

NASDAQ Provides Direction for Using Step-Outs and Sales Fee Transfer in ACT via the NASDAQ Workstation and WeblinkACT 2.0



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

What you need to know:

- As announced in [Head Trader Alert #2007-150](#) on August 1, 2007, NASDAQ began offering two new functions for NASDAQ Exchange Members via the ACT Technology platform:
 - Step-Out
 - Sales Fee Transfer
- NASDAQ has enhanced the ACT Trade Entry Screen on the [NASDAQ Workstation](#) and [WeblinkACT 2.0](#) to allow firms to access these two functions.
- The functions have been available in the NASDAQ CTCI and NASDAQ FIX for Trade Reporting protocols since August 1, 2007.

Who can I contact for additional information?

- [NASDAQ Technical Support](#) at 212.231.5180

What are the two functions that are now offered?

As announced in [Head Trader Alert #2007-150](#) on August 1, 2007, NASDAQ® began offering two new functions for NASDAQ Exchange Members via the ACT Technology platform:

Step-Out

- A NASDAQ member may enter clearing-only submissions into the ACT system for the purpose of:
 - Transferring all or a portion of the member's position in a previously executed trade to one or more other NASDAQ members on whose behalf the trade was executed.
 - Transferring all or a portion of the member's position in an account of the member at one clearing broker to an account of the member at another clearing broker.

Sales Fee Transfer

- A NASDAQ member may enter non-tape, non-clearing submissions into the ACT system for the purpose of transferring all or a portion of the Rule 7002 Sales Fee or similar fee of another Self-Regulatory Organization (SRO) that is associated with a previously executed trade to one or more other NASDAQ members.
- When ACT is used to transfer Sales Fees or similar fees, the clearing firms for the trades in question must be party to an agreement authorizing such transfers between themselves and/or the firms on whose behalf they clear trades.

NASDAQ has enhanced the ACT Trade Entry Screen on the [NASDAQ Workstation](#)® and [WeblinkACT 2.0](#) to allow firms to access these two functions.

The functions have been available in the NASDAQ CTCI and NASDAQ FIX for Trade Reporting protocols since August 1, 2007.

How do I enter a Step-Out or Sales Fee Transfer on the Trade Entry Screen?

As illustrated in the screenshot below, use the appropriate checkbox to indicate a Step-Out under the NASDAQ Stock Exchange or Sales Fee Transfer, also a NASDAQ Stock Exchange function.

Can I use a Sales Fee Transfer to make a clearing submission?

No. A Sales Fee Transfer Function **may not** make a clearing submission to transfer a position; it is exclusively for the purposes of transferring amounts related to Sales Fees or similar fees.

Do I have to have any agreements in place to use Sales Fee Transfer?

Yes. When ACT is used to transfer Sales Fees or similar fees, the Clearing firms **must** be party to an [explicit agreement](#) authorizing the transferring party to enter into “locked in” trades on its behalf.

Where can I get additional information?

- [Head Trader Alert #2007-150](#)
- [NASDAQ Technical Support](#) at 212.231.5180

NASDAQ is the largest U.S. electronic equities exchange. With approximately 3,200 companies, it lists more companies and, on average, trades more shares per day than any other U.S. electronic market. It is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks as well as a leading liquidity pool for trading NYSE-listed stocks. For more information about NASDAQ, visit the NASDAQ Trader website at www.NASDAQTrader.com.