

NASDAQ's Exchange Status Update and Impact on Industry Data



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

What you need to know:

- As announced in [Head Trader Alert #2006-005](#), the Securities and Exchange Commission (SEC) has approved NASDAQ's application to become a National Securities Exchange.
- NASDAQ hopes to become operational as an exchange in May of 2006.
- As NASDAQ and NASD will be separating into two distinct market centers, modifications are being made to CTS and CQS, **effective May 15, 2006**.
- The CQS and CTS changes apply to quoting, trading and the resulting data for securities listed on the NYSE, Amex and regional stock exchanges.

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

When will NASDAQ become operational as an exchange?

As announced in [Head Trader Alert #2006-005](#), the SEC has approved NASDAQ's application to become a National Securities Exchange. NASDAQ® must satisfy the conditions in the [SEC approval order](#) before it can begin operating as an exchange. NASDAQ hopes to become operational as an exchange in May of 2006.

How will NASDAQ's exchange status impact industry data?

As NASDAQ and NASD will be separating into two distinct market centers, modifications are being made to the Consolidated Tape System (CTS) and the Consolidated Quotation System (CQS) on **May 15, 2006**. The CTS and CQS changes apply to quoting, trading and the resulting data for securities listed on the NYSE, Amex and regional exchanges. For more detailed information, please refer to the [SIAC's Notice to Data Vendors](#).

In addition, as announced in [UTP Vendor Alert #2006-004](#), changes to the UTP Trade Report Data FeedSM (UTDFSM) to support Sub-Market Center Identifiers for securities listed on NASDAQ will be implemented on **May 1, 2006**.

How will my trades and quotes be affected?

Beginning May 15, 2006, trades reported to NASDAQ Market Center's Trade Reporting Service (ACT) will be reported to the Tape with the market center identifier "D", and ITS/CAES Market Maker Quotes will be disseminated with a market center identifier "D". This change will occur regardless of whether NASDAQ begins to operate as an exchange by that date. When NASDAQ operates as an exchange for securities listed on the New York Stock Exchange (NYSE), American Stock Exchange (Amex) and regional stock exchanges, orders and quotes in NASDAQ and the resulting trades will be reflected as "T". ACT-only trades will continue to be reported with the "D" market center identifier.

Please note that data vendors may use customized symbols to refer to the various market centers.

What are the modifications?

Effective May 15, 2006, NASD will:

- report trades and quotes using the new market center identifier "D" in the CTS and CQS message formats.

- include Market Maker quotes (MMIDs).
- support a separate NASD Best Bid and Offer (BBO) calculated by CQS, which will be included in the calculation of the National BBO.

When NASDAQ operates as an exchange for securities listed on the New York Stock Exchange (NYSE), American Stock Exchange (Amex) and regional stock exchanges, NASDAQ, as an exchange, will:

- utilize the existing market center identifier "T".
- report trades and quotes as a standard exchange participant without Market Maker quotes (MMIDs) or the CAES quote.
- include quotes in the calculation of the National BBO. There will no longer be a separate NASDAQ BBO calculated by CQS.

Where can I see attributable quotes and order information once NASDAQ becomes an exchange?

NYSE- and Amex-listed securities' attributable quote information and order information will be disseminated via the NASDAQ OpenView Basic and OpenView+ data feeds. These feeds provide lower latency and greater depth of market to support the electronic trading of NYSE- and Amex-listed securities. For more information, please refer to [NASDAQ Vendor Alert #2006-015](#).

Where can I go for more information?

- Visit www.NASDAQTrader.com/ER
- Contact [NASDAQ Market Sales](#) at 800.846.0477

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