

NYSE Chicago – qualified contingent cross capabilities



NYSE Chicago is the premier venue for option contingent stock trades facilitated through its network of Institutional Brokers. In particular, very large trades are frequently executed through the NYSE Chicago system where approximately \$5 Billion of Option related Equity trades are transacted every day.

Recognizing how these position risks have grown, NYSE Chicago continues to evolve the support services focusing on all areas of the trade lifecycle and participants:

Trading participants:

- There are four introducing broker firms that specialize in facilitating QCTs
- Exchange billing and rebates for client activity fall in line with the broader NYSE cycle

Risk management:

- Utilize real-time FIX messaging to source fills for intraday risk applications and monitoring
- Ability to terminate clearing relationships intraday in distress scenarios to mitigate exposure
- Reduces large notional trades being put to firms well after market hours
- Reduces counterparty capitalization concerns when brokers interposition trades off exchange

Clearing firms:

- Exchange agreements at the broker and client MPID level for granular authorization
- Trades are cleared from the exchange to the DTCC as the central clearing counterparty
- Ability to leverage real-time drop copy messaging for automated trade booking
- Reduced counterparty exposure on large notional trades

Compliance:

- Rules are codified to support on exchange QCTs that all participants are required to follow
- Trading activity is surveilled by NYSE Regulation

NYSE technology:

- Integration with NYSE's common Pillar technology platform
- Contingent trades automatically execute on NYSE Chicago or on the NYSE TRF if the price is unavailable on NYSE Chicago
- OMS vendors including Traffix, Fidessa, Dash, SS&CT, Itiviti, Flextrade and Matrix support routing to NYSE Chicago

NYSE Chicago fees and credits:

- \$0.003 per share, per side
- Trades over 25,000 shares are capped at \$
- 8% incentive rebate is issued through the month end billing process

For more information about NYSE Chicago Introducing Brokers can facilitate access to NYSE Chicago for QCT Business please visit www.nyse.com/markets/nyse-chicago