BATS Options
General Information, Order & Routing Instruction Descriptions

Overview

BATS Options leads the way in Making Markets Better with innovative solutions to meet the needs of traders in the changing options climate. BATS will leverage its cutting-edge technology and maker-taker pricing to build a platform for today's options traders.

BATS Options is a pure price-time priority platform that offers penny executions in all options regardless of premium or class. All multiply-listed options will be available with Post Options Symbology Initiative (OSI) consolidation.

Securities Traded on BATS Options: Trading in all multiply-listed equity options.

Trading Hours: 9:30 to 4 p.m. ET

2012 Holidays
Martin Luther King, Jr. Day, January 16 / Presidents Day, February 20 / Good Friday, April 6 / Memorial Day, May 28 / Independence Day, July 4 / Labor Day, September 3 / Thanksgiving Day, November 22 / Early Market Close, November 23 / Christmas, December 25

Market Data
MULTICAST PITCH: Real-time depth of book and trade information.
DROP: Participant-only order, trade and cancel messages.

Member Web Tools
BATS Options Clearing Editor: Members and Sponsored Participants can access same-day executed trades and revise them for clearing through the Options Clearing Editor Web tool.

Risk Management Tool: Free, firm-level configurable tool helps reduce the risk of getting more executions than desired by providing flexible parameters.

Functionality

Price Improvement
Firms that enter orders in pennies may receive price improvement on the BATS Options platform. Posted orders priced in penny increments where the Minimum Price Variation is $0.05 or $0.10 will take advantage of displayed price sliding to the next increment.

Minimum Acceptable Quantity
This allows a minimum execution size to be designated when using an IOC order. The order is cancelled back to the user if less than the designated size would be executed.

Links

Membership | Become a Member of BATS Options in two steps.
Connectivity Manual | A network connectivity manual, which provides information on how to connect to BATS Options.

Specifications

FIX | FIX (Financial Information Exchange) protocol information.
Multicast PITCH | Real-time depth of book quotations and execution information.

Contacts

Sales	212.378.8527 | sales@batstrading.com	NOC	913.815.7005 | noc@batstrading.com
Trade Desk	913.815.7001 | tradedesk@batstrading.com	FAX	913.815.7119
Membership Services	913.815.7002 | membershipservices@batstrading.com		

Order Types

LIMIT ORDER
Limit orders allow users to buy or sell a security at a desired price or better. Time in Force (TIF) availability for limit orders:
  DAY: If not executed, canceled at 4 p.m. ET.
  GTD (Good 'til Day): If not executed, canceled at expire time or 4 p.m. ET.
  IOC (Immediate or Cancel): Remainder of the order not filled immediately is cancelled. Market orders are implicitly IOC. Minimum Quantity is also available with IOC orders.
  GTC (Good 'til Cancelled): If not executed, canceled at 4 p.m. ET.

PARTIAL POST ONLY @ LIMIT ORDER
Partial Post Only at Limit offers liquidity removal with price improvement while allowing users to designate a Maximum Remove Percentage to allow for removal of liquidity at the limit price.

RESERVE ORDER
Reserve orders allow users to enter a limit order and only display a fraction of the order size. The entire size is available for execution. Also, the reserve portion of the order is last in priority after visible orders.

POST ONLY ORDER
Post only orders allow users to make a market and specify not to remove liquidity unless adequate price improvement is accessible. Any incoming post only orders that cross with a resting displayed order that does not offer adequate price improvement will be rejected.

INTERMARKET SWEEP ORDERS (ISO)
An intermarket sweep order (ISO) defined as an immediate or cancel order (IOC) ignores the NBBO and does not route away from the BATS order book. Day ISO orders provide a day timeframe rather than the default IOC order. Directed ISO orders are sent via BATS to a specified market center.

WAIT ORDER
Regulation requires customer orders to be exposed for a minimum of one second before executing against a corresponding principal order. This order type automatically holds the firm order for one second to comply with the minimum exposure period. The WAIT order modifier fulfills the required service in two fashions:
1) Add the modifier upon entry in the system and the order is held for one second before processing.
2) Enter the customer and firm order simultaneously with the firm order marked with the WAIT modifier. The firm order will be held for one second.

CANCEL & REPLACE ORDER
Allows users to change price, size and/or side (sell long or sell short) of a working order and change a limit order to a market order.

BULK ORDER
Bulk Order gives users the opportunity to place new orders, and modify or cancel existing orders pertaining to multiple contracts for a single OSI root.

Routing Instructions

PARALLEL STRATEGIES
Parallel D – Best Price
Splits a routable order and sends it to multiple market centers simultaneously at the same price level. Liquidity is exhausted at each price level to the limit price.

Parallel 2D – Fastest Execution
Splits a routable order and sends it to multiple market centers *and* multiple price levels simultaneously.

BATS+ (AMEX, ARCA, BOX, CBOE, ISE, PHLX, NOM) ORDER
Access BATS and one of the above market centers' liquidity (ex. AMEX) by sending the order to BATS with BATS+ routing strategy. The order will first remove liquidity on BATS. If there is a remainder, an IOC will be sent to the corresponding market center.

BATS DEFAULT ORDER (BATS+ ALL)
Access liquidity at all market centers by sending order flow to BATS with the default, or ALL, routing strategy. This order makes use of routing strategies available within the BATS Smart Order Router.

BATS ONLY ORDER
Access BATS liquidity only. By default this order isn't routed to away markets.

CYCLE
CYCLE targets one protected market at a time and then sends the full remaining quantity on to the next market center. If the order can't be filled completely at the National Best Bid and Offer (NBBO), the CYCLE strategy will, in an iterative manner, route to other markets at the limit price of the original order.

RE-ROUTE
Re-route is designed to aggressively re-route and fill orders. Orders come off the BATS order book and target a locking or crossing quote at another market center, matching or improving upon the limit price. This behavior occurs anytime BATS receives an updated quote from another market that locks OR crosses the order resting on the BATS order book, and may continue until the order is completely filled.