

Updated Information Regarding Sponsored Access and OATs Reporting



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

What you need to know:

- FINRA has provided a new compliance Question and Answer related to OATS and sponsored access that has been added to FINRA's "OATS [Frequently Asked Questions](#)," which is available on FINRA's web site.

Who you should contact: [NASDAQ Market Sales](#) at +1 800 846 0477

What has FINRA updated?

The Financial Industry Regulatory Authority™ (FINRA™) has provided a new compliance Question and Answer related to Order Audit Trail System (OATS) and sponsored access that has been added to FINRA's "OATS Frequently Asked Questions," which is available on FINRA's [web site](#).

My firm accesses certain market centers through sponsored access relationships with other FINRA members. What are the OATS reporting obligations for both members in these scenarios?

With respect to the members' OATS reporting obligations, when two members have entered into a sponsored access agreement whereby one member sponsors the other member into a specific market center (such as a national securities exchange) by providing use of the sponsoring member's MPID, both members have separate and distinct OATS reporting obligations. For example, if FINRA member ABCD sponsors access into a national securities exchange for FINRA member EFGH, the OATS reporting obligation for each firm would be as follows:

Sponsored Member EFGH (under the MPID of EFGH)

- New Order Report
- Route Report indicating order was routed to ABCD

Sponsoring Member ABCD (under the MPID of ABCD)

- New Order Report indicating the order was received from member EFGH
- Route Report indicating order was routed to a national securities exchange

The OATS reporting obligations outlined above are the same regardless of the type of connection used by the sponsored member to access the applicable market center. For example, the OATS reporting obligations for each member would be the same whether the sponsored member used a direct market connection provided by the sponsoring member, a third party service provider connection provided by the sponsoring member, or its own proprietary connection to the subject market center.

Where can I get additional information?

- For more information on this topic or on OATS in general, please contact the FINRA OATS Helpdesk at +1 800 321 6273.
- Refer to the [OATs FAQ](#) page on the FINRA website.
- Refer to the [Sponsored Access page](#) on the NASDAQ Trader® website.
- Contact [NASDAQ Market Sales](#) at +1 800 846 0477.

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.

FINRA™ is a trademark of the Financial Industry Regulatory Authority, Inc.