

NASDAQ To Change Stock Symbol System, Effective January 31, 2007



Please Route To: Head Traders; Technical Contacts; Compliance Officers

What you need to know:

- Effective January 31, 2007, NASDAQ will be able to display 1-, 2- and 3- character stock symbols for NASDAQ-listed and exchange-listed issuers, in addition to the 4-character symbols currently used.
- NASDAQ will work with its partners in the industry as systems are reprogrammed to support 1-, 2- and 3- character symbols in NASDAQ systems.
- The Securities and Exchange Commission (SEC) has requested the exchanges to develop a Symbology Plan for selecting and allocating securities symbols across exchanges.

Who you should contact: [NASDAQ Market Sales](#) at 800.846.0477 or [NASDAQ Market Data Distribution](#) at 301.978.5307

What is the change being made to the stock symbol system?

Effective **January 31, 2007**, NASDAQ® will have the capability to accept and distribute 1-, 2- and 3-character stock symbols for NASDAQ-listed and exchange-listed issuers, in addition to the 4-character symbols currently used.

What are the benefits of this change?

NASDAQ has made the decision to change its symbol regime for two reasons:

- 1) To enhance the resiliency of the U.S. capital markets by enabling NASDAQ to provide full disaster recovery capabilities for NYSE- and Amex-listed securities; and
- 2) To enhance competition among exchanges by breaking down historical barriers for issuers to choose the best possible market for their shareholders.

Market Resilience

The technology change to support the new symbology will enable all NASDAQ systems, including the Securities Information Processor (SIP), to support all NYSE- and Amex-listed securities using their original symbols over its core transactions and data platforms. As the U.S. capital markets continue to enhance their redundancy and resiliency, this development is key to NASDAQ's ability to provide full backup for our other equity markets in the event of a national or local emergency.

Promoting Competition

As issuers face the important choice of where to list their equities, the symbol that the issuer currently uses to identify their public listing, or will be assigned upon a new listing, should not factor prominently in the listing decision process. Similarly, the symbol that a market assigns to an issuer should be transferable to a competing market if that issuer chooses to switch to the competing market. In order to ensure that issuers have the freedom of choice and competition, NASDAQ will support the same range of 1- 2- and 3-character symbols available to NYSE- and Amex-listed companies today.

How will NASDAQ prepare for this change?

Over the next 15 months, NASDAQ will work with its partners in the industry as systems are reprogrammed to support 1-, 2- and 3-character symbols in NASDAQ's transactions and data systems. The change will affect market data vendor systems, back-office systems and broker/dealer systems.

NASDAQ recognizes that, for some industry vendors, this change will affect several internal systems and is providing sufficient lead-time for industry participants to integrate this effort into their overall 2006 development schedule.

Will NASDAQ companies be able to switch their current symbol to a 1-, 2- or 3-character symbol?

NASDAQ will consider all requests by issuers to change symbols; however, NASDAQ must consider all factors when making its decision as to whether an issuer will be granted a different symbol. Additionally, potential developments by an SEC-led effort to develop a standard Symbology Plan among all U.S. exchanges may factor into NASDAQ's ability to offer specific symbols to our current issuers. (See question below)

How will the exchanges handle multiple companies vying for the same symbol?

The SEC is taking a leadership role in working with the U.S. equities and options exchanges to agree to a process of selecting and allocating securities symbols. The SEC has requested that the exchanges develop a Symbology Plan, for example, a contract signed by all listing exchanges to develop a central agency to manage symbols across exchanges. This plan is expected to be implemented prior to the change in NASDAQ's symbol system.

Is NASDAQ planning to use the same symbol regime as the NYSE for descriptive modifiers that are appended to the root symbols?

NASDAQ plans to adopt the NYSE approach of appending a "." at the end of the root symbol and then providing further descriptive characters to the symbols to indicate specific characteristics of an issuer (e.g., ABC.A). We will employ the "." modifier approach for all of our symbols, including the current 4-character symbols. However, the specific modifiers that will follow the "." will follow NASDAQ's current modifier list, and, therefore, may vary from the current NYSE modifier list.

NASDAQ will provide more specific information regarding this important issue, as well as other key implementation information by the end of 2005.

Who should I contact for more information?

NASDAQ will provide updates on this initiative at upcoming, regular industry calls. Additionally, you can contact the following groups with specific questions

- [NASDAQ Market Sales](#) at 800.846.0477
- [NASDAQ Market Data Distribution](#) at 301.978.5307

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