



Reminder - Bats EDGX Options Exchange Step-Up Mechanism Auction Functionality Available July 11, 2016

Updates highlighted below.

Overview

Bats EDGX Options Exchange is pleased to announce new auction functionality. Effective **Monday, July 11, 2016, (pending SEC approval)** a Step-Up Mechanism (SUM) auction will be introduced to the EDGX Options Exchange.

Summary Details

Bats SUM Auctions provide execution opportunity by exposing marketable orders prior to routing to an away market.

SUM Auctions are system generated rather than Member initiated. Member orders will be eligible to initiate a SUM Auction if orders are marketable against the NBBO, and if the Member is configured to participate in SUM Auctions or the order bears explicit instructions to expose it.

Members wishing to either respond to SUM Auctions or alter order eligibility to initiate a SUM Auction must do so using a Bats FIX v2 or BOE v2 order entry session. Existing FIXv1 or BOEv1 order entry sessions will not be able respond to SUM Auctions, and their default settings for initiating SUM Auctions will not be able to be altered. Members currently on FIX v1 or BOE v1 who wish to move to FIX v2 or BOE v2 will require a brief certification with the Bats Trade Desk (913-815-7001, tradedesk@bats.com).

SUM Auction Orders will be exposed on both the [EDGX Options Multicast PITCH](#) feed and a new [Bats Options Auction Feed](#) allowing other EDGX Options Exchange participants the opportunity to interact with the SUM Auction Order either through Auction Response Orders or regular marketable orders.

The following updates to the [Bats Options Auction Feed](#) are now available:

- Production IP/port addresses are available for Primary Datacenter 'A' and 'B' feeds and the Secondary Datacenter 'E' feed.
- Auction Notification messages used to disseminate order details of an auction have been updated to remove the **NBBO Price** field for SUM Auctions. The existing **Price** field will instead be used to reflect the NBBO price of the opposite side of the auction at the time of entry for SUM Auctions.

Testing Opportunities

Testing of the new SUM Auction functionality is currently available in the EDGX Options Certification environment.

Additional Information

Refer to the following technical specifications for functionality and technical details and examples regarding SUM Auctions:

- [Bats US Options Auction Process](#)
- [Bats US Options Auction Feed Specification](#)
- [Bats US Equities/Options Multicast PITCH Depth of Book Specification](#)
- [Bats US Options FIX Specification](#)
- [Bats US Options Binary Order Entry \(v2\) Specification](#)
- [Options FIX v1 \(to be decommissioned effective September 30th\)](#)
- [Options BOE v1 \(to be decommissioned effective October 28th\)](#)

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.

Bats Trade Desk

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