

# Information Memo

**NYSE Group**  
**11 Wall Street**  
**New York, NY 10005**

**Trading Technology**

**July 7<sup>th</sup>, 2008**



**TO:** All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations/OCS Users/Merged Order Log Recipients

**SUBJECT:** NYSE Alternext U.S. (NYSE/Amex Integration) – Post Trade Update

## **PT 148**

At the closing of the merger between NYSE Euronext and the American Stock Exchange, the name of the American Stock Exchange will be changed to NYSE Alternext U.S. On a specified date following that closing, trading in NYSE Alternext listed securities will be migrated to 11 Wall Street and integrated onto the NYSE Trading Platform. NYSE Alternext U.S. trades and quotes will be disseminated with the market center Participant ID “A” in the consolidated Market Data streams, since NYSE Alternext U.S. and NYSE will continue to be separate registered securities exchanges. Member Firms are being advised in advance so that they can prepare for these changes.

### **Integration Plan**

The initial phase will involve moving all Amex Equities to the NYSE Trading Platform. Amex Structured Products and ETFs will remain on the Amex Trading Platform (AEMI) for a limited period of time until they are delisted from Amex and migrated to the NYSE ARCA Trading Platform at a later point in time.

<b>Amex Product Names</b>	<b>Target Implementation Dates</b>	<b>Comments</b>
Amex Equities	September 15, 2008	A future notification will be provided regarding the detailed testing dates, currently targeted in August.
Amex Structured Products & ETFs	Beginning of 4 <sup>th</sup> qtr 2008	Phased-in approach - once delisted from Amex, they will list and be traded on NYSE ARCA Trading platform.
Amex Options <sup>(1)</sup>	Targeted for 1 <sup>st</sup> qtr 2009	Will trade on an instance of the NYSE ARCA Options.
Amex Bonds <sup>(1)</sup>	TBD	Will trade on an instance of the NYSE ARCA Bonds.

<sup>(1)</sup> The disposition of the Amex Bond and Option products will be addressed in a separate notice.

The NYSE Post Trade Systems are being enhanced to support these newly listed NYSE Alternext Equities. Both NYSE and NYSE Alternext Equities will be intermingled in the NYSE Post Trade After Hours and Comparison streams. Member Firms are being advised in advance so that they can prepare for these changes.

NYSE and NYSE Alternext Equities will not be distinguished from each other on the NYSE Comparison and After-hours outputs. Any input/output format that has an Originating Market or Exchange Indicator field defined, will default to the NYSE designation. Member Firms that need to distinguish between the two markets can do so by referring to the NSCC Security Master (product id 02040290), where they will be identified.

**Trade Reconciliation:**

Currently, many clearing firms run separate “breaksheets” and balancing routines for the NYSE and Amex comparison data. Amex Listed Contract Output (product id 02013037) is usually reconciled against an internal Amex customer blotter. When migrated to the NYSE stream, Amex comparison data will appear on the NYSE Listed Contract Output (product id 02013036). Clearing firms are advised to review their internal trade reconciliation processing (breaksheets, balancing, blotters, etc.) and determine what changes are required. The Originating Market/Trade Source will be set to XNYS (NYSE) on the following outputs:

Output	Product ID	Field Name	Position	Value
OCS Unc.Adv File	06010984	Originating Market/Trade Source	105-108	XNYS = NYSE or Alternext
SOS Unf/Alert File	06010983	Originating Market/Trade Source	105-108	XNYS = NYSE or Alternext
NYSE Listed Contract	02013036	Originating Market/Trade Source	105-108	XNYS = NYSE or Alternext

**Comparison Stream:**

**Omnibus Accounts**

- o Existing NYSE Omnibus Accounts shall be used to clear NYSE Alternext Equities (the same as NYSE Equities)
- o Systems side NYSE omnibus accounts will be submitted on behalf of the entering firm and processed as locked-in (such as TOD/772 and LOC/787)
- o Crowd side NYSE omnibus accounts will require submission to OCS (such as OARS/752, DOT/769 and YB/685)
- o Broker eQuote omnibus processing will be supported (LMT/789)
- o Amex omnibus accounts **will not** be supported by the NYSE OCS (PER/0620, APEX/0621, BOOK/0625, AUTO/0723, ASE/0724, ITS/0737 and DMK/0622)

