BATS Introduces Midpoint Peg Enhancement - Do Not Match in Locked Market

Overview
BATS is pleased to announce an optional enhancement to Midpoint Peg orders will be released on both BATS BYX Exchange and BATS BZX Exchange effective Friday, December 10, 2010. This enhancement will allow Members to specify an execution instruction (FIX tag 18=m) that indicates they do not wish to be filled in the event the NBBO is locked.

Note: As this is an opt-in feature, the existing Midpoint Peg behavior as specified with FIX Tag 18=M will remain unchanged. All Midpoint Pegs will remain non-executable in a crossed market situation.

Example
Consider the situation where the NBBO is $10.10 x $10.11 a Midpoint Peg order is entered to Buy @ $10.11. As it stands today, if NBB moves up resulting in a locked market at $10.11 x $10.11, the Midpoint Peg is marketable and the order can be executed at the locking price of $10.11. With the enhancement defined above, the Midpoint Peg becomes unexecutable when FIX tag 18=m.

Testing Opportunity
This functionality is available for testing in the certification environments for BYX Exchange and BZX Exchange effective immediately.

For More Information
Please refer to the appropriate BATS FIX specification:

- [BATS US Equities (BZX) FIX Specification](#)
- [BATS US Equities (BYX) FIX Specification](#)

We appreciate your continued support of BATS and look forward to earning more of your business. As always, we are committed to our Members and to Making Markets Better. Please contact the BATS Trade Desk or your Director of Sales with any questions.

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