



**Member Firm Notification
For
CMS Enhancements
Release 42.60**

October 13, 2006

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1 NMS IOC (SOC) Order Definition

In a previous mailing, the *CMS 42.00 Member Firm Notification*, link: <http://www.nyse.com/pdfs/CMS42.00MemberFirmNotification4-12.pdf> the shippable NYSE Immediate Or Cancel (IOC) order type was introduced. This order type is capable of being shipped out to away markets for execution if a better quote exists on another market. Also in that notice was the mention of another order type that would soon be introduced, the SEC IOC. The SEC (or Reg. NMS) IOC order type has been included in the upcoming CMS 42.60 software release. It will be designated as an NYSE “**SOC**” order type. **The CMS 42.60 release is targeted for implementation in December 2006.**

The Reg. NMS rule filing provided by the SEC introduces a new type of IOC order to the market. The Reg. NMS IOC order is provided as a way to execute an order immediately or cancel it back to the customer without routing that order through the ITS/NMS system to satisfy protected Bids and Offers. There are no requirements for the user to satisfy regional market quotes (as with the Intermarket Sweep Order [ISO]) prior to submitting their **SOC** order to the NYSE.

The NMS IOC order will be designated by the NYSE as “**SOC**”. It will execute at the NYSE market (considering NYSE marketability only), including sweeping to the extent possible. When the order is no longer marketable, or at a price where it would have to ship to another ITS/NMS market center, it will then cancel. If upon receipt of the order it is not marketable, or would need to ship for execution, then the order shall be immediately cancelled.

The above-mentioned NMS IOC order will be supported by the NYSE in either of the following formats:

1.1 FCS Format

1.1.1 NMS IOC Order

An NMS IOC order will be identified by the term “**SOC**” in the Routing field of Line 1A, as shown in the examples below. An SOC order may be entered with a time-in-force of DAY, OPG, or OC; however, if the order is not marketable, it will be **treated** in the Display Book as if it were entered as NX, OC, and will be canceled immediately if it is not auto-executed.

Example Order

	<u>Limit Order</u>	<u>Market Order</u>
	ABC<=	ABC<=
	LA 123<=	LA 123<=
Line 1A:	NY SOC <=	NY SOC <=
	=	=
	BUY<=	BUY<=
	1000 XYZ 28.55<=	1000 XYZ MKT<=
	DAY A<=	DAY A<=

The following new reject message has been added to the validation of SOC orders in FCS format:

REJ-INCOMPATIBLE DATA FOR SOC L - nn FLD- n

Where “L - nn FLD- n” represent the line and field number containing the field that caused the order to be rejected.

1.1.2 NMS IOC Report

An execution report of an SOC order will **not** have an SOC indicator. An SOC order may be auto-executed, partially executed, or canceled as stated above. If the SOC order is auto-executed, then the term “NX” will appear in Line 4B of the execution report as shown in the example below. If the SOC order is immediately canceled or cancelled due to a change in market conditions, then a UR OUT admin response will be sent to the firm.

```
ABC<=  
LA 123<=  
BOT<=  
1000 XYZ 28.55<=  
ON 28.55 LMT  
DAY A<=  
Line 4B:  NX<=  
=  
1234 LOC10/0000 114530<=
```

FCS firms that haven't coded for Direct+ processing may have problems processing NX reports with the NX indicator. To solve this issue, the Member Firm flag “**NX RPT**”, that was included in an earlier CMS release, will ensure that only those firms whose systems are set up to receive the “NX” indicator will do so.

1.2 FIX Format

1.2.1 NMS IOC Order

An NMS IOC order will be identified by the value “SOC” in tag[9487]. SOC orders may be entered with a time-in-force of DAY, OPG, or OC; however, they will be **treated** in the Display Book as if they were entered as NX, OC, and will be canceled immediately if they're not auto-executed.

Note: An NMS IOC order, with tag[9487] containing “SOC”, should **not** contain tag[57]. The presence of tag[57] with tag[9487] will cause the order to be rejected with the “**REJ – INVALID TAG <57> TAG <9487>**” message.

1.2.2 NMS IOC Report

An execution report of an SOC order will **not** have an SOC indicator. An SOC order will be auto-executed, or immediately canceled. If the SOC order is auto-executed, then the value "NX" will appear in the existing tag[9430] of the execution report. If the SOC order is immediately canceled, then a UR OUT admin response will be sent to the firm.

2 Terms and Order Types Not Allowed with “SOC”

The following terms are not allowed on orders that are routed as “SOC”, and will cause the orders to be rejected back to the originator:

- CAP
- GTC
- GTX
- Price with STP
- ND (Next Day settlement)
- CASH
- SELLER days
- CLO (on close)

The following order types are not allowed with “SOC”:

- Makes Admin (ADD)
- OS (one-sided Crossing session)
- TS (two-sided Crossing session)

The following new reject message has been added to the validation of SOC orders in FCS format:

REJ-INCOMPATIBLE DATA FOR SOC L - nn FLD- n

Where “L - nn FLD- n” represent the line and field number containing the field that caused the order to be rejected.

The following new reject message has been added to the validation of SOC orders in FIX format:

REJ - INCOMPATIBLE DATA FOR SOC - TAG <#####> where <#####> contains the number of the field that caused the order to be rejected.

2.1 Additional Information Regarding NMS IOC Orders

- NMS IOC orders that contain booth routing information will be sent directly to Display Book (to the post).
- If the replacement order of a cancel with replacement contains “SOC”, and the original order resides at the booth, the cancel with replacement will be rejected.
- Odd Lot orders containing SOC will be treated as any other Odd Lot orders without SOC. However, if the TIF field is populated with OC, the order will be rejected.
- Orders containing “SOC” plus the terms OB, DNR, DNI, and TTS will be sent to the Display Book (post); however, these terms will be ignored.
- All order instructions will be supported with “SOC”.
- NMS IOC orders shall be subjected to the Price Filter parameters provided by the Member Firm, and will be rejected if the price exceeds the set parameters.
- ALGO Routing will not be supported for orders containing “SOC” in the routing field on line 1A. All “SOC” order that pass CMS validation will be directed to the Post and Display Book.
- “SOC” orders are ineligible for OARS and MOC processing. Orders will be sent directly to the Display Book.

3 Customer Services Contact Information

If you have any questions about this notification, or need additional information, please contact the following people at either SIAC's Member Firm Customer Services, or the New York Stock Exchange:

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