



## Reminder: Bats to Conduct Industry-wide IPO Auction and Closing Auction Test on Saturday, March 19, 2016

### Overview

As previously announced, in anticipation of its first corporate IPO Auction, Bats will be conducting regular IPO Auction testing in its production BZX Exchange environment on a dedicated matching engine with test symbol ZTEST. Testing began in January 2016 and is composed of a series of daily, weekly and weekend test opportunities. Related market data is disseminated via PITCH and through the CTA SIP. Please note the IPO process changes Bats has made on BZX Exchange described in the [recent notice](#). Bats will also require each firm to certify its order entry system in order to participate in trading a Corporate IPO on BZX Exchange the first day.

### Certification Requirement

Each Member on BZX Exchange will be required to certify its order entry system before being allowed to submit orders during the first day of trading on a Corporate IPO. An Uncertified Member's orders will be rejected for both the IPO Auction and the rest of the trading session that follows.

In order to complete the Certification Requirement, a Member will need to execute at least one order in an IPO Auction in either the Certification or Production (*during a Saturday test*) environments. After your firm has successfully completed an IPO auction execution, please notify the Bats Trade Desk ([tradedesk@bats.com](mailto:tradedesk@bats.com)). Once the Trade Desk has validated the execution, your firm will be marked as Certified in the BZX Exchange system and will be authorized to trade corporate issues on the day of an IPO.

Exchange Officials will have discretion to allow all Uncertified Members to submit orders on the IPO symbol at any time after the IPO Auction match.

### Test Script

For each test, the following events will take place:

Time (ET)	Event
6:30 a.m.	Email notification will be distributed to acknowledge the subject security has been halted and the halt will be disseminated via PITCH and the CTA SIP.
6:30 a.m.	Email notification will be distributed to provide notice of the issue price for the subject security.
9:45 a.m.	Quote-Only period begins for the subject security.
~10:15 a.m.	IPO Auction conducted in subject security.
12:00 p.m.	Closing Auction conducted in subject security.

In the event of auction extension, email notifications will be distributed. Please contact the Bats Trade Desk ([tradedesk@bats.com](mailto:tradedesk@bats.com)) to ensure you are subscribed to Bats listed security event notifications.

### Weekly Test Opportunities (Thursdays)

Thursday, January 14, 2016, Bats began conducting weekly coordinated tests with the street in test symbol **ZTEST** in the BZX Exchange production environment. Weekly testing will continue to take place until further notice and participating Members are encouraged to contact the Bats Trade Desk with any questions or concerns.

### Daily Test Opportunities

Outside of the Thursday weekly tests, Bats will continue to conduct daily IPO Auction tests for test symbol **ZTEST** in the BZX Exchange production environment. Any issues encountered during the daily tests should be referred to the Bats Trade Desk.

### Weekend Test Opportunities (Saturdays)

Bats is conducting 4 weekend tests with the street in the BZX Exchange production environment. These tests will utilize a dial-in bridge (**866-967-9935 code 8867009#**) for status updates which will open at 9:30AM ET and will close at the conclusion of the IPO Auction.

The Saturday tests will only differ from a Thursday test in that the symbol to be utilized during the Saturday test opportunities will be symbol **BATS**.

The Saturday test schedule will be as follows:

- ~~February 6, 2016~~
- ~~February 27, 2016~~
- March 19, 2016
- April 2, 2016

Bats reserves the right to add additional Saturday test opportunities as needed.

### More Information

For more information, refer to the following technical specification:

- [Bats US Equities Auction Process](#)

Bats appreciates your continued business and participation in this testing. Please call the Bats Trade Desk or your Director of Sales with any questions.

### **Bats Trade Desk**

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