

Trade Reporting Programming Specifications Updated to Support ACT Changes



Please Route To: Head Traders; Technical Contacts

What you need to know:

- The [FIX for Trade Reporting Programming Specification](#) and the [CTCI for Trade Reporting Programming Specification](#) have been updated to reflect enhancements to the ACT system, allowing NASD member firms to report transactions subject to regulatory fees under Section 3 of Schedule A to the NASD By-Laws electronically.

Whom you should contact: [NASDAQ Technical Support](#) at 800.243.4284

Why is NASDAQ making changes to the specifications?

As announced in [NASD Notice to Members 06-39](#), effective December 1, 2006, NASD members will be required to electronically report to NASD all transactions subject to a regulatory transaction fee pursuant to Section 3 of Schedule A to the NASD By-Laws. Transactions may be reported to any NASD system, including a Trade Reporting Facility, the OTC Reporting Facility and/or the Alternative Display Facility Trade Reporting and Comparison Service (TRACS). Therefore, NASDAQ is enhancing the ACT system to allow NASD members to report these trades electronically.

Specifically, NASD Rule 6130(g) now requires members to report all odd lots away from market sales and OTC option exercises that are subject to an NASD Section 3 Regulatory Transaction Fee to the System (ACT) with a modifier denoting that the transaction is subject to such fee.

Firms should note that if an odd-lot transaction is not subject to an NASD Section 3 Regulatory Transaction Fee (such as the second leg of a riskless principal transaction), a modifier should not be included on the transaction report to ACT. As firms will be assessed an NASD Section 3 Regulatory Transaction Fee on any transaction reported with a .R modifier, firms must ensure that only those transactions subject to an NASD Section 3 Regulatory Transaction Fee are reported with the modifier.

How will firms report these trades on the ACT system?

NASDAQ will allow the following NASD-established Trade Modifiers to be used as NASD directs:

Trade Modifier	NASD Direct
.RA	Away from the Market Sales
.RX	Exercises of OTC Options
.RO	Odd-Lot Transactions

Please note that any record submitted with one of the above Trade Modifiers **must be** submitted with a Trade Report Flag = N (PublishTrdIndicator in the FIX protocol).

Firms should submit the specified modifier in the appropriate field for MM Trade Entry, based on the protocol:

- CTCI — "Trade Modifier" position 32-34 in Trade Entry
- FIX — "TrdType" Tag 828

Which messages are changing?

The following messages are changing:

- MM Trade Entry — Allows application of .R values
- TTEN/TTAL — Will carry the .R value back in the appropriate field

How has the FIX for Trade Reporting specification changed?

Section	Message	Change
4.3.1.1	Entry	Tag 828, TrdType, added values:
4.3.2.1	Trade Entry Notification TTEN/CTEN	16 = RA — identifies a trade at a price that is substantially unrelated to the current market price
4.3.2.2	Entry Notification to Alleged Firm TTAL/CTAL	17 = RO — identifies a trade that has volume of less than one unit of trade 18 = RX — identifies a trade that was effected pursuant to the exercise of an OTC option

How has the CTCI for Trade Reporting specification changed?

Section	Message	Change
4.1.2	Market Maker Trade Entry (Function V)	Added modifiers: RA — identifies a trade at a price that is substantially unrelated to the current market price
4.2.3	Trade Entry Acknowledgement (TTEN/CTEN)	RO — identifies a trade that has volume of less than one unit of trade
4.2.4	Trade Entry Allege (TTAL/CTAL)	RX — identifies a trade that was effected pursuant to the exercise of an OTC option

Will there be testing opportunities?

Yes. CTCI and FIX submissions to the NASDAQ Testing Facility (NTF) will be available beginning Thursday, November 2, 2006.

What do I need to do?

- Obtain the updated programming specifications from the NASDAQ Trader® website:
<http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/specsinstallguide.stm>.
- Prepare your systems to accept the changes.

Whom can I contact for additional information?

- [NASDAQ Technical Support](#) at 800.243.4284
- NASD Finance Department at 240.386.5397

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