

NASDAQ Plans to Integrate Brut into the INET Platform in Non-NASDAQ-Listed Securities, Effective November 20, 2006



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

What you need to know:

- Effective Monday, November 20, 2006, NASDAQ plans to migrate all non-NASDAQ-listed securities trading on Brut to INET, pending approval from the Securities and Exchange Commission (SEC).
- Brut order-entry connections will access the integrated platform. Orders submitted in the affected securities will continue to be against the BRUT MPID, similar to the current set-up for the systems integration of NASDAQ-listed securities (i.e., BRUT will continue to be your contra party for executions sent via Brut FIX).

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

What is the NASDAQ systems integration update?

Effective Monday, November 20, 2006, NASDAQ® plans to continue [systems integration](#) by migrating all non-NASDAQ-listed securities trading on Brut to INET, pending SEC approval.

Why is NASDAQ doing this?

Our customers have requested that we consolidate the Brut and INET books as soon as possible, rather than wait for the regulatory approvals and systems enhancements needed to move non-NASDAQ-listed securities to single book.

Will I still be able to use my existing Brut FIX connections?

Yes. Brut FIX connections will be valid access points to the INET book for the posting and execution of orders, as well as for routing to other market centers, just as they currently are for migrated NASDAQ-listed securities.

Will Brut continue to be my contra party for clearing purposes?

Yes. Executions against orders entered via Brut FIX will continue to utilize BRUT #0568 as your clearing contra party.

How will this integration affect OATS reporting?

[NASD guidance](#) is that firms **must** continue to identify orders in NASDAQ-listed securities routed to the Brut platform as orders routed to an ECN with a Destination Code "E". Upon final implementation of the integrated platform for all securities (NASDAQ-listed and non-NASDAQ-listed), firms must report orders routed to the NASDAQ single book via the Brut platform with a Destination Code "U". The final implementation date (i.e., when NASDAQ is operating as an exchange in non-NASDAQ-listed securities) will be communicated as soon as it is available.

Will I continue to receive drop copies from Brut?

Yes. You will continue to receive drop copies from your existing Brut drop copy sessions for orders placed through your Brut FIX connections.

Where can I get additional information?

- Refer to the [NASDAQ Systems Integration page](#) on the NASDAQ Trader[®] website.
- Contact [NASDAQ Market Sales](#) at 800.846.0477

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