



Subscriber Requirements
for Computer to Computer Interface
utilizing the NASDMS switch for
the Trade Reporting and Compliance
Engine system
(TRACESM)

Version 1.9

July 1, 2008

TABLE OF CONTENTS

1.0 TRACE CTCI INTERFACE.....	4
1.1 Introduction	4
1.2 CTCI – MQ Interface	5
1.3 Document Format.....	6
2.0 INPUT MESSAGE FORMATS.....	7
2.1 Header	7
2.2 Trailer	8
2.3 TRACE Transaction Text.....	11
2.4 Text Field Definitions	11
2.5 TRACE Message Types by Function.....	16
3.0 TRADE REPORTING INPUT MESSAGES.....	17
3.1 RP Trade Entry.....	17
How to Report Agency Transactions	19
What is the Difference Between a Give-Up and an AGU?	19
3.2 Cancel Trade.....	22
3.3 No/Was Trade Entry.....	23
3.3.1 No Portion	23
3.3.2 Was Portion.....	23
4.0 SWITCH OUTPUT MESSAGES.....	26
4.1 TRACE Application Output Messages	26
4.2 Reject Message Format	26
4.3 TRACE UM Notification Message	27
4.4 Message Format Definitions.....	29
5.0 TRADE REPORTING OUTPUT MESSAGES.....	30
5.1 Acknowledgment Message (BCEN)	30
5.1.1 TRACE Trade Entry Acknowledgment Message (BCEN)	30
5.2 Allege Messages (BCAL).....	34
5.2.1 TRACE Trade Entry Allege Message (BCAL)	34
5.3 Cancel Trade Acknowledgment (BCAN).....	38
5.4 No/Was TRACE UM Notification (BCNW)	40
APPENDIX A --- TCP/IP Connection NASDAQ CTCI TCP/IP Client Interface Specification.....	44
APPENDIX B --- CTCI Rejection Messages.....	44

CONFIDENTIAL

This specification is being forwarded to you strictly for informational purposes. It is solely for the purpose of developing or operating systems for your use that interact with systems of The Nasdaq Stock Market, Inc. (*Nasdaq*) and its affiliates (collectively, the *Corporations*). This specification is proprietary to Nasdaq. Nasdaq reserves the right to withdraw, modify, or replace the specification at any time, without notice. No obligation is made by Nasdaq regarding the level, scope, or timing of Nasdaq's implementation of the functions or features discussed in this specification. THE SPECIFICATION IS "AS IS", "WITH ALL FAULTS" AND NASDAQ MAKES NO WARRANTIES, AND DISCLAIMS ALL WARRANTIES, EXPRESSED, IMPLIED, OR STATUTORY RELATED TO THE SPECIFICATIONS. THE CORPORATIONS ARE NOT LIABLE FOR ANY INCOMPLETENESS OR INACCURACIES. THE CORPORATIONS ARE NOT LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, OR INDIRECT DAMAGES RELATING TO THE SPECIFICATIONS OR THEIR USE. It is further agreed by you by using this specification, that you agree not to copy, reproduce, or permit access to the information contained in, the specification except to those with a need-to-know for the purpose noted above. Copyright 2001, The Nasdaq Stock Market, Inc., as an unpublished work. All Rights Reserved.

1.0 TRACE CTCI INTERFACE

1.1 Introduction

The TRACE System (TRACE) is a service of the FINRA that performs two major functions: on-line trade reporting and dissemination. FINRA members (or their designated third parties) will be provided with the capability of submitting trade report information through the use of a Computer to Computer Interface (CTCI) linkage. This document describes the format of the message text to be used to interface through the NASDMS Switch to the TRACE application. For more information regarding the Nasdaq Message Switch, refer to the document titled,

Subscriber Requirements for Using The Nasdaq Computer to Computer Interface for CAES, NNMS, SOES, SelectNet, ACES Passthru and the Primex Auction System, which can be found at the following link: <http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/execctcispec.pdf>.

Participation in the TRACE system is mandatory for all FINRA firms. CTCI participants are expected to build and update a TRACE image file of their own trades in their interface systems by using the TRACE input and output messages. Participants will be able to enter and correct TRACE trades through their CTCI interfaces during the TRACE reconciliation cycle that consists of T-day (original trade entries) and T+1 to T + n day entries (As-of trade entries up to one year). CTCI Participants may request retransmission of any trade or group of trades to update their TRACE image files during the permissible hours by calling Nasdaq Market Operations.

The Eastern Time operating hours of the TRACE system are as follows:

Market/System open :	8:00 A.M.
Market Close:	5:15 P.M.
System Close:	6:30 P.M.

