

# Information Memo

**11 Wall Street  
New York, NY 10005**

**March 27, 2009**

**TO:** All NYSE and NYSE Amex Members, Member Organizations and Vendors  
Interfacing with the Common Customer Gateway (CCG)

**SUBJECT: New Database (SDBK): Cancel Replace to Reduce Functionality**

Route To: **Business Leaders, Technology and Operations Officers, Trading Desks and Order Rooms**

## **Phased Implementation:**

In response to firms' concerns regarding changes implemented in the initial pilot stock of the Super Display Book (SDBK) deployment, the NYSE will be implementing software changes to reinstate the Cancel Replace to reduce message type into the SDBK environment. This notice details how the Cancel and Cancel Replace (including Cancel Replace to reduce) message types will function in the SDBK environment and supersedes the functionality detailed in the February 2, 2009 technical update. This software enhancement will be available for firms to test in the User Acceptance Test (UAT) environment shortly.

Subsequent notification will be issued detailing the deployment of this software to additional pilot stocks.

## **Functionality and Operational Considerations for Migrated Stocks:**

1. Currently, when a targeted order is fully executed while a Cancel Replace message is in route between SuperDot and DBK<sup>®</sup>, the firm receives a "Delete" message, not a "Replaced" message.
  - a. SDBK will not send "Delete" messages on the replacement orders to the firms.
  - b. Once the Cancel Replace message has been fully processed, SDBK will now generate:
    - i. A "Replaced" message with an updated leaves quantity in Tag 151; or
    - ii. A "Cxl Reject" message if the target order is fully executed, reducing replacement order to zero.
2. Currently, the "Replaced" messages generated from the SuperDot database for non-migrated stocks do not provide all of the replacement order information.
  - a. SDBK will provide all the replacement order information on "Replaced" messages (Msg Type "8") in response to Cancel Replace (Msg Type "G"), including the current leaves quantity in Tag 151.
  - b. The "Replaced" message will contain <Tag 37> - OrderId with the value received in <Tag 11> - ClOrderId from the Cancel Replace message (Msg Type "G").

3. Currently, when Partial Cancels or Cancel Replace messages have not been fully processed by SuperDot, subsequent cancellation messages are processed in the order received.
  - a. SDBK will reject subsequent cancellation messages when there is an existing cancellation message that has not been fully processed.
  
4. Currently, when a firm uses Cancel Replace messages to reduce order quantity, the customer loses standing in Display Book.
  - a. SDBK will support a Partial Cancel message using the Order Cancel Request (Msg Type “F”) with the following additional FIX tags and will maintain a customer’s standing in Display Book.
    - i. <Tag 9429> - CMSLeavesQty, representing the newly desired executable quantity
    - ii. <Tag 9428> - CxlQty
  - b. SDBK will provide all the original order information on “Replaced” messages (Msg Type “8”) in response to Partial Cancel message with an updated leaves quantity in Tag 151.
  - c. The “Replaced” message will contain <Tag 37> - OrderId with the value received in <Tag 37> - OrderId from the Order Cancel Request message (Msg Type “F”).
  - d. SDBK will now support the Order Cancel Replace (Msg Type “G”) when the replacement quantity is less than the original order quantity.
    - i. SDBK will provide a “Pending Replace” acknowledgement message followed by a “Replaced” message (Execution Msg Type “8”) with replacement order information and current leaves quantity if the replacement order remains open.
    - ii. If executions against the target order filled the quantity of the replacement order, SDBK will send;
      1. A “Replaced” message with zero leaves quantity in Tag 151 if a “Pending Replace” message has been previously sent to the firm; or
      2. An “Order Cancel Reject” message if no “Pending Replace” message has been previously sent to the firm.

**1A – Example of “Replaced w/zero leaves qty”**

New order for 1000 shares  
 Cxl/Rpl for 500 shares  
 “Pending Replace” message  
 Partial Fill for 600 shares against target order  
 “Replaced” message with zero leaves quantity

**Note:** Target order and Replacement order are closed.

Message will contain the following selected tags with respective values:

- a. Tag 35 [MsgType] = 8 (Execution Report)
- b. Tag 38 [OrderQty] = “n” (Where “n” represents the replacement order qty as received on Cancel Replace Request)
- c. Tag 39 [OrdStatus] = 5 (Replaced)
- d. Tag 44 [Price] = “n” (Where “n” represents the replacement order price as received on Cancel Replace Request)
- e. Tag 58 [Text] = Replaced
- f. Tag 150 [ExecType] = 5 (Replaced)
- g. Tag 151 [LeavesQty] = 0 (Leaves qty on replacement order)
- h. Tag 11 [ClOrdId] = (same value as received on Cancel Replace Request)
- i. Tag 37 [OrderId] = (same value as Tag 11 value)

- j. Tag 41 [OrigClOrdId] = (same value as received on Cancel Replace Request)

**Note:** Refer to NYSE FIX Specification for complete list of tags for this message.

## **2A – Example of “Order Cancel Reject”**

New order for 1000 shares  
Partial Fill for 600 shares against target order  
Cxl/Rpl for 500 shares  
“Order Cancel Reject” message

**Note:** Target order remains open for 400 shares.

Message will contain the following selected tags with respective values:

- a. Tag 35 [Msg Type] = 9 (Order Cancel Reject)
- b. Tag 39 [Ord Status] = 8 (Rejected)
- c. Tag 58 [Text] = Too Late to Cancel/Replace
- d. Tag 102 [CxlRejReason] = 0
- e. Tag 434 [CxlRejResponseTo] = 2 (Order Cancel/Replace Request)
- f. Tag 11 [ClOrdId] = (same value as received on Cancel Replace Request)
- g. Tag 37 [OrderId] = (same value as received on Cancel Replace Request)
- h. Tag 41 [OrigClOrdId] = (same value as received on Cancel Replace Request)

**Note:** Refer to NYSE FIX Specification for complete list of tags for this message.

## **Testing**

The NYSE will make this software enhancement available for firms to test in the User Acceptance Test (UAT) environment shortly. For testing arrangements, please contact our **Service Desk at 1-866-873-7422 or send an email to [firmtesting@nyx.com](mailto:firmtesting@nyx.com)** - please place “SDBK Testing” in the subject line.

If you have any business questions relating to the SDBK integration, please contact your NYSE Relationship Manager.

### **Reference Materials:**

- January 20, 2009 – New Database (SDBK) Stock Migration and Continuation of Reduced Latency to NYSE and NYSE Alternext US” - <http://www.nyse.com/pdfs/012009TradingTechInfoMemo-SDBK.pdf>
- February 2, 2009 - Technical Update to January 20, 2009 Information Memo <http://www.nyse.com/pdfs/022009TradingTechInfoMemo-SDBK.pdf>
- February 26, 2009 - New Common Customer Gateways<sup>SM</sup> (CCG) Release 3.0 [http://www.nyse.com/pdfs/NYSETECH\\_INFOMEMO022609.pdf](http://www.nyse.com/pdfs/NYSETECH_INFOMEMO022609.pdf)