



11 Wall Street  
New York, NY 10005

## NYSE Operations

August 14, 2013

**TO: All Members and Member Organizations**

**SUBJECT: NYSE Cash Equities Market New Mid-Point Order Type**

**ROUTE TO: Business Leaders, Technology and Operations Officers**

---

Pending SEC approval, the NYSE and NYSE MKT markets will introduce a new Mid-Point Passive Liquidity (MPL) order type. MPL Orders are un-displayed limit orders that will be priced at the midpoint of the Protected Best Bid Best Offer (PBBO). Firms and Broker Systems can send MPL orders directly to the NYSE Matching Engine and will have the option of applying additional modifiers to the order type as well as interacting with all other order types. Routing of MPL orders directly to the Broker System will not be supported. MPL orders will not participate at the Open, Close or in any manual trade. All MPL specific billing information will be disseminated in the expanded billing field (Tag 9426 – BillingRate). Upon activation of the MPL order type, NYSE Broker System related orders will begin returning this expanded field/Tag on all execution messages.

### **Processing Characteristics:**

1. Limit Day or IOC orders priced at \$1.00 and higher.
  - a. MPL orders priced in sub-pennies both above and below \$1.00 will be rejected.
2. Will provide price improvement for incoming interest by executing at the mid-point of the protected best bid or offer.
3. MPL orders will never be quoted or included in NYSE OpenBook®.
4. MPL interest will not participate at the Open, Close or in any manual trade.
5. MPL interest will never route to an away market.
6. MPL interest may include a minimum trigger volume (MTV) that will act as the orders minimum trade size upon arrival. Once resting, will not be triggered to trade unless the contra size quantity of all marketable interest at the mid-point is greater than or equal to the MTV.
7. May contain the Self-Trade Prevention (STP) designation if Minimum Trade Size (MTS) or Minimum Trigger Volume (MTV) is not populated or equal to zero.
8. MPL interest can trade at prices up to 4 decimals. If the mid-point is below \$1.00, MPL interest will not be eligible to trade.
9. Will not trade if market is locked or crossed.
10. May also be designated as Add Liquidity Only (ALO) ensuring that the order will not execute on arrival even if marketable.

- a. MPL Orders designated as ALO must contain an order quantity greater than or equal to one round lot.
- 11. May execute against Retail Taker interest.
- 12. Will return new expanded two-byte billing values:
  - a. Value 10 representing a Retail Taker order that executed against a resting MPL order.
  - b. Value 11 representing an MPL Taker
  - c. Value 12 representing an MPL Provider

**FIX Technical Details:**

Order (message type “D”) and Cancel/Replacements (message type “G”) will require the following FIX protocol changes in support of the new MPL order type:

FIX Tag/Name	Description	Req.	Valid Values
Tag 18 – ExecInst	Instructions for order handling on exchange trading floor	N	M = Mid-Price Peg (MPL) indicator
Tag 9487 – RoutingInstruction	Routing Instruction	C	ALO – Add Liquidity Only  ExecInst <Tag 18> must contain the value = “M” else order will be rejected.
Tag 9568 –MinimumTriggerVol	Minimum Trigger Volume for Mid-Point Passive Liquidity (MPL) order	N	Value may be Zero.  Cannot be present if MPL order is also designated as STP.

Customers must support the following FIX tag in the report message (message type “8”) in order to receive any MPL billing information.

FIX Tag/Name	Description	Req.	Valid Values
Tag 9426 – BillingRate	Consolidated billing information.	C	Returned on execution reports. Required to receive new MPL billing values.  Sample format: 11/2  Current values: 1 = Taker 2 = Provider 3 = Blended 4 = Opening/Provider (Prior Day GTC

		Orders) 5 = Opening/Provider 6 = Closing/Provider 7 = Closing/Blended 8 = Retail Order Provider 9 = Retail Order Taker 10 = Retail Taker MPL 11 = MPL Taker 12 = MPL Provider  Note: Not currently supported for BBSS or Direct to Handheld orders.
--	--	---

This single six byte FIX Tag consolidates all customer execution billing information, including the location of the execution (NYSE or away market center). This tag will contain either a) a Liquidity Indicator followed by the displayed liquidity indicator or b) a Market Center ID (MCID) followed by an optional Market Maker ID (MMID), if the trade was routed to and executed by a FINRA ADF participant. For MPL order executions, Tag 9578, BillingIndicator, will not be returned on your outgoing message.

**Outgoing FIX Messages:**

ExecInst and MinimumTriggerVol will **not** be returned on order activities (message 8 or 9) including acknowledgements, reports, report corrections, UROUTs and rejects.

**FIX Drop Copy Messages:**

For customers subscribed to Drop Copy messages, ExecInst and MinimumTriggerVol will be returned in your order drop copy messages. However, report and admin drop copy messages will not contain these two new fields/values.

**UTPDirect (Binary) Protocol Technical Details:**

Customers will be required to support Order variant D.4 and Cancel/Replacement variant G.4 in support of the new MPL order type:

Field Name	Description	Req.	Valid Values
ExecInst	Instructions for order handling on exchange trading floor	N	M = Mid-Price Peg (MPL) indicator
RoutingInstruction	Routing Instruction	N	ALO – Add Liquidity Only
MinimumTriggerVol	Minimum Trigger	N	Value may be Zero.

