



## Final Reminder: BATS Options Exchange Opening Process

Effective **Thursday, March 6, 2014**, BATS Options Exchange will update the opening process for pre-market and post-halt periods.

### Summary of Notable Changes

- **Executions during a BATS Options Opening Process will be FREE for adding and removing liquidity from the BATS Options book.**
- Historically all orders received in pre-market or during regulatory halt periods have been rejected. Effective **Thursday, March 6, 2014**, these orders will be accepted as live orders that are eligible for trading.
- Members should be prepared to properly handle receipt of non-firm quotes via OPRA during pre-market and regulatory halt periods.
- Members should be prepared to properly handle the new **Trading Status** message type on the BATS Multicast PITCH feed.

### Testing Opportunity - Update

The new BATS Options opening procedures is currently available for Member testing in the BATS Options Certification environment.

### Market Opening Process

The Quoting Period for BATS Options will begin at 8:00 a.m. ET, when orders will be accepted for queuing for participation in the Opening Process. During the Quoting Period, orders will not be executable. BATS Options will begin Regular Trading after completion of the Opening Process, as described below.

### Quoting Period

The Quoting Period applies to both the Market Opening Process and the Regulatory Halt Opening Process. Members may submit Limit or Market orders during the Quoting Period that will not be executable until after the determination of the Opening Price. During the Quoting Period the PITCH book may appear to be crossed. Queued orders may be cancelled or modified at any time during the Quoting Period up until the determination of the Opening Price. **Limit orders queued during the Quoting Period will be disseminated via OPRA as "Non-Firm" and via Multicast PITCH.** Market orders entered during the Quoting Period will not be disseminated on OPRA or BATS Multicast PITCH. During the Market Opening Process the BATS Multicast PITCH Trading Status of "Q" will be implied and not explicitly communicated.

### Opening Process

Following the receipt of the first trade by the primary listing market, any queued orders that are priced equal to or more aggressively than the Opening Price will be executed at the Opening Price based on price/time priority. The Opening Price must be a valid price (as explained below) and will be determined by the midpoint of the NBBO, or in the absence of an NBBO with a valid price, by the last regular way trade which may include the previous day's close. Opening Price collars will be used to provide price protection and ensure a valid Opening Price. In the event there is no valid Opening Price, the Quoting Period may be extended at the discretion of the Exchange. In the event that a series has no crossing orders, the Exchange will immediately open the series for Regular Trading. After a series opens for Regular Trading, the Exchange will update quotes on OPRA as "Firm", and a PITCH Trading Status of "T" will be sent for each options series. Market orders and limit orders that are priced equal to or more aggressively than the Opening Price that do not execute in the Opening Process will be canceled back to

the Member.

### **Halt Opening Process**

Upon receipt of a Regulatory Halt from the primary listing market, the BATS Options Exchange will halt trading on all relevant options series. By default, open orders will then be immediately canceled back; however, Members may by written request to the BATS Trade Desk opt to instead have their orders rolled into the Quoting Period. Immediately upon halt of trading, BATS Options will begin the Quoting Period. This period, during which the book could appear crossed, will continue until the Regulatory Halt has been lifted, at which point the Exchange will calculate the Opening Price as described above.

In the event a non-regulatory (supervisory) halt is issued by BATS Options, all open orders will immediately be canceled. Open orders will not be eligible to be rolled over during a non-regulatory halt. All orders received during a non-regulatory halt will be rejected. Refer to the [Options Opening Process Specification](#) for additional halt details.

### **Market Data Dissemination**

BATS Options will introduce **a new Multicast PITCH message** type of **Trading Status** with the following status codes:

- “Q” – Quoting Period (no trading)
- “H” – Halted (issued immediately following regulatory halts.)
- “T” – Trading (used after Opening Process ~9:30AM and after intra-day halts)

All active options series available for trading during the Market Opening Process will have an implied **Trading Status** of “Q” and will not be explicitly communicated. A **Trading Status** of “Q” will be disseminated via the BATS Multicast PITCH feed during the Regulatory Halt Quoting Period. After a series opens for Regular Trading the Exchange will update quotes on OPRA to be “Firm” and the BATS Multicast PITCH Trading Status will be updated to “T” (Trading).

BATS Options will also begin utilization of existing OPRA message type “F” to communicate BATS Non-Firm Quotes. Refer to the [OPRA Specifications](#) for additional details.

### **For More Information**

Refer to the appropriate documentation for additional information:

- [Options Opening Process Specification](#)
- [BATS US Options BOE Specification](#)
- [BATS US Options FIX Specification](#)

You may also 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.

### **BATS Trade Desk**

913.815.7001

[tradedesk@bats.com](mailto:tradedesk@bats.com)

[www.batstrading.com/alerts](http://www.batstrading.com/alerts)

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