



Participant Notice

Ref: PN11/02

Dated: 22nd July 2011

From: Participant Services

Subject: Amendments to the Rule Book and Participant Manual

This Notice summarises a number of amendments that BATS Trading Limited (“BATS”) is making to the Rule Book and Participant Manual. The amendments have not been deemed Material Amendments under the Rules, as they introduce new, optional functionality or clarify existing functionality.

Rule Book

Admission, Removal and Suspension of Securities

The Rule has been clarified for Securities which have first been admitted to trading on an EEA or equivalent Listing Market.

Participant Manual

Preferred Interoperable CCP Service

The Participant Manual has been amended to provide for the introduction of an optional “Preferred Interoperable Central Counterparty Service” (“Preferred Interoperable CCP Service”).

At present, all Participants must have an appropriate clearing relationship with European Multilateral Clearing Facility (“EMCF”), either directly or through a General Clearing Participant. With the exception of the Irish Listing Market, transactions in all securities are sent to EMCF to be cleared and settled.

Under the Preferred Interoperable CCP Service, Participants may maintain, on a per Listing Market basis, a clearing relationship with an additional Central Counterparty (“CCP”). Where a transaction occurs between two Participants who have selected Preferred Interoperable CCPs, each leg of the transaction will be sent to the Participant’s respective Preferred Interoperable CCP. Where one or both parties to a transaction have not selected Preferred Interoperable CCPs, both legs of the transaction will continue to be sent to EMCF.

Participants do not have to select a Preferred Interoperable CCP. Where a Participant has not selected a Preferred Interoperable CCP, all of its transactions will continue to be cleared and settled by EMCF.



In order to select a Preferred Interoperable CCP, Participants should contact their Preferred Interoperable CCP – directly or through a General Clearing Participant – to establish a clearing relationship with respect to their trading activity on BATS.

Only CCPs which interoperate will be eligible to be selected as “Preferred Interoperable CCPs”. BATS will maintain a list of available Preferred Interoperable CCPs on the Website. The CCPs which will be initially available are: LCH.Clearnet, SIX x-clear and European Central Counterparty (“EuroCCP”). BATS will appoint additional CCPs subject to participant demand and appropriate regulatory approval.

The Preferred Interoperable CCP Service will be available for all Listing Markets with the exception of Ireland and Spain. In the case of the Irish Listing Market, Participants may select LCH.Clearnet, SIX x-clear or EuroCCP. It is intended that the Preferred Interoperable CCP Service will be available for the Spanish Listing Market at a later date. Initially, the Preferred Interoperable CCP Service will only be available for shares and DRs. BATS intends to make the Preferred Interoperable CCP Service available for Exchange Traded products in due course pending regulatory approval.

Market Orders

The description of market Orders has been clarified.

Order Routing Facility

The Participant Manual has been amended to include new functionality available across the Order types available through the Order Routing Facility. After routing up to the limit price, Participants will have the option to rest any remainder in the BATS Dark Book. This supplements the current functionality which enables Participants to post any remainder on the BATS Integrated Book unless marked Immediate Or Cancel. The default configuration will continue to function as it does as present, i.e. any remainder will post on the BATS Integrated Book unless the Order is marked Immediate Or Cancel.

A summary of the 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 29th July 2011 is attached and will be available on the Website.

With respect to the Preferred Interoperable CCP Service, BATS has received approval from the FSA to implement the service. Pending the remaining regulatory approval, which is anticipated next week, BATS Europe intends to launch the service at market open on Friday 29th July 2011. Confirmation will be provided to Participants once this regulatory approval has been received.

The additional functionality of the Order types available through the Order Routing Facility will be available from market open on Monday 8th August 2011.



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

Regards,

Participant Services
BATS Europe



Rule Book: Summary of amendments between version 2.7 and version 2.8

Page	Amendment
Page 12	Inserted reference to EEA “or equivalent” Listing Market.

Participant Manual: Summary of amendments between version 2.11 and version 2.12

Page	Amendment
Cover	Change of date and change of version number.
Contents	Updated page numbers.
Page 15	Section 23 (Clearing and settlement): Added new section describing the Preferred Interoperable CCP Service. Added title to “settlement section”.
Page 16	Section 26 (Order types): Amended to the description of market Orders. Added reference that all market Orders are implicitly IOC.
Pages 19 - 21	Section 26 (Order types): Added to the description of the CYCLE, Parallel D, Parallel 2D and BATS + Order types that Participants have the option to post any remainder on the BATS Integrated Book or BATS Dark Book unless the Order is marked Immediate Or Cancel.