Update: NASDAQ ACT Defines New Market Maker Trade Entry and Unsolicited Messages



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

What you need to know:

- As announced in <u>Head Trader Alert #2008-084</u>, an enhanced Market Maker Trade Entry Function G has been created to support the new ACT functionality.
- NASDAQ has received Securities and Exchange Commission (SEC) approval for <u>SR-</u> <u>NASDAQ-2008-033</u> to offer new voluntary functions for NASDAQ Exchange members on the NASDAQ ACT system.
- NASDAQ has updated the CTCI and FIX for Trade Reporting <u>specifications</u> on the NASDAQ Trader website.
- The new trade entry fields to support these functions are currently available on the <u>NASDAQ Workstation</u> and <u>Weblink ACT 2.0</u> and specifications have been updated.

Who you should contact: NASDAQ Technical Support +1 212 231 5180

What is changing within ACT?

NASDAQ[®] has received Securities and Exchange Commission (SEC) approval for enhanced Market Maker Trade Entry Function G. Refer to <u>Head Trader Alert 2008-124</u>.

Use of the new fields and functions is voluntary.

How will FIX and CTCI for Trade Reporting change to support these functions?

A new Market Maker Trade Entry Function G has been created, along with complimentary Unsolicited Message (UM) layout.

The following new fields have been introduced:

- Trade Reference Number
- Intended Market
- Related Market

The following new values have been introduced for Clearing Flag:

- S = NASDAQ QSR for clearing
- A = NASDAQ AGU for clearing

The following new Risk values are available to better manage inclusion of transactions in <u>NASDAQ Credit Risk Management</u> calculations:

- U = AGU clearing, not risk eligible
- R = Risk update only, not sent to clearing
- Y = Clearing, non-risk eligible

NASDAQ recommends firms do not adopt any of these "Risk" values immediately. NASDAQ will be communicating directly and through risk managing Clearing Firms as to the best use of these values based on firms' Trade Reporting and Clearing models.

How will NASDAQ Workstation and WeblinkACT 2.0 Trade Entry change to support these functions?

The Market Maker Trade Entry window has been redesigned to offer new NASDAQ Exchange trade reporting capabilities.

The following new fields have been introduced:

- Trade Reference Number
- Intended Market
- Related Market
- Risk

Note: The Risk flag is the how the NASDAQ Workstation[®] expresses the Risk values described above, and will automatically check and uncheck as the "Clear" field is checked and unchecked, which mimics the previous convention where clearing eligible records only were included in Risk Calculations. The Risk field can be checked and unchecked by the user and will not impact the state of the "Clear" field.

The following new capacity value has been introduced:

• Intrabroker

Image: Second	· D · @•
ACT Workstation	• 🖸 • 🕢 •
	• 🔊 • 🖉•
ACT Workstation	
Supervisory Trade Entry Summary Scan Trade Scan Trade Manager Reg Recon Alert / Report	risor)
ACT Trade Entry Quick Report Send	
Status: 🔾 Default settings loaded. 🔯 Legend	
Role: Side: Share Quantity: Price: Contra: Trade Time: Order Entry Sell 100 WMAR Image: Trade Time: Image: Trade Time:	
Short Sale: WEED Info: Contra Info: Clearing & Reporting: Contract Special Instruction Settlement: (Level 1) None Capacity: O Nether Clear Special Special Instruction Settlement: (Level 1) As-Of Principal None O Nether Clear Special Standard 3-Day As-Of Give up: Give up: O SR Price Override Step Out Same Day - Cash Trade Thru Exempt Trade Bet # NDQ Sales Fee O ther	
Branch Seg#: Branch Seg#: Trade Ref #: NDQ Sales Fee Other Memo: 09292008 Clearing #: Clearing #: ONASDAQ 0 0TC Related Market NADQ ♥	
Trade Modifiers Level 2 Level 3 Level 4 Level 4 Send Unlock Save Settings Load Settings Restore Defaults	
	€ 100% ·

What do I need to do?

- FIX and CTCI users can obtain the updated programming specifications from the NASDAQ Trader[®] website.
- FIX and CTCI users can upgrade to the new UM message format by contacting NASDAQ Subscriber Services at 212.231.5180.

Where can I find additional information?

- Refer to <u>SR-NASDAQ-2008-033</u>, <u>Head Trader Alert 2008-124</u> and <u>Head Trader Alert #2008-84</u>.
- Contact NASDAQ Technical Support +1 212 231 5180.

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 2007 The Nasdaq Stock Market, Inc. All Rights Reserved.