



BATS Update Regarding SEC Extension of New Regulation SHO Compliance Date to February 28, 2011

Regulation SHO Compliance Date Extended

The Securities and Exchange Commission (SEC) has [extended](#) the date for compliance with its amended Regulation SHO short sale rule to Monday, February 28, 2011. As a result, **BATS will not be implementing changes to support the updates to Regulation SHO in production until the compliance date.** *FIX Tag 54=6 (Sell Short Exempt)* will not be accepted in production until the compliance date and any attempts to send this value prior to the effect date will result in a FIX reject.

All defined changes will remain available for test in the BATS Certification environment through the compliance date.

Regulation SHO Updates

BATS will continue to maintain an updated [Regulation SHO Amendment FAQ](#) on its public site Support page at <http://www.batstrading.com/support>. The latest updates to the FAQ are highlighted within the document.

Additionally, a [Short Sale Circuit Breaker Order Handling Scenarios](#) quick reference sheet has been added to the same Support page. This reference sheet describes order behavior based on marking (sell short vs. sell short exempt), whether the order is routable, whether the order is hidden, and whether or not a Short Sale Circuit Breaker is in effect.

Hidden Order Behavior Changes Postponed

BATS BYX Exchange and BATS BZX Exchange will be postponing previously announced changes to hidden order behavior in crossed markets until Monday, February 28, 2011 to coincide with the updated Regulation SHO compliance date. As such, resting hidden orders that are crossed by the market will continue to be cancelled back to the user until Monday, February 28, 2011. On that date, BATS will refer to the port level setting for price sliding to determine a user's preference. If the port level setting indicates price sliding is enabled (the default), the hidden order price will be automatically slid to a non-crossing price. Otherwise, the order will be cancelled back to the user.

Additionally, please contact the BATS Trade Desk or your Director of Sales with any questions.

BATS Trade Desk

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