



8011-01

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT of 1934  
Release No. 34-80511 / April 24, 2017

**In the Matter of**

Bats BZX Exchange, Inc.

**Regarding an Order Disapproving a**

Proposed Rule Change, as Modified by  
Amendments No. 1 and 2, to BZX Rule  
14.11(e)(4), Commodity-Based Trust Shares, to  
List and Trade Shares Issued by the Winklevoss  
Bitcoin Trust

**Order Granting Petition for  
Review and Scheduling Filing of  
Statements**

This matter comes before the Securities and Exchange Commission (“Commission”) on petition to review the disapproval, through delegated authority, of the Bats BZX Exchange, Inc. (“BZX”) proposed rule change to list and trade shares of the Winklevoss Bitcoin Trust as Commodity-Based Trust Shares under BZX Rule 14.11(e)(4).

On July 8, 2016, the Commission issued a notice of filing of the proposed rule change filed with the Commission pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Exchange Act”)<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder.<sup>3</sup> On August 23, 2016, the Commission designated a longer time period within which to act on the proposed rule change.<sup>4</sup> On October 12, 2016, the Commission instituted proceedings under Section 19(b)(2)(B) of the

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> *Notice of Filing of a Proposed Rule Change to BZX Rule 14.11(e)(4), Commodity-Based Trust Shares, to List and Trade Winklevoss Bitcoin Shares Issued by the Winklevoss Bitcoin Trust*, Securities Exchange Act of 1934, Release No. 78262 (July 8, 2016), 81 FR 45554 (July 14, 2016).

<sup>4</sup> *Notice of Designation of a Longer Period for Commission Action on Proposed Rule Change to BZX Rule 14.11(e)(4), Commodity-Based Trust Shares, to List and Trade Winklevoss Bitcoin Shares Issued by the Winklevoss Bitcoin Trust*, Securities Exchange Act of 1934, Release No. 78653 (August 23, 2016), 81 FR 59256 (August 29, 2016).

Exchange Act<sup>5</sup> to determine whether to approve or disapprove the proposed rule change.<sup>6</sup> On January 4, 2017, the Commission designated a longer period for Commission action on the proposed rule change.<sup>7</sup> After consideration of the record in the proposed rule change, the Division of Trading and Markets (“Division”), pursuant to delegated authority,<sup>8</sup> issued an order disapproving the proposed rule change (“Disapproval Order”) on March 10, 2017.<sup>9</sup>

On March 24, 2017, pursuant to Rule 430 of the Rules of Practice,<sup>10</sup> BZX filed a petition for review of the Disapproval Order. Pursuant to Rule 431 of the Rules of Practice,<sup>11</sup> BZX’s petition for review of the Disapproval Order is granted. Further, the Commission hereby establishes that any party to the action or other person may file a written statement in support of or in opposition to the Disapproval Order on or before May 15, 2017.

For the reasons stated above, it is hereby:

ORDERED that the petition of BZX for review of the Division’s action to disapprove the proposed rule change by delegated authority be GRANTED; and

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<sup>5</sup> 15 U.S.C. 78s(b)(2)(B).

<sup>6</sup> *Order Instituting Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change to BZX Rule 14.11(e)(4), Commodity-Based Trust Shares, to List and Trade Winklevoss Bitcoin Shares Issued by the Winklevoss Bitcoin Trust*, Securities Exchange Act of 1934, Release No. 79084 (October 12, 2016), 81 FR 71778 (October 18, 2016). On October 20, 2016, BZX filed Amendment No. 1 to the proposed rule change, replacing the original filing in its entirety. See Exchange Act Release No. 79183 (October 28, 2016), 81 FR 76650 (November 3, 2016).

<sup>7</sup> *Notice of Designation of a Longer Period for Commission Action on Proceedings to Determine Whether to Approve or Disapprove a Proposed Rule Change, as Modified by Amendment No. 1, to BZX Rule 14.11(e)(4), Commodity-Based Trust Shares, to List and Trade Winklevoss Bitcoin Shares Issued by the Winklevoss Bitcoin Trust*, Securities Exchange Act of 1934, Release No. 79725 (January 4, 2017), 82 FR 2425 (January 9, 2017). On February 22, 2017, BZX filed Amendment No. 2 to the proposed rule change, which did not materially alter the substance of the proposed rule change. Amendment No. 2 is available on the Commission’s website at <https://www.sec.gov/comments/sr-batsbzx-2016-30/batsbzx201630-1594698-132357.pdf>.

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>9</sup> *Order Disapproving a Proposed Rule Change, as Modified by Amendments No. 1 and 2, to BZX Rule 14.1(e)(4), Commodity-Based Trust Shares, to List and Trade Shares Issued by the Winklevoss Bitcoin Trust*, Securities Exchange Act of 1934, Release No. 80206 (March 10, 2017), 82 FR 14076 (March 16, 2017).

<sup>10</sup> 17 CFR 201.430.

<sup>11</sup> 17 CFR 201.431.

It is further ORDERED that any party or other person may file a statement in support of or in opposition to the action made pursuant to delegated authority on or before May 15, 2017.

The order disapproving such proposed rule change shall remain in effect.

By the Commission.

Eduardo A. Aleman  
Assistant Secretary

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