



BZX Regulatory Circular 14-007
BYX Regulatory Circular 14-006

Date: November 5, 2014

To: Members of BATS Exchange, Inc. and BATS Y-Exchange, Inc.

From: Membership Services

Re: Amendments to Compensation Claims

This circular is being issued to provide notice that, effective Thursday, November 6, 2014, BATS Exchange, Inc. (BZX) and BATS Y-Exchange, Inc. (BYX) will:

- Extend the deadline to submit written claims for reimbursement for losses resulting directly from the malfunction of the Exchanges' physical equipment, devices and/or programming or the negligent acts or omissions of their employees; and
- Accept claims for losses relating to orders routed by the Exchanges through their routing broker-dealer (BATS Trading, Inc.) to other Trading Centers that experienced a systems issue.

Extension of Deadline to Submit Claims

For losses sustained due to systems issues experienced by the Exchanges, the deadline to submit claims for reimbursement under Rule 11.16(d) will be extended from 12:00 p.m. Eastern Time (ET) on T+1 to 4:00 p.m. ET on T+2 (1:00 p.m. ET in the event of an early market close on T+2).

Reimbursement for Losses Sustained at Trading Centers

Under new Rule 11.16(g), the Exchanges will accept claims for losses relating to orders routed by the Exchanges through BATS Trading, Inc. to Trading Centers that the Member claims resulted directly from a systems issue at that Trading Center.

Members must submit claims in writing, which must contain representations as to the claim's accuracy, and indicate that any losses were the direct result of a systems issue at the Trading Center to which the order was routed. The Exchanges would submit such claims, via BATS Trading, Inc., to the Trading Center in question as soon as reasonably practicable. If and to the extent that BATS Trading, Inc. were to receive compensation from a Trading Center, the full amount of such compensation would be passed through to the Member.

Any claim submitted will be subject to the rules, procedures, and discretion of the Trading Center in question. It is the Trading Center, and not the Exchanges or BATS Trading, Inc., that ultimately decides whether to approve or deny a Member's claim, or even whether to act on such request at all. For example, the Exchanges have no discretion over or responsibility for the information provided by the Member in its claim, and no discretion over or responsibility for whether such information is sufficient for the Trading Center to provide compensation. In

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addition, any claim submitted will be subject to compensation only to the extent that the Trading Center provided such compensation to BATS Trading, Inc.

Rule 11.16(g) does not include a specific deadline by which Members must submit claims for compensation. Members should note that Trading Centers that are national securities exchanges impose different deadlines by which their Members must submit claims for compensation, and that many Trading Centers that are not national securities exchanges either do not impose any deadline or otherwise handle requests for compensation on a case-by-case basis. It is, therefore, incumbent on, and the sole responsibility of, the Member to submit claims to the Exchanges in a timely manner so that the Exchanges may then forward such claim as soon as reasonably practicable, via BATS Trading, Inc., in advance of any deadline required by that Trading Center.

See [SR-BATS-2014-045](#) or [Securities Exchange Act Release No. 34-73356](#) (October 15, 2014)

See [SR-BYX-2014-027](#) or [Securities Exchange Act Release No. 34-73357](#) (October 15, 2014)

Please contact Membership Services at 913.815.7002 with any inquiries regarding this Regulatory Circular.