

# Information Memo



11 Wall Street  
New York, NY 10005

**Trading Technology**

**November 06, 2009**

**TO:** ALL MEMBERS, MEMBER ORGANIZATIONS  
and Vendors Interfacing with the Common Customer Gateway<sup>SM</sup> (CCG)

**SUBJECT:** Sub-penny Priced Orders < \$1

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

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The New York Stock Exchange will implement changes to accept limit and stop orders priced less than \$1 entered in sub-pennies for all securities listed on both the NYSE and NYSE Amex *without rounding* such prices to the nearest whole penny. The technical details are described on the following pages. The NYSE will announce a start date later this year.

On December 1, 2008, the New York Stock Exchange began accepting orders priced less than \$1 in sub-pennies for all securities listed on both the NYSE and NYSE Amex. At that time, the Exchange rounded limit orders to the nearest next whole penny, either down for buy orders or up for sell orders, representing the order for execution or transmitting the bid or offer to the Consolidated Quote System using the rounded limit price.

Pursuant to Regulation NMS Rule 612, limit orders priced under \$1 in increments smaller than .0001 will be rejected.

**Sub-Pennies accepted and processed as Sub-Pennies**

Sub-penny priced messages received for NYSE and NYSE Amex securities will be processed as sub-penny priced messages for securities trading under \$1.

For orders destined to SDBK or routed directly to NYSE e-Broker in migrated securities, prices will include trailing zeros up to four decimal places, if applicable.

- If an order destined for SDBK or NYSE e-Broker is sent as 10.85, the customer will receive 10.8500 in its order ack.
- If an order destined for SDBK or NYSE e-Broker is sent as 0.999, the customer will receive 0.9990 in its order ack.

**Note:** The above formatting also applies to other activities against these orders, such as reports, price corrections, busts, admin responses (UROUTS), Drop Copies (orders, reports, admin responses) and DMM Copies.

For orders destined to BBSS in migrated securities, prices will not include trailing zeros up to four decimal places.

- If an order destined for BBSS is sent as 10.85, the customer will receive 10.85 in its order ack.
- If an order destined for BBSS is sent as 0.999, the customer will receive 0.999 in its order ack.

**Note:** The above formatting also applies to other activities against these orders, such as reports, price corrections, busts, admin responses (UROUTS), Drop Copies (orders, reports, admin responses) and DMM Copies.

Sub-penny priced messages (orders, cancels and cancel/replacement orders) received for NYSE and NYSE Amex securities equal to or greater than \$1.00 will continue to be rejected as illustrated in the table below, along with the reject text documented below.

The following reject text will be sent in FIX Tag <58> in FIX format:

- “REJ-INVALID TAG <44> 1.2501” (where as 1.2501 represents the sub-penny price received on order)

Sub-penny priced messages (orders, cancels and cancel/replacement orders) received for NYSE and NYSE Amex securities under \$1.00 will be supported as illustrated in the table below. If the price contains more than 4 decimal places, the message will be rejected as illustrated in the table below, along with the reject text documented below:

The following reject text will be sent in FIX Tag <58> in FIX format:

- “REJ-INVALID TAG <44> 0.00001” (where as 0.00001 represents the sub-penny price received on order)

<b>Order Price (examples)</b>	<b>Order Instruction</b>	<b>Expected Results</b>
1.25	Buy or Sell	Accepted
1.2501 -> 1.2599	Buy or Sell	Rejected based on sub-penny price being equal to or greater than \$1.00
0.0001 -> 0.9999	Buy or Sell	Accepted
0.00001 or smaller	Buy or Sell	Rejected based on sub-penny price containing more than 4 decimal places

### **Message Format - FIX Protocol via CCG**

For firms using the NYSE FIX 4.2 protocol, sub-penny prices (up to 4 decimal places) will be supported on orders (New Order Single - Msg Type “D”) and cancel with replacement orders (Order Cancel Replace – Msg Type “G”) in FIX Tag 44 – [Price] and FIX Tag 99 – [StopPx].

### **Migration Plan**

The migration to allow sub-penny priced orders for securities trading under \$1 will be a phased approach on a stock by stock basis beginning later this year in a limited number of stocks.

The exact date of the initial migration will be announced in the near future and as stocks are targeted for migration to allow sub-penny priced orders under \$1, they will be added to a sub-penny priced stock list that will be made available via NYSE Trader.

### **Summary**

For business questions relating to the upcoming enhancement, please contact your NYSE Relationship Manager or Robert Airo at (212) 656-5663.

For technical questions, please contact our Service Desk at 1-866-873-7422 or send an email to [support@nyx.com](mailto:support@nyx.com). For testing arrangements, please send an email to [firmtesting@nyx.com](mailto:firmtesting@nyx.com).