January 21, 2015

Mr. Brent Fields
Secretary
U.S. Securities and Exchange Commission
100 F. Street, NE
Washington, DC 20549

Re: Petition for Rule-Making

Dear Mr. Fields,

BATS Global Markets, Inc. ("BATS") hereby petitions the Securities and Exchange Commission ("SEC"), pursuant to SEC Rule of practice 192(a), to adopt the below described amendments to Rules 600(b)(57) (definition of a protected bid or offer), 605 and 606 (disclosure of order execution and order routing information), and 610(c) (the access fee cap) of Regulation NMS, as well as to exercise its authority under Rule 608(a)(2) to amend the consolidated tape plans.

The U.S. stock market is widely seen as the most liquid, transparent, efficient and competitive financial market on Earth. A source of this strength is a willingness to continually re-evaluate current practices with a view to making our market even better. In recent years, this desire to improve has manifested itself through greater automation of the trading process and enhanced diversity among execution venues. A regulatory regime that valued vibrant competition and an open embrace of technology by all market participants have clearly combined to preserve the U.S.' global leadership in financial markets. Costs for both institutional and retail investors in the U.S. stock market are amongst the lowest in the world, and our market is able to cope with volume and message traffic thought to be astronomical only a few decades ago. The efficient operation of this market throughout the recent financial crisis should serve as a reminder of the systemic risks that have been reduced as a result.

Yet we can do better. As a market we are at a natural and understandable inflection point about the next steps to take in improving our markets. Our market is a complex ecosystem of dozens of competing exchanges, ATSs, and other broker-dealer execution systems offering an array of pricing and services. Some have expressed concern with the amount of trading volume done away from the displayed exchanges, and others have complained about the incentives received by their brokers for routing orders to one destination over another. BATS believes the

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following three market structure reform measures would enhance the quality of our equity market to the benefit of long term investors:

- **Access Fees**. Tiered access fees starting at $0.0005 (5 cents per hundred shares) for the most liquid securities. This proposal recognizes that exchange liquidity rebates that are enabled by access fees (which are transparent, rule-based, and open to all) provide a meaningful incentive for liquidity providers to display quotes and narrow spreads. But, highly liquid securities don't require as great a rebate as less liquid securities.

- **Order Handling Transparency.** Investors deserved to be informed and empowered with respect to their brokers' order handling decisions. In this regard, all ATSs should be required to provide customers with their rules of operation, and Rules 605 and 606 of Regulation NMS should be amended as appropriate to require additional disclosure of achieved execution quality on a broker by broker basis.

- **Small Trading Centers**. Competition and automation have combined to dramatically improve the market's trading infrastructure. The low commissions, diversity of products and ability to handle large order and trading volumes are a direct result of these forces. At the same time, we need to reconsider where it may artificially subsidize competition or encourage complexity that does not address a market need. In particular, all exchanges and displayed ATSs are given a significant competitive advantage regardless of their size by virtue of the "trade through rule" under Regulation NMS, which effectively requires all market participants to do business with all execution venues that display orders to the market. While this was necessary in an era where legacy exchanges routinely ignored their competitors, current practices have reduced the need for regulatory protections of smaller venues. Regulation NMS should be revised so that, until an exchange or other currently-protected market center achieves greater than 1% share of CADV in any rolling three-month period, they should (i) no longer be protected under the trade-through rule, and (ii) not share in/receive any NMS plan market data revenue.

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We believe there is a consensus within the industry for the implementation of the above suggestions, and we look forward to working with the SEC in addressing these core market structure issues.

Sincerely,

*Joe Ratterman*

Joe Ratterman
CEO

Cc: The Honorable Mary Jo White
The Honorable Luis A. Aguilar
The Honorable Daniel M. Gallagher
The Honorable Kara M. Stein
The Honorable Michael S. Piwowar
Mr. Stephen Luparello, Director, Division of Trading and Markets
Mr. Gary Goldsholle, Deputy Director, Division of Trading and Markets
Mr. David Shillman, Associate Director, Division of Trading and Markets
Mr. Daniel Gray, Senior Special Counsel, Division of Trading and Markets