

◆ Summary

BATS is *making markets better* by offering hidden pegging with true midpoint and allowable non-aggressive offsets along with minimum quantity on hidden peg orders and non-routable IOC orders.

Pegging + Minimum Quantity

Peg alternatives with minimum quantity options.

◆ Details

BATS has peg order functionality that allows orders to peg continuously to the NBBO in four ways:

1. **Primary** — pegs to the same side of the NBBO as the order
2. **Market** — pegs to the opposite side of the NBBO from the order
3. **Midpoint** — pegs to the *true* midpoint of the NBBO
4. **Alternate Midpoint** — pegs to the less aggressive of the midpoint of the NBBO or 1 tick inside the same side of the NBBO as the order

Primary and Market pegs are hidden and optionally include a non-aggressive offset. Midpoint pegs are hidden, may **not** include an offset, **and may result in executions at half-penny increments**. Peg prices will be temporarily clipped as necessary to avoid crossing the market. All peg orders are ranked at a lower priority than non-peg orders. Peg orders are not routable and must be BATS Only or Add Liquidity Only. Midpoint and alternate midpoint peg orders **can** have a time in force (TIF) of Immediate or Cancel.

BATS supports minimum quantity on hidden peg orders and non-routable IOC orders. Minimum quantity can be set using FIX Tag 110 (MinQty). In addition, Post-Only peg orders that are marketable upon entry or become marketable due to movement in the NBBO will **not** result in an unsolicited cancel. If desired, members may use FIX Tag 9687 to opt-out of removing liquidity against hidden pegs.

It's also notable to understand the execution sequence of orders on the BATS' book.

- A. Non-reserve size of visible limit orders by time.
- B. Non-reserve size of visible peg orders by time.
- C. Non-reserve size of hidden limit orders by time.
- D. Non-reserve size of hidden peg orders by time.
- E. A list is built for orders in A-D, then they are scanned in order for reserve size.
- F. Discretionary orders will be scanned using the maximum amount of discretion, but will be executed using the minimum amount of discretion possible.
- G. Using max-floor on a hidden order will "work," but with a lower priority.

For more information on BATS' peg order functionality, see the FIX Specification linked below.

◆ Links

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

[Order Types](#): Order types and routing instructions for the BATS platform.

[Fee Information](#): Pricing for accessing liquidity, liquidity rebates, routing and other pricing models.

◆ Contacts

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