attendance, the general public should email *nwbcouncil@nwbc.gov* with subject line—"RSVP for Austin." Participants will receive confirmation information with the logistical details closer to the date of the meeting. Anyone wishing to make a presentation to the NWBC at this meeting must either email their interest to *chair@nwbc.gov* or call the main office number at 202–205–3850. For more information, please visit the National Women's Business Council Web site at *www.nwbc.gov.*

Miguel J. L'Heureux,
SBA Committee Management Officer.
[FR Doc. 2015–09293 Filed 4–21–15; 8:45 am]
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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–74739; File No. SR–BYX–2015–07]

Self-Regulatory Organizations; BATS Y-Exchange, Inc.; Order Granting Approval of a Proposed Rule Change To Amend Rules 11.9, 11.12, and 11.13 of BATS Y-Exchange, Inc.

April 16, 2015.

I. Introduction

On January 30, 2015, BATS Y-Exchange, Inc. ("BYX" or the "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act" or "Exchange Act")[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend Exchange Rules 11.9, 11.12, and 11.13. The proposed rule change was published for comment in the **Federal Register** on February 18, 2015.[3] The Commission received no comments on the proposal. This order grants approval of the proposed rule change.

II. Description of the Proposed Rule Change

The Exchange conducted a comprehensive review of its system functionality.[4] The proposal adds additional clarity and specificity

regarding the current functionality of the Exchange's System,[5] including the operation of its order types and order instructions. The Exchange proposes no substantive modifications to the System.

The changes include: (i) Making clear that orders with a Time-in-Force ("TIF") of Immediate-or-Cancel ("IOC") can be routed away from the Exchange; (ii) specifying the methodology used by the Exchange to determine whether BATS Post Only Orders[6] will remove liquidity from the BATS Book;[7] (iii) adding additional detail to and re-structuring the description of Pegged Orders; (iv) adding additional detail to the description of Mid-Point Peg Orders; (v) adding additional detail to the description of Discretionary Orders; (vi) amending Rule 11.12, Priority of Orders, and Rule 11.13, Order Execution, to provide additional specificity and enhance the structure of Exchange rules describing the process for ranking, executing and routing orders; (vii) adding additional detail to the description of orders subject to Re-Route functionality; and (viii) making a series of conforming changes to Rules 11.9, 11.12 and 11.13 to update cross-references.

Rule 11.9. The Exchange proposes revisions to Rule 11.9 to provide greater detail as to the existing functionality of certain order types and modifiers.[8] Among other things, the Exchange proposes to make clear that orders with an IOC TIF are routable but do not post to the Exchange's book,[9] whereas orders with a Fill-or-Kill ("FOK") TIF are not routable.[10] The Exchange also proposes to clarify the Exchange's methodology for determining whether BATS Post Only orders will remove liquidity from the Exchange's order book upon entry.[11]

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[5] Exchange Rule 1.5(aa) defines "System" as "the electronic communications and trading facility designated by the Board through which securities orders of Users are consolidated for ranking, execution and, when applicable, routing away."

[6] *See* Rule 11.9(c)(6).

[7] As defined in Rule 1.5(e).

[8] For additional detail regarding the specific proposed revisions for each order type and modifier, *see* Notice, *supra* note 3 at 8734–36, and proposed Rule 11.9.

[9] *See* proposed Rule 11.9(b)(1). In connection with this proposed change the Exchange also proposes to specify that the cancellation of an unfilled balance of an order is one possible outcome after an order has been routed away. *See* proposed Rule 11.13(b)(2). This is what would occur with the unfilled balance of a routed IOC order. *See* Notice, *supra* note 3 at 8734.

[10] *See* proposed Rule 11.9(b)(6).