For Media dissemination purposes, all trades executed and reported between 12:00:00 A.M. that day and before 5:15:00 P.M. will be considered for last sale/high/low calculations. Any trades executed before 5:15 P.M. but reported after that time will not affect any of the market aggregates. Trades executed between 5:15:01 and 06:30:00 will have the .A modifier attached. All trades executed between 06:30:01 and 11:59:59 p.m. must be reported the next business day As-Of.

When a trade is entered into TRACE, a control number will be assigned to identify the trade throughout its TRACE processing and a status will be assigned to reflect its processing state. As trades are entered into the system, TRACE will validate trade information, forward proper acknowledgment messages to the Reporting Parties (RP) and Allege messages to the Contra Parties (CP) of the trades. Acknowledgment and Allege messages will contain the terms of the trade, the TRACE assigned status and control number which uniquely identifies each trade. These messages will enable the TRACE CTCI participants to build their own TRACE image files. CTCI participants will utilize the TRACE assigned control numbers to communicate with the TRACE system for subsequent trade report correction processing. It is important to note that TRACE is a one-day system, i.e., trades entered on any specific day will be not be retained in the system after system close. Therefore any subsequent correction processes (Cancel or No/Was) will only be accepted on the same day the original trade was entered. A deletion of a previously reported trade submitted on a prior day is allowed via submission of a Reversal. Please see section 2.4 for details concerning the submission of a Reversal.

TRACE will forward proper Notification messages to the trading parties as trades are corrected. Each Notification message will contain the control number and the updated status of the corrected trade such that the trading parties will be able to update their TRACE image files.

Similarly, TRACE will forward copies of all messages to respective clearing firms for trades pertaining to their correspondents if they are chosen. However, clearing firms can only perform trade reporting on behalf of their correspondents through a TRACE Give-up arrangement.

The above message flow and TRACE image file techniques are applicable to CTCI environments only. A web participant, however, will operate from the Nasdaq TRACE file and will not receive all of the above messages.

The TRACE CTCI specifications are applicable to both the T-day and As-of (T+1 to T+n) trade reporting process. T-day original trade entries will be processed for trade reporting and dissemination. Any trade executed during or off market hours, which has not been reported during T-day, may be reported to TRACE on T+1 or later (up to one year) on an As-of basis.

A retransmission of TRACE messages may be requested by phone on a current day basis. The following information must be provided as part of the request:

TRACE Day -	TRACE (T-day or T+1 to T+n day) messages.
Message Type -	Specify if only one type (e.g. BCEN). If multiple message types, then all types will be retransmitted.
Start Time -	Start (original send) time for the messages to be retransmitted.
End Time -	End time for the messages to be transmitted.
Possible Dupe -	Specify if possible duplicates are to be included.
Address -	Specify if the retransmission is to be directed to an address other than the regular one(s) (the CTCI I1I2 specified in the TRACE Firm profile) for these messages. Note: A specified address may not be for a printer.

Note: This facility retransmits the requested messages in their original form. However, when retransmitted, their sequence numbers assigned by the message switch will be current, i.e. not a repeat of their originally transmitted numbers.

Special Note for Current FIPS CTCI Participants

Nasdaq no longer supports the X.25 protocol for CTCI connectivity. If your firm currently uses X.25 for FIPS CTCI, please call Judy Schwarz at (203) 385-4675 or Beverly Hinds-Brown at (203) 385-4502 for important information on migrating from FIPS to TRACE CTCI connectivity.

1.2 CTCI – MQ Interface

A subscriber can submit and receive *Computer to Computer Interface* (CTCI) messages utilizing the NASDMS (Switch) through *MQSeries* Middleware using *MQSeries* API calls over TCP/IP protocol. For more information on its availability, please contact John Mannion at (212) 858-4325 or john.mannion@nasdaq.com.

1.3 Document Format

This document has been prepared to facilitate your development of an interface to the TRACE System. The sections have been divided to easily identify those messages that will be supported.

Section 1 describes the project and its purpose.

Section 2 defines the header and trailer that will be used for all input messages. It also defines all the fields used in TRACE.

Section 3 defines the input messages supported for Trade Reporting.

Section 4 describes general information for output messages generated by TRACE.

Section 5 describes the output message formats generated by TRACE.

2.0 INPUT MESSAGE FORMATS

For more detailed input message formats, refer to Chapter 3 in the Subscriber Requirements for CTCI Communication with Nasdaq CTCI Message Switch document located at <http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/ctcimessageswitch.pdf>

Each TRACE input message format requires the same message "envelope" which is composed of three parts:

- I. Header - defines the beginning of the message, origin and destination of the message.
- I. Text - data included are TRACE entries which can be a Trade Entry, Cancel or No/Was.
- III. Trailer - defines the end of the message, date/time of the message, control sequence number.

