

Match Trade Prevention

Avoid unintentional trading with your own firm.

BATS Exchange's Match Trade Prevention (MTP) functionality helps Members avoid unintentional trading by preventing orders with the same unique identifier from executing against each other.

When using MTP:

- Unique identifiers must be equal
- The incoming order MTP modifier controls the interaction between MTP executable orders.
- There are four optional FIX fields for cancels and restatements.
- All MTP functionality is free of charge.

Unique Identifiers Must be Equal

In order to prevent a trade, two orders must be marked at the same MTP unique identifier level (MPID, BATS Exchange Member, or Sponsored Participant). If the orders differ on the specified MTP unique identifier level, they will be allowed to execute against each other.

Incoming Order Controls Interaction

The MTP modifier on the incoming order controls the interaction between two orders marked with MTP modifiers with the same unique identifier. See MTP Decrement and Cancel description below for more information on the single exception to this rule.

MTP Identifiers Defined

Orders with an MTP identifier will not execute against the opposite side's resting interest that is marked with any MTP modifier originating from the same unique identifier.

- 1) *MTP Cancel Newest (MCN)*: Use this modifier to cancel the incoming order and maintain the resting order on the BATS order book.
- 2) *MTP Cancel Oldest (MCO)*: This modifier cancels the resting order with an MTP modifier. The incoming order marked MCO will continue to be handled within the matching engine as instructed by the user.
- 3) *MTP Decrement and Cancel (MDC)*: If both orders are equal in size, both orders will be cancelled. For those not equivalent in size, the smaller order will be cancelled and the larger order will be decremented by the size of the smaller order with the balance remaining on the BATS order book. However, both orders will be cancelled if the resting order is marked with any MTP modifier other than MDC and the incoming order is smaller than the resting order.
MTP Decrement and Cancel Remainder (MdC): This functions the same as MDC with the exception that with MdC OrderQty (38) is NOT decremented, the larger order will ONLY have its LeavesQty (151) decremented.
- 4) *MTP Cancel Both (MCB)*: The entire size of both orders will be cancelled when using this modifier.

Using MTP Functionality

Members may call the BATS Trade Desk to set up MTP, or can specify which MTP modifier to use at a unique identifier level with FIX Tag 7928 on a single order basis.

Optional FIX Fields

Members may **opt-in** to receive three additional FIX tags on cancels and restatements triggered by MTP:

- TradeLiquidityIndicator (9730): A=Add / R=Remove
- SecondaryOrderID (198): contra BATS Order ID of prevented trade
- LastShares (32): number of shares that would have matched if not prevented by MTP
- LastPx (31): price the match would have occurred at if not prevented by MTP

See the reverse for examples of MTP orders.



◆ Examples of MTP Orders

Below are examples of how each MTP modifier operates in the BATS Exchange system. For more information on this functionality, please contact the BATS Exchange Trade Desk at 913.815.7001, your Director of Sales or see the FIX Specification.

Sample Order: MTP Cancel Newest (MCN)

An order to buy 500 shares @ \$22.00 is marked with any of the four MTP modifiers and becomes a resting order on the BATS order book. Subsequently, an order to sell 500 shares @ \$22.00 is entered with the same unique identifier and marked with the MCN modifier.

Result: The incoming sell order for 500 shares @ \$22.00 marked with the MCN modifier is cancelled back to the originating user. The resting buy order for 500 shares at \$22.00 marked with one of the four MTP modifiers remains on the BATS order book.

Sample Order: MTP Cancel Oldest (MCO)

An order to buy 500 shares @ \$22.00 is marked with any of the four MTP modifiers and becomes a resting order in the BATS order book. Subsequently, an order to sell 400 shares @ \$22.00 is entered with the same unique identifier and marked with the MCO modifier.

Result: The resting buy order for 500 shares at \$22.00 marked with one of the four MTP modifiers is cancelled back to the originating user. The incoming sell order for 400 shares @ \$22.00 marked with the MCO modifier is entered on the BATS order book.

Sample Order: MTP Decrement and Cancel (MDC)

An order to buy 500 shares @ \$22.00 is marked with any of the four MTP modifiers and becomes a resting order on the BATS order book. Subsequently, an order to sell 700 shares @ \$22.00 is entered with the same unique identifier and market with the MDC modifier.

Result: The resting buy order for 500 shares at \$22.00 marked with one of the four MTP modifiers is cancelled by to the originating user. The equivalent portion, 500 shares, of the incoming sell order marked with the MDC modifier is cancelled back to the originating user. Both OrderQty (38) and LeavesQty (151) will be reduced by 500 shares. The remaining portion, 200 shares, is entered on the BATS order book.

Sample Order: MTP Decrement and Cancel Remainder (MdC)

An order to buy 500 shares @ \$22.00 is marked with any of the four MTP modifiers and becomes a resting order on the BATS order book. Subsequently, an order to sell 700 shares @ \$22.00 is entered with the same unique Identifier and market with the MDC modifier.

Result: The resting buy order for 500 shares at \$22.00 marked with one of the four MTP modifiers is cancelled by to the originating user. The equivalent portion, 500 shares, of the incoming sell order marked with the MDC modifier is cancelled back to the originating user. In this case, the 500 shares will only be reduced from LeavesQty (151). The remaining portion, 200 shares, is entered on the BATS order book.

Sample Order: MTP Cancel Both (MCB)

An order to buy 500 shares @ \$22.00 is marked with any of the four MTP modifiers and becomes a resting order in the BATS order book. Subsequently, an order to sell 400 shares @ \$22.00 is entered with the same unique identifier and marked with the MCB modifier.

Result: The resting buy order for 500 shares at \$22.00 marked with one of the four MTP modifiers is cancelled back to the originating user. The incoming order to sell 400 shares @ \$22.00 marked with the MCB modifier is cancelled back to the originating user.

Please refer to the BATS [FIX Specification](#) for further details on how to use MTP.

◆ Links

[FIX Specification](#): FIX (Financial Information Exchange) protocol information.

◆ Contacts

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