



Regulatory Circular RG98-10

January 27, 1998

To: Members DPM Staff Floor Managers
OBO Staff Reporting Services Staff

From: Trading Operations

Re: Operational Changes Due to Electronic Trade Notifications

In connection with RG98-08 and IC98-06, and in particular the roll out of Electronic Trade Notification (ETN), this circular highlights operational changes which will occur as a result of this new system. While ETN will greatly benefit the trading floor community, as with any change, there will be new operational procedures which require specific attention.

1. **All parties involved in a trade with a Floor Broker must confirm whether the trade is on paper or a PAR terminal.** For all paper ticket executions, contra-side market-makers using an MMT must record these trades into the terminal.
2. **Floating Floor Brokers using mobile PAR terminals must check back at trading crowds in which they have executed trades for ETN rejects.** These rejects will print at the crowd printer. Crowd traders and book staff should be proactive in quickly resolving rejected ETNs.
3. **Market makers should take care in quickly and accurately responding to ETNs.** It will be detrimental to the trade resolution process for ETNs to be ignored by market makers using a hand held terminal.
4. As detailed in RG98-08, **buy side price reporting from the electronic book will be activated in tandem with the introduction of ETN** at a particular trading station. In order to avoid double reporting of trades in which a Floor Broker is executing a sell order on a paper ticket, the executing Floor Broker should asterisk that portion of the trade that was executed with the book on the yellow copy of the ticket submitted for price reporting. Price reporting staff must pay particular attention to not report the portion of a trade with a book badge (Z or X).
5. **DPMs using PAR must log in with a blue or green badge acronym other than the "Z" acronym given up on Ebook trades.** Otherwise, when a BUY order is traded on PAR, the sellers attempt at generating a Last Sale will be ignored if the DPM book acronym is in the contra field.
6. ETN and Buy Side Book Price Reporting will begin at Post 5 Station 9/10. After a short review time, the project will be expanded on a post by post basis. **Red signs below the center overhead screen will notify members that ETN and Buy Side Reporting are activated for a particular station.**

Any questions or comments concerning this memorandum may be directed to Andy Lowenthal at 786-7180, Patrick Fay at 786-7520 or Lisa Gootee at 786-7319.