

FINRA Receives Approval for Tape Revenue Sharing Plan for FINRA/NASDAQ TRF with Up to 100% Tape Revenue Share for Tapes A, B & C



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

What you need to know:

- FINRA has received SEC [approval](#) for changes to the Tape Revenue Sharing plan offered by the FINRA/NASDAQ Trade Reporting Facility™ (FINRA/NASDAQ TRF).
- The FINRA/NASDAQ TRF will share revenue up to 100% retroactive to January 1, 2008.
- Revenue sharing to be based on each firm's reported market share volume.
- These changes apply to each of the three Tape plans (A, B & C).
- The FINRA/NASDAQ TRF also plans to announce a program for Efficiency Pricing.

Whom you should contact: [NASDAQ Market Sales](#) at 800.846.0477

What is changing?

FINRA™ has received [approval](#) for a new tiered Tape Revenue Sharing plan that will share up to 100% of revenue received by the FINRA/NASDAQ Trade Reporting Facility™ (TRF) from each of the three Tape plans (A, B & C) with FINRA/NASDAQ (TRF) participants. The new Tiered Tape Revenue Sharing Plan will allow sharing of revenue based on each firm's reported market share volume contributed via Media (Tape Reportable) transactions to the FINRA/NASDAQ TRF on a per tape basis.

The FINRA/NASDAQ TRF also plans to announce a program for Efficiency Pricing. While the details of Efficiency Pricing are still being developed, it is expected that "Efficiency" will be gauged by the ratio of a firm's eligible Media (Tape Reportable) transactions to certain non-Media transactions reported by the firm. More information will follow and Efficiency Pricing will be filed with the SEC after the details are determined.

What is the timing of the new plan?

The FINRA/NASDAQ TRF will share up to 100% of revenue retroactive to January 1, 2008.

How does the FINRA/NASDAQ TRF Tiered Revenue Sharing Plan work?

There are four tiers of payout for each Tape. The payout percentages will be 100%, 80%, 50% and 0% of revenue the FINRA/NASDAQ TRF receives from the Securities Information Processor (SIP) plans in each Tape.

Firms will qualify for tiers on a per tape basis according to each firm's reported market share volume for trades reported to the FINRA/NASDAQ TRF as a percent of the entire reported volume for each period in each Tape. Firms' tier qualifications will be evaluated each quarter for that period's payout.

Tape A Tier Schedule

% Market Share (A)	% Payout
=>0.25%	100%
<0.25%, =>0.15%	80%
<0.15%, =>0.10%	50%
<0.10%	0%

Tape B Tier Schedule

% Market Share (B)	% Payout
=>0.50%	100%
<0.50%, =>0.25%	80%
<0.25%, =>0.10%	50%
<0.10%	0%

Tape C Tier Schedule

% Market Share (C)	% Payout
=>0.75%	100%
<0.75%, =>0.25%	80%
<0.25%, =>0.10%	50%
<0.10%	0%

What is Efficiency Pricing?

The FINRA/NASDAQ TRF plans to announce a program for Efficiency Pricing.

- While the details of Efficiency Pricing are still being developed, the FINRA/NASDAQ TRF expects "Efficiency" will be gauged by the ratio of a firm's eligible Media transactions to certain non-Media transactions reported by the firm.
- The FINRA/NASDAQ TRF pays a fee for the regulation of all transactions reported to it the FINRA/NASDAQ TRF facility under its relationship with FINRA and will seek to align the fees associated with Efficiency Pricing as close to a pass-through rate of the fees it is in turn allocated by FINRA for those transactions.
- The FINRA/NASDAQ TRF intends to allow sufficient time and provide all possible support to ACT subscribers to help firms become as efficient as possible in their trade reporting.

Where can I get additional information?

- Contact [NASDAQ Market Sales](#) at 800.846.0477.
- Please refer to the [Tape Revenue Sharing Fact Sheet](#) located on the NASDAQ Trader® website.

The NASDAQ OMX Group, Inc. is the world's largest exchange company. It delivers trading, exchange technology and public company services across six continents, and with over 3,900 companies, it is number one in worldwide listings among major markets. NASDAQ OMX offers multiple capital raising solutions to companies around the globe, including its U.S. listings market; the OMX Nordic Exchange, including First North; and the 144A PORTAL Market. The company offers trading across multiple asset classes including equities, derivatives, debt, commodities, structured products and ETFs. NASDAQ OMX technology supports the operations of over 60 exchanges, clearing organizations and central securities depositories in more than 50 countries. OMX Nordic Exchange is not a legal entity but describes the common offering from NASDAQ OMX exchanges in Helsinki, Copenhagen, Stockholm, Iceland, Tallinn, Riga, and Vilnius. For more information about NASDAQ OMX, visit www.nasdaqomx.com.

© Copyright 2008 The NASDAQ OMX Group, Inc. All Rights Reserved.