	Volume for Mid-Point Passive Liquidity (MPL) order		Cannot be present if MPL order is also designated as STP.
StatusIndicator	Each bit position of the Status Indicator field will be used as a flag to indicate that zero is valid value for an assigned field	N	Bits must be set equal to 1 when value = 0.  Bit 2 = Zero Minimum Trigger Vol

Customers must support the BillingRate field returned in either report variant 2.1 or X.1 (Verbose) in order to receive any MPL billing information.

Field Name	Description	Req.	Valid Values
BillingRate	Consolidated billing information.	C	<p>Returned on execution reports. Required to receive new MPL billing values.</p> <p>Sample format: 11/2</p> <p>Current values:</p> <ul style="list-style-type: none"> <li>1 = Taker</li> <li>2 = Provider</li> <li>3 = Blended</li> <li>4 = Opening/Provider (Prior Day GTC Orders)</li> <li>5 = Opening/Provider</li> <li>6 = Closing/Provider</li> <li>7 = Closing/Blended</li> <li>8 = Retail Order Provider</li> <li>9 = Retail Order Taker</li> <li>10 = Retail Taker MPL</li> <li>11 = MPL Taker</li> <li>12 = MPL Provider</li> </ul> <p>Note: Not currently supported for BBSS or Direct to Handheld orders.</p>

This single six byte field consolidates all customer execution billing information, including the location of the execution (NYSE or away market center). This field will contain either a) a Liquidity Indicator followed by the displayed liquidity indicator or b) a Market Center ID (MCID) followed by an optional Market Maker ID

(MMID), if the trade was routed to and executed by a FINRA ADF participant. For MPL order executions, BillingIndicator, will not be returned on your outgoing message.

**Outgoing UTPDirect (Binary) Messages:**

ExecInst and MinimumTriggerVol will **not** be returned on any outgoing UTPDirect (Binary) messages including order acknowledgements, reports, report corrections and reject messages.

**UTPDirect (Binary) Drop Copy Messages:**

For customers subscribed to Drop Copy messages, ExecInst and MinimumTriggerVol will be returned in your order drop copy messages. However, report and admin drop copy messages will not contain these new fields/values.

**Merged Order Log Output Details:**

The Merged Order Log Output will be enhanced to include MPL and ALO indicators on orders, a Minimum Trigger Value and new Billing Indicators. The following outputs will be affected by these changes:

- Clearing Firm MRO – 06220564
- Entering Firm MRO – 06220527
- Broker Badge MRO – 06200574
- Agency MRO – 06010578

An ALO indicator will be added to the 1A, 1B and 1C order records in the existing Special Order Indicator (SOI) field in position 129. The new values will be:

- U = ALO Order
- V = Partial ALO Order

FIELD NAME	Position Start-End	Format (Length)	Field Value
Special Order Indicator	129-129	X(1)	U = Add Liquidity Only (ALO) V = DOT order from e-Broker ALO

An MPL indicator will be added to the 1A, 1B and 1C order records in a new field named “Special Order Indicator 2” (SOI2) in position 132 (currently filler). For MPL orders, this field will contain a value of “M”.

FIELD NAME	Position Start-End	Format (Length)	Field Value
Special Order Indicator 2 (SOI2)	132-132	X(1)	M = MPL



A Minimum Trigger Volume field will be added to the 1A and 1B order records in a new field called “Minimum Trigger Value” in Position 44-52 (currently filler). If a Minimum Trigger Volume is present on an MPL order it will be populated in this field.

For the Minimum Trigger Quantity on an MPL e-Quote the 3C e-Quote order extension record will populate this value in the existing “Opposite Side Minimum” field in Positions 76-84.

FIELD NAME	Position Start-End	Format (Length)	Field Value
Opposite Side Minimum Size	76-84	9(9)	Smallest size the discretionary e-Quote is willing to trade against with discretion; zero if not present.

In order to support the new Billing Indicators, the “Displayed Liquidity” field on the 2A report records will be expanded to 2 bytes in Positions 161-162 (162 formerly filler). Existing customers who do not require the MPL billing values can continue to read the one byte billing codes in Position 161. The new Billing Indicators for MPL will be added as follows:

- 10 = Retail MPL Taker
- 11 = MPL Taker
- 12 = MPL Provider

FIELD NAME	Position Start-End	Format (Length)	Field Value
Liquidity Indicator	161-162	X(2)	10 = RETAIL MPL TAKER 11 = MPL TAKER 12 = MPL PROVIDER

**User Acceptance Testing:**

We anticipate that the User Acceptance Testing environment will be available on or about August 19th. Exact implementation dates will be distributed under a separate customer notification.

**Contact Information:**

For any business questions concerning this notice, please contact your NYSE Relationship Manager or:

Bob Airo	<a href="mailto:rairo@nyx.com">rairo@nyx.com</a>	212.656.5663
Mike Paulyson	<a href="mailto:mpaulyson@nyx.com">mpaulyson@nyx.com</a>	212.656.2721