

# FINRA/NASDAQ TRF Data Revenue Sharing Program

The FINRA/NASDAQ Trade Reporting Facility™ (TRF) shares 50% of the Level 1 market data revenue (from the Unlisted Trading Privileges [UTP] plan<sup>1</sup>) earned from internalized trades of Tape C (NASDAQ-listed) reported to the FINRA/NASDAQ TRF. You can't get more from any other venue for these trades.

## Revenue Sharing — A Simple Equation

How is revenue shared with reporting parties calculated? It's a simple three-step process:

- 1. The Initial UTP Income Pool is Calculated:** SIP revenue generated by the sale of Level 1 Data, minus expenses related to running the SIP.
- 2. The Pool is Shared with UTP Plan Members:** The pool of Level 1 Income is shared to UTP Plan Members (e.g. Exchanges, Self-Regulatory Organizations [SROs]) that report trades in NASDAQ-listed securities on a trade/share average basis.
- 3. You Receive Your Share:** NASDAQ has chosen to file a rule with the SEC that allows us to share our net Level 1 data Revenue with our member firms. The FINRA/NASDAQ TRF shares 50% of these revenues.

## Changes in the Marketplace

The upcoming implementation of Regulation NMS will impact how the pool of Level 1 data will be split. Under Reg NMS, quotes will account for 50% of the SIP member allocation and prints will account for the other 50%. Because trade reporting facilities do not quote, the overall Level 1 Market data Revenue from internalized trades will be approximately half of what is shared today.

## Why Go Anywhere Else?

Not only does the Data Revenue Sharing Plan provide the most money back possible, but it is FREE to print Locked-In Trades to the FINRA/NASDAQ TRF in Tape C (NASDAQ-listed) securities. And, because your firm is already connected to ACT technology, you do not need to do anything to connect to the FINRA/NASDAQ TRF. Therefore, there are no new technology costs, regulatory build-out costs or data capture costs. Customers can enter, update or cancel internalized trades the way they always have without spending an extra penny.

## Benefits of Reporting to the TRF

- FREE printing of Locked-In Trades reported to the FINRA/NASDAQ TRF in Tape C (NASDAQ-listed) securities
- The Data Revenue Sharing Program shares the maximum of 50% back to entering firms
- The FINRA/NASDAQ TRF uses ACT technology with proven and established:
  - Technical infrastructure
  - Trade reporting rules
  - Regulatory environment
  - Functionality and logic allowing broker-dealers to meet regulatory obligations
  - Data return and data management
  - Stable and reliable system
  - Connectivity options; CTCL, FIX, WeblinkACT 2.0 and the NASDAQ Workstation
- Total market penetration connecting participants in the OTC and third markets through existing inter-broker agreements
- Match/Compare functionality for brokers who lack formal arrangements

**For more information on the Data Revenue Sharing Program, Trade Reporting or the FINRA/NASDAQ TRF, please contact Donald Bollerman at 212.401.8780 or [donald.bollerman@nasdaq.com](mailto:donald.bollerman@nasdaq.com).**

<sup>1</sup> The Unlisted Trading Privileges (UTP) Plan governs the collection, consolidation, dissemination and sale of Level 1 market information for NASDAQ-listed securities.