

Participant Notice

Ref: PN13/05

Dated: 15th May 2013

From: Participant Services

Subject: Confirmation of proposed changes to the Rules and Participant Manual to be implemented upon recognition of BATS Chi-X Europe as a Recognised Investment Exchange (“RIE”) on Monday 20th May 2013

This Notice summarises a number of amendments that BATS Chi-X Europe (“BATS”) is making to the Rules and Participant Manual. These changes are required to ensure that BATS meets its obligations upon recognition as an RIE.

Clean and marked up versions of the amended Rules and Participant Manual are attached to this Notice and the clean versions can also be found on the BATS website at the following link: <http://www.batstrading.co.uk/regulation/library/>. Summaries of significant changes are provided in the tables below. Those changes that have been made in addition to those detailed in Participant Notice 13/02 are highlighted in red.

These additional changes reflect both comments received in response to Participant Notice 13/02 and from the Financial Conduct Authority as part of the RIE approval process.

For any queries, please contact Participant Services: ParticipantServicesEurope@bats.com or +44 (0) 20 7012 8927.

Rules: Summary of amendments between MTF Rule Book version 3 and RIE Rule Book version 1

Page	Amendment
Cover	Change of title, date and change of version number
Multiple	References to “BATS MTF” changed to “BATS Markets”
Multiple	References to “Financial Services Authority” and “FSA” changed to “Financial Conduct Authority” and “FCA” respectively
Contents	Change to page reference numbers and introduction of new sections
Pages 1 to 6	Definitions and Interpretation: new definitions to support new and changed Rules

Page 11	Removal of reference to Negotiated Transaction
Page 11	Insertion of new Rule 10.4 defining trade time for Negotiated Transactions. Rules 10.4 to 10.12 renumbered as Rules 10.5 to 10.13.
Page 14	New rules 11.2 and 11.3 detailing obligations for reporting Negotiated Transactions.
Page 15	Section 11. Negotiated Transactions – additional subsection allowing for consideration of arrangement time when considering application of Rule.
Page 15,16	Change of section title and wording of sections 13 and 14 to clarify that Rules apply to securities that are traded on the BATS MTF only.
Page 16	Section 15. Complaints by Participants – expansion of section to include right to refer complaints to Independent Complaints Commissioner.
Page 16	Section 16. Discipline: new section containing disciplinary Rules
Page 19	Section 17. Default – new section containing default Rules
Pages 21 to 25	Sections 18 to 22 – new sections containing Rules governing initial and ongoing requirements for issuers and securities to be admitted to trading on the BATS Regulated Market.
Page 25	Section 23. Amendments to the Rules – introduction of consultation requirement for material Rule changes.

Participant Manual: Summary of amendments between MTF version 5 and RIE version 1

Page	Amendment
Cover	Change of title, date and change of version number
Multiple	References to “BATS MTF” changed to “BATS Markets”
Multiple	References to “Financial Services Authority” and “FSA” changed to “Financial Conduct Authority” and “FCA” respectively
Page 4	Section 1. Introduction – clarification that Rules will apply in the event of any conflict with the Participant Manual
Page 4	Section 3. How BATS Works – amended to reflect change of regulatory status following Recognition as an RIE
Page 4, 6, 8, 23	Descriptions of Smart Order Routing services have been expanded to clarify that those services will be provided by an appropriately authorised subsidiary. Definition of “Away Venue System” introduced to ensure consistency with Order Routing Agreements.
Page 13	Section 10. Tax – amended to clarify BATS’ position applies generally to national financial transaction taxes, and is not specific to France
Page 16	Section 18. Default – section replaced by reference to new Rule 19.

Page 17	Section 19. Complaints – reference to right to refer complaints to Independent Complaints Commissioner introduced.
Page 25	Section 26. Order and Trade Types – references to “Trade Capture Reports” and “TCRs” changed to “Exchange Trade Reports” and “ETRs”
Page 24,25	Clarification of procedures for submission of Exchange Trade Reports.
Page 26	Official Market Close changed from 16:40 to 16:50
Page 27	Section 30. Trading Days – new subsection detailing trading days for the BATS RM.