# NASDAQ Announces Revised Plans for Exchange Operation and Single Book Integration

**NASDAQ**®

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

**What you need to know**:

- NASDAQ is announcing an updated plan and target dates for Exchange Operation and Single Book integration. Aspects of the updated plan are subject to approval from the Securities and Exchange Commission (SEC).
  - ° First event: NASDAQ will become operational as an exchange in NASDAQ-listed issues (target date: August 1, 2006).
  - ° Next event: Single Book integration in NASDAQ-listed issues will occur (target date: August of 2006).
  - ° Remaining events: Exchange Operation <u>and</u> Single Book integration in NYSE-, Amex- and regional-listed securities will occur on a **single** date (target date: on or after September 1, 2006).

**Whom you should contact**: NASDAQ Market Sales at 800.846.0477

NASDAQ Market Data Distribution at 301.978.5307

## What are the key events comprising Exchange Operation and Single Book integration?

The key events comprising NASDAQ's Exchange Operation and Single Book integration are:

- Exchange Operation in NASDAQ-listed securities
- Exchange Operation in NYSE-, Amex- and regional-listed securities
- Single Book integration of NASDAQ-listed securities
- Single Book integration of NYSE-, Amex- and regional-listed securities

## How will these events occur and in what order?

- First event: NASDAQ® will become operational as an exchange in NASDAQ-listed issues. The current target date for this event is August 1, 2006. All NASDAQ-listed trades in the NASDAQ Market Center®, Brut and INET will be considered exchange trades on that date. Exchange Operation for NASDAQ-listed stocks prior to that of other stocks is subject to SEC approval.
- Next event: Single Book integration in NASDAQ-listed issues will occur. This will be a security-by-security phase-in that will occur in August of 2006. Please note that Single Book integration is subject to SEC approval.
- Remaining events: Exchange Operation <u>and</u> Single Book integration in NYSE-, Amex- and regional-listed securities will occur on a **single** date, following the completion of the Single Book integration of NASDAQ-listed securities. These events will occur on or after September 1, 2006.  NASDAQ's operation as an exchange for non-NASDAQ-listed securities is subject to SEC approval.

## How is Exchange Operation changing with this approach?

With this approach, NASDAQ will become operational as an exchange in a phased approach. All NASDAQ-listed trades on the NASDAQ Market Center, Brut and INET will be considered exchange trades as of August 1, 2006. Trades in NYSE-, Amex- and regional-listed issues on the NASDAQ Market Center will still be considered over-the-counter trades until Exchange Operation occurs in these securities, on or after September 1, 2006.

## What are the advantages of Single Book?

The integration of the NASDAQ, Brut and INET systems into a single platform:

- Means a faster, more efficient trading platform, providing you and your customers with improved execution quality while ensuring that all the attributes of the NASDAQ Market Center are maintained.
- Accelerates NASDAQ's growth initiatives in the trading of both NASDAQ- and other exchange-listed securities.

## What will the completed Single Book look like?

Single Book will be comprised of the NASDAQ Market Center, Brut and INET books integrated onto a single platform using INET technology. Functionality will be added to bring feature parity, including market making functionality, attributed quotes and the NASDAQ Opening and Closing Crosses.

For more information on functionality, please see our:

- NYSE-, Amex- and Regional-Listed Securities Trading Card
- Single Book End State: Functional Differences

## What connectivity will be available for Single Book?

All existing NASDAQ, Brut and INET quoting and order-entry protocols will be supported with Single Book:

- OUCH
- RASH
- INET FIX
- Brut FIX
- NASDAQ FIX
- CTCI
- QIX
- NASDAQ Workstation

In addition to supporting existing connectivity, INET will be implementing natively-supported versions of NASDAQ protocols, including QIX for Single Book.

Please note that we encourage firms to use direct INET connections, as they will result in lower latencies. To connect to any of the above protocols, please contact NASDAQ Subscriber Services at 212.231.5180.

## Which ticker symbol convention will NASDAQ support in Single Book?

As NASDAQ will continue to support all existing NASDAQ, Brut and INET quoting and order-entry protocols, all of the **current ticker symbol conventions for each protocol will continue to be supported**.

## Which market data feeds will support Single Book?

The following market data feeds will distribute data directly from Single Book:

- NASDAQ TotalView-ITCH — full order-by-order depth-of-book in NASDAQ-, NYSE-, Amex- and regional-listed securities.
- NASDAQ TotalView Aggregated® — full depth-of-book in all securities (NASDAQ-, NYSE-, Amex- and regional-listed), aggregated by market participant and price level.
- NASDAQ Quotation Dissemination Service$^{SM}$ (NQDS$^{SM}$) — top-of-file from each NASDAQ market participant for NASDAQ-listed securities.
- NASDAQ's newly launched OpenView Basic$^{SM}$ — best bid and offer (BBO) for NYSE-, Amex- and regional-listed securities.

The following market data feeds will be **discontinued** with the completion of NASDAQ systems integration:

- NASDAQ OrderView<sup>SM</sup> (to be discontinued after the completion of Single Book for NASDAQ-listed issues, currently scheduled for August of 2006)
- NASDAQ OpenView<sup>SM</sup> (to be discontinued after the completion of Single Book, currently scheduled on or after September 1, 2006)
- Brut ITCH (to be discontinued after the completion of Single Book, currently scheduled on or after September 1, 2006)

Customers of these data feeds are being asked to migrate to NASDAQ's other, more efficient data feed products. To discuss transition plans, please contact NASDAQ Market Data Distribution at 301.978.5307.

## Will there be testing opportunities for Single Book?

NASDAQ will be announcing weekend testing dates prior to each phase of the integration. In addition, customers connecting to the INET platform may enter orders and quotes in test securities during production hours.

## Where can I find additional information?

For questions on Single Book:
- Visit the NASDAQ Systems Integration page on the NASDAQ Trader® website.
- Contact NASDAQ Market Sales at 800.846.0477.

For questions on Exchange Registration:
- Refer to the updated FAQs on the NASDAQ Trader website.
- Visit the Exchange Registration page on the NASDAQ Trader website.
- Contact Donald Bollerman at 212.401.8780.

For questions regarding connectivity, market data or data centers:
- Refer to NASDAQ Vendor Alert #2006-027.
- Contact NASDAQ Technical Services at 212.231.5180.
- Contact NASDAQ Market Data Distribution at 301.978.5307.

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