

Date: June 24, 2009

Audience: NYSE Arca Equities Traders and Constituents

Subject: Four New Self-Trade Prevention Modifiers

Highlights:

- *Four Self-Trade Prevention modifiers introduced by NYSE Arca designed to prevent firms from trading with themselves.*
 - *Each modifier will prevent firms from trading against matching ETP IDs*
 - *Each firm will need to designate each order with a specified modifier*
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Summary:

As a part of the new technology release scheduled for July 10, 2009, pending SEC filing, four Self-Trade Prevention (STP) modifiers will be made available to NYSE Arca users. The STP modifiers will allow firms to prevent two orders with the same ETP ID from executing against each other. ETP Holders may elect to add the STP modifiers to orders at the ETP ID level.

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.

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.

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.

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.

General Notes

- STP modifiers are intended to prevent interaction between the same ETP ID.
 - 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.
 - 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.
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- 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.

Contact Info:

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