

# Information Memo



Number 12-25  
October 9, 2012

**TO: ALL NYSE AND NYSE MKT EQUITIES MEMBERS AND MEMBER ORGANIZATIONS**

**FROM: NYSE REGULATION**

**SUBJECT: ACCOUNT TYPE INDICATORS: REVISED LIST EFFECTIVE OCTOBER 15, 2012**

## I. Overview

The New York Stock Exchange LLC (“NYSE”) and NYSE MKT LLC (“NYSE MKT”, together with NYSE, the “Exchange”) will be eliminating certain equities Account Type Indicators (“ATI”) that are obsolete.

Member organizations will no longer be required to use the eliminated ATIs beginning on **October 15, 2012**. The last trade date that member organizations may use the eliminated ATIs is **Friday, February 1, 2013**. After February 1, 2013, member organizations must cease using the eliminated ATIs and must use the ATIs in Attachment A.

A chart with the ATIs and related definitions that will be effective beginning on October 15, 2012 is attached as Attachment A and attached as Attachment B are the Exchange’s updated Order Capacity Codes.

## II. Background

Exchange Rule 132.30(9) requires that all orders submitted to the Exchange include specified trade data elements, including “[w]hether the account for which the order was executed was that of a member or member organization or of a non-member or non-member organization.” Through the years, the Exchange has published guidance regarding which ATIs can be used to satisfy this requirement.<sup>1</sup> The most recent and governing guidance on ATIs is set forth in Information Memos 02-59 (Dec. 17, 2002), which includes a list of all ATIs and definitions applicable thereto, and 09-31 (June 24, 2009), which describes the decommissioning of the Daily Program Trading Report and updates how the J and K ATIs must be used.

<sup>1</sup> See Information Memos 85-37 (Nov. 12, 1985), 88-29 (Oct. 19, 1988) (adding the C, D, I, J, K, U, and Y ATIs to provide more precise definitions for principal/agency trades and to reflect the new program trading requirements), 92-34 (Nov. 13, 1992) (adding the N and W ATIs for when acting as an agent for another member or member organization), 96-36 (Dec. 5, 1996) (adding the B, E, F, H, L, O, R, T, X, and Z ATIs for short exempt trades and competing market-maker trades), and 02-59 (Dec. 17, 2002) (adding the Q ATI for Floor-based proprietary error trades).

### III. Updated ATIs

The Exchange has reviewed the existing ATIs, and because of significant technological and regulatory changes, has determined that several categories of ATIs no longer serve their original, primarily regulatory, purpose. The Exchange believes that eliminating these ATIs, and related definitions, will both simplify the reporting obligations of member obligations and re-focus the audit trail information in a manner that will be more useful to NYSE Regulation and FINRA. The Exchange therefore will be eliminating the following categories of ATIs:

- Competing Market Maker ATIs (L, O, R, T, X, and Z)
- Short Exempt ATIs (B, E, F, H, L, X, and Z)
- Agent for Other Member or Member Organization ATIs (F, M, N, T, W, and X)

Going forward, the Exchange will maintain the following program trading-related ATIs: C, D, J, K, U, and Y, unchanged. The Exchange will also maintain the following principal/agency ATIs: A, I, and P. Finally, the Exchange will maintain the Q ATI for Floor-based proprietary error trades.

The following provides guidance of how to mark an order as P or A:

- Entering orders into Exchange trading systems on behalf of an unaffiliated member organization or non-member organization customer: **A** (Floor brokers that receive orders in such a manner that the account type indicator cannot be changed are exempt from this requirement).
- Entering orders into Exchange trading systems for the member or member organization's own account, the account of an associated person, or an account with respect to which the member, member organization, or an associated person thereof exercises investment discretion: **P**

### IV. OATS Reporting

In certain instances, the information that member firms must report to the Order Audit Trail System ("OATS"), as required the 7400 series of Exchange Rules, may appear inconsistent with the ATIs member organizations must report pursuant to Exchange Rule 132 and this Information Memo. A clarifying guide to these instances is outlined in Attachment C.

### V. Staff Contacts

Operational questions regarding ATIs may be addressed to the following:

- Bob Airo, Senior Vice President, NYSE Operations, 212.656.5663

Questions regarding the NYSE and NYSE Amex Equities Rules and ATI requirements cited in this notice may be addressed to:

- Clare Saperstein, Vice President, NYSE Regulation, Inc., 212.656.2355; or

- David De Gregorio, Chief Counsel, NYSE Regulation, Inc., 212.656.4166.

Attachments

Attachment A: Account Type Indicator Definitions

Attachment B: Order Capacity

Attachment C: Guide to Certain OATS Reporting Issues