[11] *See* proposed Rule 11.9(c)(6). Due to the Exchange's inverted fee structure, incoming BATS Post Only Orders always execute upon entry (and hence remove liquidity) when marketable against resting contra-side liquidity because it is always economically advantageous for them to do so. The Exchange nevertheless maintains this order type so

In addition, the Exchange proposes to reformat the rule describing the Primary Pegged and Market Pegged orders,[12] and to make clear that Mid-Point Peg Orders are not eligible to execute when the NBBO is crossed but Users may elect whether such orders will be eligible to execute when the NBBO is locked.[13] Further, the Exchange proposes to add additional detail to the rule describing Discretionary Orders so that it specifies: (i) That Discretionary Orders may be fully non-displayed, with a non-displayed ranked price (and discretionary price); (ii) how resting Discretionary Orders interact with incoming contra-side orders, including how the order type, TIF and price of the incoming order affects whether the resting Discretionary Order removes liquidity against the incoming order or the incoming order removes liquidity against the resting Discretionary Order; and (iii) that Discretionary Orders are routed away from the Exchange at their full discretionary price.[14]

Rule 11.12. The Exchange proposes several modifications to Rule 11.12 that are intended to clarify existing functionality relating to order priority. Some of these modifications would revise the structure of Rule 11.12 or add cross references to other rules.[15] In addition, the Exchange proposes to revise Rule 11.12(a)(2) to refer to ranking, rather than executing, equally-priced trading interest because, according to the Exchange, the rule is intended to describe the manner in which resting orders are ranked and maintained.[16] The Exchange also proposes to revise the reference to Pegged Orders in the priority hierarchy set forth in Rule 11.12(a)(2) to make clear that the reference is specifically to non-displayed Pegged Orders.[17] The Exchange notes that the purpose of this revision is to distinguish non-displayed Pegged Orders from Primary Pegged

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that the post-only functionality remains available in the event the Exchange's fee structure changes, and proposes the clarifying changes reflected in proposed Rule 11.9(c)(6) so as to reflect the actual functionality of the System, which still performs the economic best interest specified in the rule despite the outcome being pre-determined by the Exchange's fee structure. *See* Notice, *supra* note 3 at 8735.

[12] *See* proposed Rule 11.9(c)(8).

[13] *See* proposed Rule 11.9(c)(9).

[14] *See* proposed Rule 11.9(c)(10). In addition, the Exchange proposes to update cross references to rules that would be re-numbered as a result of the proposal. *See* proposed Rules 11.9(c), 11.9(d) and 11.9(g).

[15] *See* Notice, *supra* note 3 at 8736–37. *See also* proposed Rule 11.12(a).

[16] *See* Notice, *supra* note 3 at 8737. *See also* proposed Rule 11.12(a)(2).

[17] *See* Notice, *supra* note 3 at 8737. *See also* proposed Rule 11.12(a)(2)(C).

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 74250 (February 11, 2015), 80 FR 8734 ("Notice").

[4] On June 5, 2014, Chair Mary Jo White asked all national securities exchanges to conduct a comprehensive review of each order type offered to members and how it operates in practice. *See* Mary Jo White, Chair, Commission, Speech at the Sandler O'Neill & Partners, L.P. Global Exchange and Brokerage Conference, (June 5, 2014) (*available at http://www.sec.gov/News/Speech/Detail/Speech/1370542004312#.VD2HW610w6Y*).

Orders that, if displayed, are ranked with other displayed orders.[18] Further, the Exchange proposes to adopt new Rule 11.12(a)(3), which would codify existing match trade prevention rules that optionally prevent the execution of orders from the same User.[19] Lastly, the Exchange proposes to renumber current Rules 11.12(a)(3) and (a)(4) as Rules 11.12(a)(4) and (a)(5), respectively, and to revise them to clarify that time priority in particular can be retained or lost in certain circumstances, as opposed to both price and time priority.[20]

Rule 11.13. The Exchange proposes several revisions to Rule 11.13, which currently governs the execution and routing logic on the Exchange. The Exchange proposes to restructure and reformat the rule in certain ways, including by more clearly delineating between execution (to be contained in new paragraph (a)) [21] and routing (to be contained in new paragraph (b)), adding sub-headings and descriptive titles, adding a cross reference to the Exchange's rules related to the Limit Up-Limit Down Plan, and revising existing cross references in the rule.[22] In addition, the Exchange proposes to add Rules 11.13(a)(4)(C) and (D), which would replace and amend existing text set forth in Rule 11.13(a)(1) and are intended to provide further clarity regarding how incoming orders are handled in certain situations when there is undisplayed locking interest on the Exchange.[23]

