

Self-Trade Prevention Modifiers

In the exchanging world equity trading technology is constantly evolving, which is why we've introduced our newest innovation – Self-Trade Prevention (STP) modifiers.

Four new Self-Trade Prevention modifiers have been introduced to prevent NYSE Arca firms from trading with themselves. The STP modifiers allow firms to prevent two orders with the same ETP ID from executing against each other.

- Each firm will need to designate each order with a specified modifier
- STP modifiers must be present on both the buy and the sell order in order to prevent a trade from occurring and to effect a cancel instruction.
- An incoming STP order cannot cancel through resting orders that have price and/or time priority.

STP Cancel Newest (STPN)

An incoming order marked with the STPN modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The incoming order marked with the STPN modifier will be cancelled back to the originating ETP ID. The resting order, which otherwise would have interacted with the incoming order by the same ETP ID, will remain on the NYSE Arca Book.

Example:

Order 1: Buy 500 shares @ \$22.00 STPN modifier ETPID 1234

Order 2: Sell 600 shares @ \$22.00 STPN modifier ETPID 1234

Result:

Order 1, the resting buy order, remains in the book.

Order 2, incoming sell order, is cancelled back to the originating ETP Holder

NOTE: The newest order will be cancelled regardless of share size.

STP Cancel Oldest (STPO)

An incoming order marked with the STPO modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The resting order, which otherwise would have interacted with the incoming order by the same ETP ID, will be cancelled back to the originating ETP ID. The incoming order marked with the STPO modifier will remain on the NYSE Arca Book.

Example:

Order 1: Buy 500 shares @ \$22.00 STPO modifier ETPID 1234

Order 2: Sell 500 shares @ \$22.00 STPO modifier ETPID 1234

Result:

Order 1, the resting buy order is cancelled back to the originating ETP Holder

Order 2, incoming sell order, is entered into the book

NOTE: The oldest order will be canceled regardless of share size.

STP Modifiers
prevent firms
from trading with
themselves

Contact Information

Paul Adcock
padcock@nyx.com
312 442 7046

NYSE Arca Trade Support Desk
888 513 9873

STP Decrement and Cancel (STPD)

An incoming order marked with the STPD modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. If both orders are equivalent in size, both orders will be cancelled back to the originating ETP IDs. If the orders are not equivalent in size, the equivalent size will be cancelled back to the originating ETP IDs and the larger order will be decremented by the size of the smaller order with the balance remaining on the NYSE Arca Book.

Example 1:

Order 1: Buy 500 shares @ \$22.00 STPD modifier ETPID 1234

Order 2: Sell 700 shares @ \$22.00 STPD modifier ETPID 1234

Result:

Order 1, the resting buy order is cancelled back to the originating ETP Holder
Order 2, 500 shares are cancelled back to the originating ETP Holder and the remaining 200 shares are entered into the book

Example 2:

Order 1: Buy 500 shares @ \$22.00 STPD modifier ETPID 1234

Order 2: Sell 400 shares @ \$22.00 STPD modifier ETPID 1234

Result:

Order 1, 400 of the 500 shares of the resting buy order is cancelled back to the originating ETP Holder and the outstanding 100 shares remain in the book
Order 2, 400 shares are cancelled back to the originating ETP Holder

STP Cancel Both (STPC)

An incoming order marked with the STPC modifier will not execute against opposite side resting interest marked with any of the STP modifiers from the same ETP ID. The entire size of both orders will be cancelled back to originating ETP ID.

Example:

Order 1: Buy 1000 shares @ \$22.00 STPC modifier ETPID 1234

Order 2: Sell 500 shares @ \$22.00 STPC modifier ETPID 1234

Result:

Order 1, the buy order is cancelled back to the originating ETP Holder
Order 2, the sell order is cancelled back to the originating ETP Holder
NOTE: Both orders will be cancelled regardless of share size.

Additional Notes

- When an order with an STP modifier is entered it will first interact with all available interest in accordance with the Order Ranking and Display process pursuant to Exchange Rule 7.36.
- If there is a remaining balance on the order after trading with all orders with higher priority, it may then interact with an opposite side STP order in accordance with the rules established above.
- In situations where there are multiple STP orders resting in the NYSE Arca Book, an incoming STP order will only interact with the first resting STP order that it encounters.
- Incoming STP orders that are priced through the price of a resting STP order may cancel the resting order as long as no other non-STP orders have priority. Additionally, orders marked with one of the STP modifiers will not be prevented from interacting during any Auction process as defined by Rule 7.35.