The header and trailer formats of each type of input message are identical and will apply to every input message. The text of each input message varies and will be identified by a function code.

The following notes apply to all of the message formats:

- Note 1:** Required fields must be entered, unless otherwise noted.
- Note 2:** If a field is entered and the field is designated as an alphabetic field, only A-Z can be entered unless otherwise noted. If the field is designated as numeric, only 0-9 can be entered unless otherwise noted. Embedded spaces cannot be entered in alphabetic or numeric fields unless otherwise noted.
- Note 3:** At the end of each line, a line delimiter is required even if no data has been entered on the line. Where the line delimiter has been specified as CR LF (carriage return, line feed) the use of CR is optional. The LF, however must be entered.
- Note 4:** The maximum limit of 1024 characters per message block includes the Header and Trailer.
- Note 5:** Records reported in TRACE cannot be intermixed with messages pertaining to other Nasdaq systems (i.e., ACT, SOES, CAE, FIPS, etc.) in the same block.

2.1 Header

Line 0

Entry Originator - One to six character Entry Originator ID. This field is optional for firms that are not acting as a service bureau. For firms acting as a service bureau, this field is mandatory and must contain the four character MPID (as specified by the FINRA) of the firm acting as the Reporting Party, (i.e., the firm entering the Trade Entry, Cancel or No/Was).

CR LF - Required line delimiter- carriage return, line feed.

Line 1

Branch Office 1-8 character alphanumeric (A-Z, a-z, 0-9, embedded spaces, left justified)

CR LF -	Required line delimiter.
<u>Line 1A</u>	
Category -	This field identifies the message category. Contains the constant "OTHER " for TRACE.
Space -	Required field separator.
Destination -	A required field. Destination Code will be "BACT" for all Trade Entry and No/Was transaction messages. "BCER" will be used for Cancels. The destination Code will route CTCI transactions to TRACE for processing.
	Note: Wrong assignment of Destination Code will result in a " Invalid Format" reject.
CR, LF, CR, LF -	Required line delimiter

2.2 Trailer

The sequence number entered by the user will be validated by the Switch to determine if there is a number gap or if the number is equal to or less than a previously received number.

Each station on a service bureau line shall have an individual sequence check. As an example, the first entry for station 1 shall have a sequence number of 0001. Similarly, the first entry from station 2 shall also have a sequence number 0001.

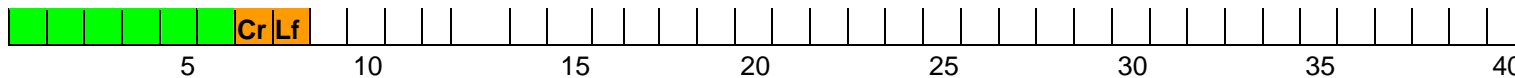
The sequence number provided by the subscriber can be in one of the following formats:

- I. The sequence number immediately precedes the end-of-text code (interposed line feeds are disregarded) and is either: fixed at four digits, zero filled.
Example: 0034
or one to four digits preceded by a "dash"
Example: -34.
- II. The sequence number may appear anywhere on the last line if it is immediately preceded by the letters "OL" (and an optional space).
Example: OL 23 or OL23
A third contiguous alphabetic character is optional.
Example: OLX 23 or OLX23
Fill zeros for high-order digits (e.g., OL 0023) are also optional.
A space is used to separate the sequence number from any following user-defined data.
Example: [user-defined data]OLX 0034[spaceuser-defined data]
- III. A one to four digit sequence number at the beginning of the line, followed by a space and a user-defined character string starting with a non-numeric character. The sequence number can be zero filled if desired.
Example: **34**spaceAXD
or: **0034**space/200008041717

The remainder of the field may also be used to include user identifiers such as date/time group.
Example: 0012 /120179011

Header Line 0

Entry Originator ID (Optional, Mandatory for Service Bureaus)

