



BATS Options Moving to 32 Matching Engines Effective December 12, 2011

Overview

Please be advised that **effective Monday, December 12, 2011**, the BATS Options Exchange trading platform will be migrating from a 24 to 32 Matching Engine configuration. While the distribution of securities traded across Matching Engines will continue to be broken down by underlying symbol range, it will be further divided by Puts vs. Calls and Front 2 Expiration Months vs. Back Expiration Months. There will be 4 Matching Engines assigned to every defined underlying symbol range. As a result of this new distribution, **Members must be prepared to support updates to BATS Multicast PITCH and Risk Management on the effective date as follows.**

Multicast PITCH

BATS Options production unit distribution effective December 12, 2011:

Symbol Range Start	Unit	Expiration Month	Calls or Puts
A	1	Front 2 Months	Puts
	2	Front 2 Months	Calls
	3	Months 3+	Puts
	4	Months 3+	Calls
BK	5	Front 2 Months	Puts
	6	Front 2 Months	Calls
	7	Months 3+	Puts
	8	Months 3+	Calls
DE	9	Front 2 Months	Puts
	10	Front 2 Months	Calls
	11	Months 3+	Puts
	12	Months 3+	Calls
GH	13	Front 2 Months	Puts
	14	Front 2 Months	Calls
	15	Months 3+	Puts
	16	Months 3+	Calls
IX	17	Front 2 Months	Puts
	18	Front 2 Months	Calls
	19	Months 3+	Puts
	20	Months 3+	Calls
NG	21	Front 2 Months	Puts
	22	Front 2 Months	Calls
	23	Months 3+	Puts
	24	Months 3+	Calls
SC	25	Front 2 Months	Puts
	26	Front 2 Months	Calls
	27	Months 3+	Puts
	28	Months 3+	Calls
TS	29	Front 2 Months	Puts
	30	Front 2 Months	Calls
	31	Months 3+	Puts
	32	Months 3+	Calls

Please refer to Section 9.2.6 of the [BATS US Equities/Options Multicast PITCH Specification](#) for the updated production address/unit distribution that will be effective December 12, 2011. The Multicast Rendezvous point will not change in production.

Risk Management

BATS Options Risk Management functionality allows for management of risk based on boundaries defined by Matching Engine unit distribution. In the current distribution, risk controls are strictly based on OSI Root symbol range. The new distribution will split OSI Roots across four (4) Matching Engine units to further divide the distribution based on Puts vs. Calls and Front 2 Expiration Months vs. Back Expiration Months. As such, the following changes in Options Risk Management behavior will take place effective December 12, 2011:

- OSI Root level rules will be precise (excluding routed orders) for limits that are triggered on a particular Matching Engine unit. Best efforts will be made to prevent executions on the remaining three (3) Matching Engine units associated with an OSI Root.
- Call/put and front/trailing month options will be added to the Risk Management Profile File Format. If call/put and front/back month fields are not present then it is assumed any OSI Root limits will be divided by 4 and evenly applied to all 4 Matching Engine units associated with the particular OSI Root. Refer to Section 2.2 of the [BATS US Options Risk Management Specification](#) for complete details.
- Limit Netting will no longer be supported.

Testing Opportunity

Members will be provided an opportunity to access and test the 32 Matching Engine unit configuration on the BATS Options production trading system on Saturday, December 10, 2011 from 9AM to noon ET. BATS strongly encourages Members using the BATS Multicast PITCH and/or Risk Management functionality to participate in this test to ensure their readiness.

Additionally, unattended testing will be made available in the **BATS Options certification environment** effective **Monday, November 28, 2011** using the following updated unit distribution:

Symbol Range Start	Unit	Expiration Month	Calls or Puts
BJ – CEZZ~	1	Front 2 Months	Puts
	2	Front 2 Months	Calls
	3	Months 3+	Puts
	4	Months 3+	Calls
CF – CVXZ~	5	Front 2 Months	Puts
	6	Front 2 Months	Calls
	7	Months 3+	Puts
	8	Months 3+	Calls

Refer to Section 9.4.5 of the [BATS US Equities/Options Multicast PITCH Specification](#) for the updated certification address/unit distribution that will be effective November 28, 2011. The Multicast Rendezvous point address will not change in certification.

For More Information

Refer to the appropriate specification:

- [BATS US Equities/Options Multicast PITCH Specification](#)
- [BATS US Options Risk Management Specification](#)

Please contact the BATS Trade Desk or your Director of Sales with any questions. 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.

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