The Exchange also proposes revisions to Rule 11.13 as it relates to the Exchange's routing process, including its re-route functionality. In particular,

the Exchange proposes to add language to the rule's description of the Aggressive Re-Route instruction (to be renumbered as Rule 11.13(b)(4)(A)) that states that any routable non-displayed limit order posted to the BATS Book that is crossed by another accessible Trading Center will be automatically routed to that Trading Center.[24] The Exchange also proposes to adopt new Rule 11.13(b)(4)(C), which would specify when an order with a Super Aggressive Re-Route instruction will remove liquidity against an incoming order.[25] Further, the Exchange proposes to revise Rule 11.13(b) (to be renumbered as Rule 11.13(b)(5)) to make clear that orders that have been routed pursuant to Rule 11.12(a) are not ranked and maintained by the BATS Book, and therefore are not available to execute against incoming orders pursuant to new Rule 11.13(a).[26]

III. Discussion and Commission Findings

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.[27] In particular, the Commission finds that the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act,[28] which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

The Exchange believes that the proposed rule change will provide additional clarity and specificity regarding the functionality of the System, thus promoting just and equitable principals of trade and promoting a fair and open market. In

addition, the Exchange believes the proposed rule change will contribute to the protection of investors and the public interest by making the Exchange's rules easier to understand.

The Exchange states that the proposed rule changes add clarity and transparency to the Exchange's rulebook regarding existing Exchange functionality.[29] For example, among other things, the Exchange's proposal would amend Rule 11.9 to clarify that IOC orders are routable and FOK orders are not routable, specify the methodology used by the Exchange to determine whether BATS Post Only Orders will remove liquidity from the BATS Book, and add additional detail describing the operation of Mid-Point Peg Orders and Discretionary Orders. The Exchange also has proposed to amend Rules 11.12 and 11.13 to provide additional transparency as to, but not substantively modify, the Exchange's process for ranking, executing and routing orders, including orders subject to the Exchange's re-route functionality.

The Commission believes that these proposed changes should provide greater specificity, clarity and transparency with respect to certain order type and modifier functionality available on the Exchange, as well as the Exchange's methodologies for ranking, executing and routing orders. Therefore, the proposal should help to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest.

IV. Conclusion

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Act,[30] that the proposed rule change (SR–BYX–2015–07) be, and it hereby is, approved.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.[31]

Brent J. Fields,

Secretary.

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[18] See Notice, *supra* note 3 at 8737.

[19] See Notice, *supra* note 3 at 8737. *See also* proposed Rule 11.12(a)(3). The Exchange notes that proposed Rule 11.12(a)(3) is based on EDGX Rule 11.9(a)(3). *See* Notice, *supra* note 3 at 8737.

[20] See Notice, *supra* note 3 at 8737. *See also* proposed Rules 11.12(a)(4) and (a)(5). In addition, the Exchange proposes to renumber current Rules 11.12(a)(5) and (a)(6) as Rules 11.12(a)(6) and (a)(7), respectively.

[21] The Exchange proposes to move language contained within Rule 11.13 to the beginning of new paragraph (a) such that the language is more generally applicable to the rules governing execution. Specifically, the Exchange proposes to relocate language stating that any order falling within the parameters of the paragraph shall be referred to as "executable" and that an order will be cancelled back to the User if, based on market conditions, User instructions, applicable Exchange Rules and/or the Act and the rules and regulations thereunder, such order is not executable, cannot be routed to another Trading Center pursuant to Rule 11.13(b) (as proposed to be re-numbered) or cannot be posted to the BATS Book. *See* Notice, *supra* note 3 at 8737. *See also* proposed Rule 11.13(a).

[22] See Notice, *supra* note 3 at 8737. *See also* proposed Rule 11.13.

[23] See Notice, *supra* note 3 at 8738. *See also* proposed Rules 11.13(a)(4)(C) and (D).

[24] See Notice, *supra* note 3 at 8738–40. *See also* proposed Rule 11.13(b)(4)(A).

[25] See Notice, *supra* note 3 at 8738–40. *See also* proposed Rule 11.13(b)(4)(C).

[26] See Notice, *supra* note 3 at 8738. *See also* proposed Rule 11.13(b)(5). For additional detail regarding the Exchange's proposed rule changes, including examples of the operation of functionality addressed by this rule filing, *see* Notice, *supra* note 3 at 8734–40.

[27] In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. *See* 15 U.S.C. 78c(f).

[28] 15 U.S.C. 78f(b)(5).

[29] See Notice, *supra* note 3 at 8726.

[30] 15 U.S.C. 78s(b)(2).

[31] 17 CFR 200.30–3(a)(12).