

# Information Memo

NYSE Group  
11 Wall Street  
New York, NY 10005

Trading Technology

March 30, 2007



**TO:** ALL MEMBERS, MEMBER ORGANIZATIONS and Vendors  
Interfacing with the Common Message Switch (CMS)

**SUBJECT:** NYSE Group Equities Streamlining

Route To: **Technology and Operations Officers**

The NYSE plans, over the course of 2007, to implement several changes to its systems and infrastructure that will be highly beneficial to you, our valued customer, and the order flow that you transact through Exchange systems. The NYSE Group will implement a series of significant enhancements that will increase both the NYSE's delivery and execution speed and messaging capabilities. We hope you find these improvements as exciting as we do. Our challenge and commitment in 2007 is to manage this transformation as quickly and effectively as we can to ensure a smooth transition.

The first of these planned changes is the Common Customer Gateway (CCG) which will be implemented in the following phases, ultimately providing both significant latency improvements and cost savings to your firm by consolidating order entry into CCG.

## **CCG - Overview**

The NYSE and NYSE Arca today use two separate points of entry with various protocol options. The NYSE systems reengineering objective will be to ultimately consolidate the two points of entry and have the Common Customer Gateway capable of handling cash equity order flow, and in the future, any product line the NYSE introduces and trades. With this consolidation, firms will have the ability to consolidate their points of entry and realize cost savings. In addition, the current protocol choices will continue to be supported, but you can expect the NYSE to eventually standardize its protocol to FIX.

### **CCG Phase 1 - Firm Migration**

In phase 1, the CCG will provide the capability to route NYSE FIX 4.2 protocol orders, cancels and cancel with replacement messages to the NYSE Market. We highly recommend that your firm begin evaluating your migration to CCG as it will position your firm to be ready to route orders, cancels and cancel with replacement messages more quickly to the new NYSE Matching Engine, in a future phase. During this transition from the CMS supported protocols to the CCG NYSE FIX 4.2 protocol, we will ask you to begin this migration on a firm Mnemonic basis. To facilitate the migration process for our customers, if you would like to establish new Mnemonics to simplify and help in this migration process those requests will be accommodated. CCG will only support the FIX 4.2 protocol and not FIX 4.1.

**Phase 1 is targeted for implementation in late 2<sup>nd</sup> quarter of 2007.**

**Testing for this phase will be available in late April of 2007.** To make testing arrangements, please contact the **SIAC Service Desk** at 1-866-USE-SIAC.

### **CCG Phase 2**

**Super Dot** was introduced in the late 1970s and has been key to the successful growth of the NYSE Market over the last four decades. With an eye toward improving customer speed to market, the NYSE will transition off of the **Super Dot** system and allow orders and related messages to flow directly from the Common Customer Gateway (CCG) to the new NYSE Matching Engine. We believe that a 90% reduction in latency can be achieved with this effort. We will not be finished there; we will continue to look for ways to reduce latency even further.

The functions performed by **Super Dot** will be transferred to other systems within the NYSE infrastructure in a more distributed and scalable manner. In addition to greater speed to market, we anticipate that this change will also have a positive impact on our ability to add capacity in a more granular, scalable way.

In phase 2, the CCG will provide, to FIX 4.2 firms that have migrated mnemonics to the CCG, the ability to take advantage of the stock symbol migration to the new faster NYSE Matching Engine, thereby providing significant latency improvements (expected to be less than 10 MS). The NYSE will coordinate this symbol migration to the new NYSE Matching Engine with close communication to our customers.

Also in phase 2, the CCG will provide the capability for firms who have not migrated mnemonics to the CCG, to route NYSE FIX 4.1/4.2 and FCS protocol orders, cancels and cancel with replacement messages through their existing CMS connections to the CCG and then to the new NYSE Matching Engine. **However, to take full advantage of the new Matching Engine and associated latency improvements it is highly recommended that your firm migrate all mnemonics to the CCG, using NYSE FIX 4.2 protocol, as soon as possible.**

**A separate notification will be forthcoming, outlining the changes that will be implemented as part of Phase 2 which is anticipated in the 4<sup>th</sup> quarter of 2007.**

**Summary**

These exciting changes are all scheduled for 2007. In fact, we are already working on the next-generation Hybrid systems and the New NYSE Matching Engine. Those changes along with the infrastructure changes will be announced in the coming months.

Thank you for your continuing commitment to the NYSE, and please be assured that we are working hard to make the NYSE the best place to trade – the best prices, the most liquidity, the most choices and the lowest fees – all adding up to *your* NYSE.

If you have any business questions relating to the CCG migration phases, please contact Your NYSE Sales Representative or John Limerick at (212) 656-3099

For technical type information, testing arrangements and/or questions please contact **SIAC Service Desk at 1-866-USE-SIAC or send an email to [sfti@siac.com](mailto:sfti@siac.com)** - please place "CCG" in the subject line.