of the closing process thereby poses an unnecessary risk to listed companies.

**Conclusion**

As a DMM, we understand that a centralized closing auction fosters reliable price discovery. We also appreciate Bats' goal of offering a mechanism that fosters competitive pricing, but any discussion aimed at reducing or capping fees associated with the closing auction should be addressed directly and not via a mechanism that introduces complexity. Unfortunately, by introducing fragmentation and complexity, the Bats Proposal undermines the efficiency and reliability currently offered by primary listing exchanges—to the detriment of listed issuers. Finally, should the Bats Proposal be approved and similar processes subsequently proliferate, our concerns will only magnify.

For these reasons, we respectfully urge the Commission to disapprove the Proposal.

Sincerely,



Andrew Stevens  
General Counsel  
IMC Financial Markets

cc: Walter J. Clayton, Chairman  
Michael S. Piwowar, Commissioner  
Kara M. Stein, Commissioner