



Information Memo

11 Wall Street
New York, NY 10005
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NYSE Operations

TO: All Members and Member Organizations/Chief Operations Officers/Managing Partners/Operations Managers/Data Processing Managers and P&S Managers of Member Organizations

SUBJECT: OCS “Step-Out Service” migration to GEMS

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The On-Line Comparison System’s (OCS) “Step-Out Service” (SOS) product is being migrated to the Global Execution Management System (GEMS) platform. GEMS is an on-line web tool that currently supports the NYSE Amex Options and NYSE ARCA Options comparison products. The SOS will be offered as another comparison product on the GEMS platform. The GEMS SOS product is targeted for implementation in 4Q 2012. An exact date will be announced in a subsequent circular.

Summary GEMS SOS Product:

The GEMS SOS product will allow NYSE Clearing Firms to transfer all or part of a security position from one clearing firm to another, prior to settlement (as per SEC Release 34-29492; File No. SR-NYSE-91-09 (July 26, 1991)). These transfers will be performed for all existing OCS eligible securities by users through the GEMS SOS product as opposed to the OCS SOS product. The GEMS SOS product will display “unaffirmed” Step-Out positions on new GUI screens similar to OCS today. All existing OCS SOS fields will be supported (including Step-Out and Step-In indication), although the two fields listed below will be repurposed.

- SOS Comments renamed to Account ID Field
- SOS FAO Field renamed to MPID
 - In addition the GEMS Screens will display a second MPID field to allow entry of contra MPID.

Note: Initially the Account ID & MPID fields will be optional on firm input. These fields may be required at a later date.

The existing clearing firm SOS Message Queue Manager (MQM) interface will be maintained, although activity will be redirected to the GEMS SOS. This will allow for a seamless conversion of clearing firms to the GEMS SOS product. Clearing firms that wish to take advantage of the new Account ID and MPID fields must make the appropriate internal change to submit this information on the MQM message.

Interface with NSCC:

NYSE Euronext has notified NSCC that it plans to replace the OCS SOS product with the GEMS SOS product and that GEMS will send “affirmed” Step-Out transactions in the new Universal Trade Capture (UTC) format. The chart below lists the screen fields, their related MQM position, and how they will be reflected on the corresponding UTC output.

Firm Input	OCS ‘SOSQ’	NSCC Output	
GEMS Screen Name	MQ Message	NSCC UTC Tag	UTC MRO
Major MPID (old = FAO)	163-166	Executing Broker - 448/452 (party role 01 for Buyer)	256-263
Contra MPID (new to screen)	188-191	Contra Executing Broker - 448/452 (party role 37 for Seller)	288-295
Account ID (old = Comments)	168-187	Account ID - 1	313-344
SI/SO Indicator	100	Stepin Stepout Ind - 81	346
Net Money	065-075	Net Settlement Amount - 118	372-388
Control Number	114-124	Control Number - 198 Execution ID - 66 (Control # = “1” + 7 digit number + Julian Date)	120-151 216-247

OCS SOS Output:

The GEMS SOS product will maintain a GUI history, which will replace the SOS Activity Log (product ID 06010779) and Affirmed Listing (product ID 06010778); therefore these outputs are scheduled for elimination. At the request of the clearing firm community, the SOS Unaffirmed file (product ID 06010983) will be maintained.

Preliminary Testing & Implementation Plan:

The GEMS SOS product is targeted to be available in “shadow mode” in early 4Q 2012:

- Users will be able to perform basic screen functions such as adding, changing or deleting transactions. Users will be able to accept or reject transactions.
- Users will be able to connect to the test environment and perform SOS MQM testing.

Clearing firms will have the opportunity to send SOS transactions to the NSCC Test PSE environment and receive test contract output.

During the initial implementation, any “unaffirmed” SOS transactions remaining in OCS at the close of business on the day prior will be automatically transferred over to the GEMS SOS product for subsequent processing. The OCS SOS product will be maintained for a limited period of time in the event of a fallback. Further details on testing and implementation will be announced in a subsequent circular.

GEMS Access:

Users will be required to have “Comodo” Certificate Authorization to access the GEMS product. The user will need to install this certificate on the computer to be used to access GEMS.

Users that currently have access to GEMS may use that computer to access the GEMS Step-Out-Service. If another user (or computer) requires access, an additional Comodo certificate will need to be installed on that device (Please see link to GEMS reference Guide for details)

Reference Material:

Below is a link to the Options GEMS Reference Guide which provides a general overview of the GEMS product.

<http://www.nyse.com/pdfs/GEMS%20Reference%20Guide%20V%202%201.pdf>

Below is a link to the MQM User Guide that includes the input format and the format of the Unaffirmed file output.

http://usequities.nyx.com/sites/usequities.nyx.com/files/mqm_interactive_4.5.4.pdf

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