



## ◆ Summary

BATS' Dark Scan order type is *making markets better* by offering subscribers the opportunity for price improvement and lower access fees via interaction with Dark Liquidity Partners.

# BATS Dark Scan

Scanning Against Dark Liquidity Pools

## ◆ Details

The Dark Scan order type routes to participating Dark Liquidity Partners (DLPs), offering potential price improvement and lower access fees for BATS subscribers.\* Subscribers will be charged a very low \$0.0005 per share for orders matched against dark venues.

Dark Scan will require anywhere from five to 50 milliseconds for potential DLP fills before the order is sent back to the BATS book to fill any remaining shares. Next, the remaining shares can match in 400–500 microseconds at \$0.0025 per share against the deep pool of liquidity on the BATS book. Finally, the remainder can route to displayed markets using the BATS smart order router CYCLE strategy at \$0.0029 per executed share.

A primary aspect of BATS Dark Scan is the transparency of DLPs. Subscribers can count on knowing who is in the list of DLPs at BATS at all times. On a trade by trade basis, however, full anonymity (for both sides) is maintained.

A list of current BATS DLPs is available on the reverse of this sheet. BATS will announce new DLPs as they are brought online and will only maintain relationships with those DLPs that provide meaningful fill rates and quality executions.

BATS Dark Scan is completely optional, and subscribers need to opt-in by setting FIX tag 18=z (lower case) in order to take advantage of the functionality. Dark Scan orders can also be flagged to route unfilled shares to other markets using BATS CYCLE by setting fix tag 9303=R, or as non-routable by setting 9303=B (BATS Only).

\*Note that if price improvement is available, the order will first remove liquidity against hidden orders posted on the BATS book at the normal remove rate of 0.0025/share.

*An example of the behavior of a Dark Scan order on the BATS book follows:*

**NBBO 10.00 X 10.02**

**BATS 10.00 X 10.01(hidden) 10.02 (displayed)**

The subscriber sends a Dark Scan BATS Only buy order at 10.02 (18=Z, 9303=B)

- 1) The order will remove liquidity against hidden orders posted on the BATS book at 10.01 at the normal remove rate of 0.0025/share if price improvement is available.
- 2) The remainder will route to one or more dark pools and be charged 0.0005/share on these executions.
- 3) The order sweeps the BATS book for visible liquidity at the NBBO. 0.0025/share remove rate applies.
- 4) The subscriber may also choose to send 9303=R. In this case, the remaining shares would be routed out to the market and charged the standard routing fee of 0.0029/share.

Expected latency for this order type is approximately five to 50 milliseconds due to the DLP routes.

Please contact the BATS Trade Desk at 816.285.9901 or your BATS account manager with any questions.

**See the reverse for order execution instructions.**



**Order Execution Instructions are as follows:**

Select FIX tag 18=z (ExecInst) and flag it to route unfilled shares to other markets using BATS CYCLE by setting fix tag 9303=R (RoutingInst), or as non-routable by setting 9303=B (BATS Only).

Each DLP fill will have the lower access fee reflected in FIX tag 9621 (ECNAccessFee).

In addition, FIX tag 375 (ContraBroker) will reflect "DARK" for each DLP fill.

**BATS Dark Liquidity Partners as of June 2008:**

- Liquidnet H<sub>2</sub>O™
- Liquidity Ping by ATD, A Citi Company
- Knight Link™
- GETCO Execution Services

◆ **Links**

- BATS Web site: [www.batstrading.com](http://www.batstrading.com)
- Sponsored Access Addendum: [http://www.batstrading.com/subscriber\\_resources/BATS\\_Sponsored\\_Access\\_Addendum.pdf](http://www.batstrading.com/subscriber_resources/BATS_Sponsored_Access_Addendum.pdf)
- FIX Specification: [http://www.batstrading.com/subscriber\\_resources/BATS\\_FIX\\_Specification.pdf](http://www.batstrading.com/subscriber_resources/BATS_FIX_Specification.pdf)
- Order Types: [http://www.batstrading.com/features/bats\\_trading\\_definitions.pdf](http://www.batstrading.com/features/bats_trading_definitions.pdf)
- Fee Schedule: <http://www.batstrading.com/FeeSchedule>

◆ **Contacts**

Trade Desk	816.285.9901	<a href="mailto:tradedesk@batstrading.com">tradedesk@batstrading.com</a>
Subscriber Services	816.285.9902	<a href="mailto:subscriberservices@batstrading.com">subscriberservices@batstrading.com</a>
Billing	816.285.9903	<a href="mailto:billing@batstrading.com">billing@batstrading.com</a>
NOC	816.285.9905	<a href="mailto:noc@batstrading.com">noc@batstrading.com</a>
Sales	816.285.9924	<a href="mailto:salesonly@batstrading.com">salesonly@batstrading.com</a>
Fax	816.285.9919	