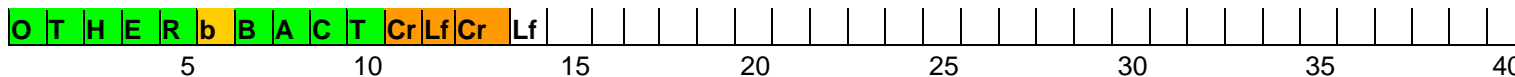


Line 1

Branch Office



Constant BCER used for Cancels **Line 1A**



THE 'LINE 1' OF THE TEXT (BODY) IS HERE - FOLLOWED BY A **Cr Lf**

THE 'LINE 2' OF THE TEXT (BODY) IS HERE - FOLLOWED BY A **Cr Lf**

b = A blank space

Sequence Number

Trailer

Optional formats



Figure – Header and Trailer layouts

2.3 TRACE Transaction Text

Trade Entry	<p>(Function U) All original trades will be entered into the TRACE System. A Reporting Party (RP) Trade Entry will be processed for trade reporting. This Function should also be used for submission of Reversals.</p>
Cancel Entry	<p>(Function C) The RP reports a Cancel entry for a previously entered trade which was reported but for whatever reason decides to cancel. All T date trades can be canceled.</p>
No/Was Entry	<p>(Function N) The RP reports a No/Was correction to a previously entered trade which was reported today but was incorrect. The No/Was is applicable to all RP original entries on the date of entry. Please note a Reversal and a new As-Of trade must be submitted in lieu of No/Was when entries are T+1 or older.</p>

2.4 Text Field Definitions

The following contains the general definitions for all fields that are contained within the TRACE Transaction text. Any specific information that is relevant to a particular transaction type can be found in the description of the transaction. In addition, these definitions apply to both TRACE Input transactions and TRACE Output messages.

Function		This field is required. Valid values are: U = Trade Entry C = Cancel Entry N = No/Was Entry
As-of		This field is used to denote whether the trade is an As-Of trade entry. Valid values are: Blank - T-Day trade Y - As-of T+1 to T+n Trade
B/S Indicator		A required one alpha character which shall equal one of the following: B - reporting firm (i.e., RP) bought S - reporting firm sold
Reference Number		A twenty character field, left justified, fill unused positions with spaces. Optionally, the subscriber may assign this Reference Number as a unique identifier to each trade. The subscriber may change this Reference Number in subsequent transactions pertaining to the same trade (i.e., No/Was). The TRACE System will not validate this field. TRACE will always return the subscriber entered Reference Number in the acknowledgment message (i.e., BCEN) associated with the trade to the enterer and will space fill this field in the allege message (i.e., BCAL) to the contra party of the trade.
Volume		A required twelve digit numeric field, format 9(7)v9(5) right justified.

		Report the actual number of bonds traded. For equity-linked notes that trade in shares as units (par value is NOT standard 1000), report the number of shares. For example, a trade of 250 shares would be reported as 000025000000. For any trade which is greater than 9,999,999.99999 bonds, the trade must be broken into multiple trades such that each trade will have volume smaller than or equal to 9,999,999.99999 bonds. A trade that is an odd lot, i.e. ½ of a bond, would be reported as a decimal, i.e. 000000050000.																					
Symbol		An optional fourteen alphanumeric character field, left justified. <u>The field becomes required if the user does not submit a CUSIP.</u> It will contain the four to seven character Security ID. Fill unused positions with spaces.																					
Price		A required field which indicates the reportable bond price of the trade and consists of a dollar amount in decimals. Price will be reported in a 9(4) v 9(6) format. The reported price will include the dealer markup or markdown, however, it will exclude the commission. When reporting when-issued bonds, the price is not required unless a yield is not provided. For equity-linked notes that trade in shares as units, the reported price should be the dollar amount per share.																					
Yield Sign		“ – “ Yield is Negative, Blank - Yield is Positive																					
Yield		It denotes the yield at which the transaction was effected. This is a required field, unless the security is one of the following: PIK bonds, Perpetuals, Floating Rate Notes, Index-linked bonds, Defaulted bonds (trading flat), in which case, spaces may be entered for this field. . For when-issued bonds, Yield is not required unless a Price is not provided. Format is X(6) v X(6). Yield must be entered at least to three decimal points.																					
CUSIP		An optional field nine digit alphanumeric code assigned to the security by the CUSIP Service Bureau. <u>The field becomes required if the user does not submit a TRACE symbol.</u>																					
Seller Commission		An optional eight digit numeric field that captures the commission fee charged by the executing broker on the sell side. A “0” entry is valid. This amount is points per bond. Commission will be reported in a 9(2) v 9(6) format.																					
Buyer Commission		An optional eight digit numeric field that captures the commission fee charged by the executing broker on the buy side. A “0” entry is valid. This amount is points per bond. Commission will be reported in a 9(2) v 9(6) format.																					
Trade Modifier		<p>A three character field used to indicate that the trade was executed with special provisions. The field is left justified, space fill unused positions. Fill with all spaces if field is not used. The following table describes the modifiers that are applicable to TRACE and their entry format. Please note the (.A & SLD) modifiers are <u>system generated.</u></p> <table border="0"> <tr> <td colspan="3">Entry modifiers:</td> </tr> <tr> <td><u>Description</u></td> <td><u>Format</u></td> <td><u>Priority</u></td> </tr> <tr> <td>Seller Option</td> <td>SNN (Note 2)</td> <td>2</td> </tr> <tr> <td>Cash Option</td> <td>C</td> <td>2</td> </tr> <tr> <td>Next Day Option</td> <td>ND</td> <td>2</td> </tr> <tr> <td>Weighted average</td> <td>W</td> <td>1</td> </tr> <tr> <td>Regular</td> <td>Space (Note 3)</td> <td></td> </tr> </table> <p><u>System assigned modifiers:</u></p>	Entry modifiers:			<u>Description</u>	<u>Format</u>	<u>Priority</u>	Seller Option	SNN (Note 2)	2	Cash Option	C	2	Next Day Option	ND	2	Weighted average	W	1	Regular	Space (Note 3)	
Entry modifiers:																							
<u>Description</u>	<u>Format</u>	<u>Priority</u>																					
Seller Option	SNN (Note 2)	2																					
Cash Option	C	2																					
Next Day Option	ND	2																					
Weighted average	W	1																					
Regular	Space (Note 3)																						

