

Information Memo



11 Wall Street
New York, NY 10005

Trading Technology

November 16, 2009

TO: **ALL MEMBERS, MEMBER ORGANIZATIONS
and Vendors Interfacing with the Common Customer GatewaySM
(CCG)**

SUBJECT: New Closing Offset Orders via the NYSE Common Customer Gateway

ROUTE TO: Business Leaders, Technology and Operations Officers, Trading Desks
and Order Rooms

Overview:

Pending SEC approval, the NYSE will introduce - on a date to be announced - a new Closing Offset ("CO") order that will participate in the closing trade on the opposite side of any imbalance. The introduction of the CO order is part of a comprehensive change to the Closing procedures described in the rule filings appended to the end of the notice, which include changes to the time parameters governing submission and cancellation of MOC/LOC orders.

The CO order is a day limit order to buy or sell and will be accepted up until 4:00 p.m., regardless of any imbalance or side of imbalance. The rules for cancellations will follow the same (new) rules for MOC/LOC orders. After 3:45 p.m., CO orders may be cancelled or reduced only for legitimate errors; after 3:58 p.m., cancels will not be permitted for any reason, except as provided in Rule 123C(8)(a)(2).

CO orders provide liquidity to offset imbalances at the Close and execute at the closing price. CO orders will trade if marketable to fill any remaining imbalance and will yield to **all** other interest. Within the CO allocation, CO orders will be filled in time priority. CO orders on the same side of the imbalance will not participate.

Member Firms are being advised in advance in order to take advantage of this new closing order type. A future notification will provide further information regarding testing and implementation dates.

Summary

Further details regarding CO orders and all associated messages are provided on the ensuing pages.

Please contact your Relationship Manager or one of the below contacts should you have any business questions or comments:

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Further details regarding Merged Order Log modifications are also provided on the ensuing pages.

If you have Merged Order Log questions, please contact one of the following individuals:

Larry Moreno	lmoreno@nyx.com	212.656.4648
John Schwarzbeck	jschwarzbeck@nyx.com	212.656.5462

For any technical questions and/or testing arrangements, please contact our Support Desk at 1-866-873-7422 or send an email to support@nyx.com.

NYSE Rule Filing:

[http://apps.nyse.com/commdata/pub19b4.nsf/docs/C7770C690A841D17852576690068B750/\\$FILE/NYSE-2009-111,%20Refile.pdf](http://apps.nyse.com/commdata/pub19b4.nsf/docs/C7770C690A841D17852576690068B750/$FILE/NYSE-2009-111,%20Refile.pdf)

NYSE Amex Rule Filing:

[http://apps.nyse.com/commdata/pub19b4.nsf/docs/1E46DDF3E17E408B8525766900692CAC/\\$FILE/NYSEAmex-2009-81,%20Refile.pdf](http://apps.nyse.com/commdata/pub19b4.nsf/docs/1E46DDF3E17E408B8525766900692CAC/$FILE/NYSEAmex-2009-81,%20Refile.pdf)

Closing Offset (“CO”) Order Specifications

Information Regarding CO Orders, Cancels, Reports

The following additional information should be considered for CO orders.

CO orders may be entered:

- For valid NYSE Entering Firm mnemonics (excludes Z-mnemonics)
- For NYSE and NYSE/Amex securities
- During the regular trading session for the NYSE’s Closing, regardless of published closing imbalance and side of imbalance.
Note: CO orders are not included in the Regulatory 123C imbalance publication.
- For any order instruction (Buy, Sell, Sell Short, Buy Minus, Sell Plus)

CO orders must contain:

- A Limit price
- Day time-in force
- Round Lot order quantity

CO orders are ineligible and will be rejected:

- For Arca-primary securities and Exchange Traded Funds
- For Nasdaq Symbols under UTP (targeted early 1st quarter 2010)
- For orders routed to NYSE Broker Systems
- For orders routed to NYSE Matchpoint
- For reserve orders
- For orders with Odd Lot or Partial Round Lot quantities
- For orders with GTC, GTX, OPG, IOC time in forces
- For orders with Market, Stop, MOC, OC, LOC order types

Cancels, Partial Cancels and Cancel Replace messages against CO orders are permitted:

- During the regular trading session prior to the existing MOC/LOC Closing Imbalance time, currently 3:45 p.m.
- After the existing MOC/LOC Closing Imbalance time, currently 3:45 p.m. for legitimate errors and prior to the existing MOC/LOC Cancel Reject time, currently 3:58 p.m.