**OCS Processing**

- o NYSE and NYSE Alternext Equities will appear together on the NYSE OCS® (including the Step-Out Service product)
- o NYSE OCS Member Firm MQM submission will support NYSE Alternext Equities

Input	Field Name	Position	Value
MQM OCS Equity Detail Message Format	System ID	1-4	QTCQ = NYSE or Alternext
Stepout Service MQM Message	Product ID	1-4	SOSQ = Equity Stepout NYSE or Alternext

- o NYSE Alternext Equities will be eligible for OCS Direct submission
- o NYSE and Alternext Securities will appear together on OCS output (such as the activity log and uncomparing file)
- o Odd-Lot executions will be executed in the NYSE SDOT System and locked-in against the specialist clearing agent (same as NYSE)
- o Clearing Members that are not OCS users today will need to set up connectivity to the OCS system in order to perform Comparison and Stepout functions.

### Clearance

- NYSE Alternext Equities will appear on the NYSE Listed Contract Output (product ids 02013036 and 02010168). Amex Listed Contract Output (product id 02013037) will be phased out after the Amex Structured Products and ETFs are migrated over to the Arca Platform
- NYSE Alternext Equities can be distinguished from NYSE by the Exchange Indicator in position 12 (Exchange Indicator) of the CNS Equity Master (product id 02040290)
- Clearing Members that are Amex eligible only clearing members, will need to become valid NYSE Clearing Member at DTCC in order to clear NYSE Alternext Equity executions.

### Post Trade After Hours Stream:

NYSE and Alternext securities will be disseminated together on the following after-hours reports:

<b>Name</b>	<b>Production ID</b>	<b>Test ID</b>
Clearing Firm MOL File	06220143	06990143
Entering Firm MOL File	06220174	06990174
Badge MOL File	06201029	06981029
Agency MOL File	06010176	06980176
Clearing Firm MOL Print-image	06010641	06980641
Entering Firm MOL Print-image	06222466	06992466
Badge MOL Print-image	06201028	06981028
Agency MOL Print-image	06010166	06980166
Member Firm Open Order Print Image	06010610	06980610
Limit Order Reconciliation File	06240532	06990532
Limit Order Reconciliation Print-image	06240512	06990512

### NSCC Security Master File Output:

The NSCC CNS Equity Master (product id 02040290) contains information regarding the location of where a symbol is traded.

- Exchange Indicator - Position 12                      0 = NYSE, 1 = Amex/NYSE Alternext

NSCC will continue to mark Amex Securities with value “1” in the Security Master. In addition NYSE Alternext Equities will also be reflected with a value of “1”.

### Implementation Considerations:

#### As-of trade processing

Trades executed on the Amex Trading System prior to converting to the NYSE trading platform should be resolved on the Amex Post Trade system (IDCE) with Amex Omnibus Accounts (if applicable). These compared trades will appear on the Amex Contract Output.

#### Amex Exchange Trading Funds (ETFs) and Structured Products

Amex ETFs and Structured Products that migrate over to the Arca Trading Platform will appear on the Regional (RIO) Contract Output.

Amex ETFs and Structured Products that continue trading on the Amex Trading Platform will appear on the Amex Contract Output. These symbols **will not** be eligible for processing in the NYSE OCS®.

### Amex Good-till-cancel (GTC) Orders

Any Amex GTC orders on the Amex Trading Platform shall be cancelled prior to migrating onto the NYSE Trading Platform.

### **Trading Systems:**

A companion Trading Systems notice has been issued with subject “NYSE Alternext U.S. (NYSE/Amex Integration – Trading Systems Update” dated 7/7/08.

### **Summary**

Any questions regarding Post Trade should be forwarded to John Schwarzbeck (212) 656-5462, Larry Moreno (212) 656-4648 or Bob Hesdra (212) 656-3859

If you have any business questions relating to the NYSE Alternext equities integration, please contact your NYSE Relationship Manager or Robert Airo at (212) 656-5663.