



Participant Notice

Ref: PN09/02

Dated: 19th March 2009

From: Participant Services

Subject: Amendments to the Rule Book and Participant Manual

Date changes become effective: 27th March 2009

BATS has made a number of amendments to the Rule Book and Participant Manual, which will take effect from market open on 27th March 2009. BATS does not anticipate that the majority of the changes will have a material impact on Participants. However, the withdrawal of the discretionary order type will have a material impact on those Participants currently using this functionally. **BATS strongly recommends that recipients of this Participant Notice communicate these changes within their firm.**

Discretionary Orders

BATS currently offers a discretionary order type, where a Participant may assign a maximum amount of hidden discretion that will be applied to an order from its original entry/limit price. The FSA has informed trading platforms that the European Commission has determined that discretionary orders do not comply with the provisions of the Markets in Financial Instruments Directive ("MiFID"). Therefore, from market open on 27th March 2009, Participants will no longer be able to enter discretionary orders. BATS has amended its documentation to reflect the withdrawal of this functionality.

Erroneous Transactions

BATS' process for reviewing transactions resulting from the submission of potentially erroneous orders is set out in the Rule Book and Participant Manual.

BATS has made an amendment to the Rule Book to clarify that Participants should have in place systems and controls to ensure their ongoing compliance with the Rules. In addition, BATS has clarified that Participants who provide their customers with an automatic routing service to the BATS MTF remain responsible for any order submitted under their name regardless of the origin of the order. We do not believe that these amendments will have a material impact on Participants.

BATS has also clarified in the Participant Manual the factors that BATS will take into consideration when reviewing transactions resulting from potentially erroneous orders whether unilaterally or upon request from a Participant.



A summary of changes can be found in the attached table.

A definitive copy of the amended Rule Book and Participant Manual which will take effect from market open on 27th March 2009 is attached and will be available on 27th March 2009 on the BATS website.

For any queries, please contact Participant Services: ParticipantServicesEurope@batstrading.com or +44 (0) 20 7012 8902

Regards,

Participant Services
BATS European Markets Division
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Rule Book: Summary of amendments between version 2.0 and version 2.1

Page	Amendment
All	Change of copyright date
Cover	Change of date and change of version number
Contents	Updated page number references
Page 4	Rule 2.2 – Addition of new Rule 2.2.3 to the Eligibility Criteria
Page 5	Rule 2.6 – Clarification that Rule 2.6 applies to orders conducted in a Participant's name regardless of origin

Participant Manual: Summary of amendments between version 2.1 and version 2.2

Page	Amendment
All	Change of copyright date
Cover	Change of date and change of version number
Page 3	Contents – Removed reference to discretionary orders, changed title of section 16 and updated page number references
Page 5	Section 3 (How BATS works) – Added that copies of executed orders may be obtained via FIX protocol
Pages 9-10	Section 16 (Erroneous Transactions) – Clarifications to the process for reviewing transactions resulting from the submission of potentially erroneous orders
Page 12	Section 27 (Reserve (iceberg) and discretionary orders) – Removed references in the title and text to discretionary orders
Page 12	Section 28 (Pegged orders) – Removed reference to discretionary orders