

NASDAQ to Route to Additional Destinations in April



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

What you need to know:

- NASDAQ currently routes to protected market centers after attempting to execute in NASDAQ's own book.
- NASDAQ plans to route to additional market centers.
- Execution confirmations for orders that occur on these new market center destinations will be identical to those that occur on current destinations. Firms will receive a liquidity flag code "X" for routed.

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

What is changing?

NASDAQ® plans to route to additional market centers. All executions routed to the added destinations will be [Reg NMS](#) compliant.

How will NASDAQ decide which market centers to add to its router?

Market centers that offer fill rates and response times comparable to market centers with protected and auto-ex quotes and are willing to have NASDAQ access their market will be considered. NASDAQ will retain the ability to cease routing to the additional market centers at any time and will consistently review the quality of executions from those market centers.

Why is NASDAQ adding additional routing destinations?

Non-exchange and non-Alternative Display Facility (ADF) market centers are now available and are willing to receive orders and we want our customers to have access to additional available liquidity.

How will firms benefit?

NASDAQ customers will receive the following benefits:

- The potential to fill more shares at a price level
- Faster order fulfillment
- The potential to receive price improvement

What do I need to do?

No change is required by the firms utilizing NASDAQ routing strategies. NASDAQ routing strategies that are eligible to route to all protected market centers will begin to access non-exchange and non-ADF markets as NASDAQ adds the destinations to its router.

Execution confirmations for orders that occur on the added market center destinations will be identical to those that occur on current destinations. Firms will receive a liquidity flag code "X" for routed.

When will NASDAQ add additional destinations to its router?

NASDAQ plans to add additional destinations to its router in the beginning of April.

Will I be able to use NASDAQ to route only to market centers with protected quotes under the rules of Reg NMS?

Yes, NASDAQ will add additional routing strategies that will not route to the non-exchange and non-ADF market centers.

Where can I get additional information?

- [NASDAQ Market Sales](#) at 800.846.0477.

NASDAQ is the largest U.S. electronic equities exchange. With approximately 3,100 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.

© Copyright 2008 The Nasdaq Stock Market, Inc. All Rights Reserved.