Cancels, Partial Cancels and Cancel Replace messages against CO orders are not permitted:

- After the existing MOC/LOC Cancel Reject time, currently 3:58 p.m., CCG will provide a cancel reject message with the following text in FIX Tag 58:
REJ – INVALID CANCEL FOR MOC/LOC/CLO ORDER.

Activities against CO orders

- CO orders will never add to a closing imbalance and will not participate on the same side of the imbalance.
- CO orders opposite the imbalance yield to all other interest.
- CO orders will be billed the same as MOC/LOC interest.
FIX Tag 9578 – BillingIndicator will be populated with the Closing/Blended value “7”.
- Firms will not receive an indicator (such as the “CO” in FIX Tag 9487- RoutingInstruction) identifying the following activities (execution reports, price corrections and busted reports) were against a Closing Offset order.

Closing Offset Order Message Format

NYSE FIX 4.2 Protocol via CCG

The presence of FIX Tag <9487> - RoutingInstruction with the value “CO” will identify the order as the new Closing Offset order type.

The following instances are not permitted on orders and cancel with replacement messages that contain the new Closing Offset “CO” value in FIX Tag 9487-RoutingInstruction and will be rejected:

- FIX Tag 38 – OrderQty; if received with a value other than a round lot quantity
- FIX Tag 40 – OrdType; if received with a value other than (2) limit
- FIX Tag 44 – Price; if tag is not present with a valid price
- FIX Tag 57 – TargetSubId; the presence of this tag
- FIX Tag 59 – TimInForce; if received with a value other than (0) Day
- FIX Tag 111 – MaxFloor; the presence of this tag
- FIX Tag 143 – TargetLocationId; the presence of this tag
- FIX Tag 207 – SecurityExchange; if the order is received for an NYSE Arca primary security or Exchange Traded Fund

Closing Offset Order

The example below illustrates a CO order in FIX format containing the new “CO” value in FIX Tag <9487>-RoutingInstruction.

Closing Offset Order Message Type “D” – New Order Single		
Message Body (supported in NYSE FIX 4.2)		
Tag Name	FIX #	Value
ClOrdID	11	LA 123/03072008
MsgType	35	D
OrderQty	38	1000 (round lot in shares)
Order Type	40	2 (limit; required)
Price	44	28.75 (limit price; required)
Side	54	1
Symbol	55	XYZ (100-share UOT security)
TimInForce	59	0 (day; required)
OnbehalfOfCompID	115	ABC
RoutingInstruction	9487	CO (new closing offset value; required)

Notes:

1. The presence of FIX Tag <9487> - RoutingInstruction identifies the order as a Closing Offset order.
2. FIX Tag <9487> - RoutingInstruction is also permitted on cancel w/replacement (“G” Message Type) messages, but is not permitted on simple cancels and partial cancels (“F” Message Type) messages.

Merged Order Log Changes

Closing Offset Orders will appear on all Merged Order Log Output products denoted by a Special Order Indicator of “6” or “R” if it is generated by eBroker.

FIELD NAME	Position Start-End	Format (Length)	Field Value
SPECIAL ORDER INDICATOR	127-127	X(1)	6 = Closing Offset Order R = Partial Closing Offset Order

Affected Products:

- Entering Firm MRO - product ID 06220174
- Clearing Firm MRO - product ID 06220143
- Broker Badge MRO - product ID 06201029
- Agency MRO - product ID 06010176