



September 9, 2016

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F. Street N.E.  
Washington, D.C. 20549-1090

**RE: Exemptive Application Pursuant to Rule 608(e) of Regulation NMS – NMS Plan to Implement a Tick Size Pilot Program**

Dear Mr. Fields:

Bats BZX Exchange, Inc., Bats BYX Exchange, Inc., Bats EDGA Exchange, Inc., and Bats EDGX Exchange, Inc., on behalf of themselves and the Chicago Stock Exchange, Inc., the Investors Exchange LLC (“IEX”), the National Stock Exchange, Inc. (“NSX”), New York Stock Exchange LLC (“NYSE”), NYSE MKT LLC, NYSE Arca, Inc., NASDAQ OMX BX, Inc., NASDAQ OMX PHLX LLC, the Nasdaq Stock Market LLC, and Financial Industry Regulatory Authority, Inc. (“FINRA”) (collectively, “Participants”), request that the Securities and Exchange Commission (“Commission” or “SEC”) grant an extension of the implementation deadlines of the National Market System Plan to Implement a Tick Size Pilot Program (“Plan” or “Pilot”), as approved by the Commission to permit a phased rollout of securities through the first month of the Pilot’s effectiveness. Currently, the trading and quoting requirements for the Pilot are set to commence no later than October 3, 2016.<sup>1</sup>

Rule 608(c) of Regulation NMS provides that “[e]ach self-regulatory organization shall comply with the terms of any effective national market system plan of which it is a sponsor or a participant. Each self-regulatory organization also shall, absent reasonable justification or excuse, enforce compliance with any such plan by its members and persons associated with its members.”<sup>2</sup> Rule 608(e) allows the Commission to “exempt from the provisions of this section, either unconditionally or on specified terms and conditions, any self-regulatory organization, member thereof, or specified security, if the Commission determines that such exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.”<sup>3</sup> The Participants are seeking exemptive relief from Article IX of the Plan as set forth below.

<sup>1</sup> The data collection requirements of the Plan commenced on April 4, 2016, six months prior to the Pilot start date of October 3, 2016.

<sup>2</sup> 17 CFR 242.608(c).

<sup>3</sup> 17 CFR 242.608(e).

The Participants respectfully request that the Commission grant an exemption from Article IX of the Plan to permit a phased rollout of securities beginning on October 3, 2016 and ending on October 31, 2016. The below table sets forth the Participants' proposed rollout schedule:<sup>4</sup>

Date	Action	Additional Details
October 3, 2016	<ul style="list-style-type: none"> <li>• 5 Symbols – Test Group 1</li> <li>• 5 Symbols – Test Group 2</li> </ul>	<ul style="list-style-type: none"> <li>• All other symbols assigned to Test Group 1, Test Group 2, or Test Group 3 would be placed into the Control Group until they are activated in their respective group.</li> <li>• NYSE, Nasdaq, and FINRA symbol lists will be updated accordingly.</li> </ul>
October 10, 2016	<ul style="list-style-type: none"> <li>• 100 Total Symbols - Test Group 1</li> <li>• 100 Total Symbols - Test Group 2</li> </ul>	
October 17, 2016	<ul style="list-style-type: none"> <li>• 400 Total Symbols – Test Group 1</li> <li>• 400 Total Symbols – Test Group 2</li> <li>• 5 Symbols – Test Group 3</li> </ul>	<ul style="list-style-type: none"> <li>• All Test Group 1 and 2 symbols are live.</li> </ul>
October 24, 2016	<ul style="list-style-type: none"> <li>• 100 Total Symbols – Test Group 3</li> </ul>	
October 31, 2016	<ul style="list-style-type: none"> <li>• 400 Total Symbols – Test Group 3</li> </ul>	<ul style="list-style-type: none"> <li>• All Test Group 3 symbols are live.</li> </ul>

The Operating Committee will oversee the proposed rollout process. The ninety-five Securities assigned to the October 10, 2016 rollout for Test Group 1 and Test Group 2, and the October 24, 2016 rollout for Test Group 3 will be chosen randomly. Securities assigned to the October 3, 2016 rollout for Test Group 1 and Test Group 2, and the October 17, 2016 rollout of five symbols for Test Group 3 will be chosen from the remaining symbols in each test group. The symbols may be selected based on listing venue, liquidity characteristics, random assignment, or alpha range.

<sup>4</sup> The number of securities shown in the table for each phase of the rollout reflects the number as of the date the listing exchanges identify securities for each phase of the rollout and for the test groups. The actual number of securities assigned to each test group as of each date shown may be less than indicated in the table due to corporate actions, the price of test group securities breaching the \$1 minimum price threshold, and other events.

If a symbol is removed from the Pilot or changes its listing venue for the October 3, 2016 Test Group 1 or Test Group 2 or the October 17, 2016 Test Group 3 rollout, it may be replaced by choosing a new symbol from the remaining symbols available in the same Test Group to ensure a balanced five symbol rollout. If a symbol is removed from the Pilot or changes its listing venue for the October 10, 2016 or October 24, 2016 rollouts, it will not be replaced.

NYSE, NYSE MKT, and Nasdaq published an automated list of securities eligible for the Pilot on the evening of September 2, 2016. At that time, all securities were designated for the Control Group. All securities will continue to be reflected as Control Group securities for the entire month of September 2016. On September 6, 2016, NYSE, NYSE MKT, and Nasdaq published a manual list identifying the final Test Group assignment for each eligible security.<sup>5</sup> The manual list will be updated by September 15, 2016 to identify securities selected for the October 3, 2016, October 10, 2016 and October 17, 2016 and October 24, 2016 rollouts. Commencing on October 3, 2016, as securities would be assigned to their designated Test Group, as determined by the phase in schedule above, an automated list published by NYSE, NYSE MKT, and Nasdaq would be updated to reflect the security's applicable Test Group.<sup>6</sup>

The Participants believe that a phased rollout approach is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets, and the removal of impediments to, and the perfection of the mechanisms of, a national market system. The Participants believe that a phased rollout is essential to the maintenance of fair and orderly markets because it will facilitate an effective transition of Pilot Securities being subject to the Pilot's trading and quoting requirements while minimizing the impact of any potential system disruption. The phased rollout set forth above would allow the Participants and the market as a whole, to address any systems issues that result from programming changes made to comply with the Pilot in a timely manner without impacting all securities within a test group or all Pilot Securities as a whole. A phased rollout approach would limit the impact of a potential systems issue to a discrete group of securities, thereby diminishing the impact on the operation of the Pilot.

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<sup>5</sup> This list will no longer be published once the rollout has been completed as it will no longer be necessary once all securities are assigned to their respective Test Groups.

<sup>6</sup> FINRA will obtain each of the above referenced securities lists upon publication by NYSE, NYSE MKT, and Nasdaq and publish a consolidated list on [www.finra.org](http://www.finra.org).

Mr. Brent J. Fields  
September 9, 2016  
Page 4 of 4

For the reasons set forth above, the Participants respectfully request that, pursuant to Rule 608(e), the Commission grant exemptive relief to the provisions in the Plan as set forth above. The Participants therefore believe that this exemption is consistent with the public interest, the protection of investors, the maintenance of fair and orderly markets and the removal of impediments to, and perfection of the mechanisms of, a national market system.

Thank you in advance for your consideration of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Eric Swanson", followed by a long horizontal line extending to the right.

Eric Swanson  
EVP, General Counsel and Secretary