		<p>After Market Hrs execution A (Note 1) Out of Sequence or Late SLD (Note 3)</p> <p>Note 1:</p> <p>The System will capture two trade modifiers. If there are trade modifiers along with system calculated time modifiers, the time modifiers will be displayed in the append modifier field (mentioned below). For a trade which was entered within the .A Time (i.e., 5:15pm (or Market Close) to 6:30 p.m.) the ".A" modifier will be assigned. However, If the user has already entered a trade modifier and the trade report time is late and also a .A trade, then the .A modifier will be appended in the Append Modifier field. The .A modifier will take priority over the .SLD modifier. Off Hours trades that cannot be reported to TRACE before 6:30 P.M. on T-Day should be reported into TRACE on T+1 on a As-of basis.</p> <p>Note 2:</p> <p>For a Seller Option, NN denotes the number of days for delivery and must be within the range 02, 04 to 60.</p> <p>Note 3:</p> <p>When the trade is reported by the subscriber as a Regular trade (i.e., Modifier = Space), TRACE will calculate the time interval between the execution Time and the TRACE Acceptance Time. If this time interval is greater than the required report time, TRACE will append the SLD modifier and consider it as a late trade report.</p>
Append Modifier		<p>A second three character modifier which will be assigned by the system and either display a space, (.A) = After Market hours Execution, or (SLD) = for Out of Sequence or late trades. This field will only be populated when the system calculates that a time modifier (.A, SLD) is required. When this happens only the time modifiers (.A, SLD) will appear in the Append Modifier field. If the user has already entered a trade modifier and the trade report time is late and also a .A trade, then the .A modifier will be appended in the Append Modifier field. The .A modifier will take priority over the .SLD modifier.</p>
Override		<p>A one character field that is used by the originator to indicate that the entered price or yield is valid although it may fall outside the reasonability check made by the system. The alpha "O" character will be used to specify a price/yield override. The override should not be used on initial submission; only after a trade report has been rejected for having a price/yield that is considered out of range.</p>
CPID		<p>This is a required field. A four alpha character field denoting the MPID of the Contra Party to the trade. If the Contra party is a customer, "C" may be reported as a valid entry. Contra of "C" is only valid when the transaction is entered by the reporting party. However, FINRA member firms cannot qualify each other as a customer.</p>
CPGU		<p>The four alpha character MPID of the Contra Party give up firm if this transaction is a give up trade for the Contra Party. This field shall be space filled if it is not a give up.</p>

CP Clear Number		<p>This field is optional. It is used to identify the clearing broker who will clear this trade for the Contra Party.</p> <ul style="list-style-type: none"> • If a value is entered, TRACE will validate that it is a numeric value in the 9999 format. • If no value is entered, TRACE will look in the firm profile and use the value in the default clearing number field and capture it on the trade record. If no clearing number exists in the firm profile then the clearing number field in the trade record will be left blank. • TRACE will not validate whether the clearing number entered corresponds to a valid clearing firm.
RPID		<p>This is a required field. A four alpha character field denoting the MPID of the Reporting Party of the trade.</p>
RPGU		<p>The four alpha character MPID of the Reporting Party give up firm if this transaction is a give up trade for the Reporting Party. This field shall be space filled if it is not a give up.</p>
RP Clear Number		<p>This field is an optional field. It is used to identify the clearing broker who will clear this trade for the Reporting Party.</p> <ul style="list-style-type: none"> • If a value is entered, TRACE will validate that it is a numeric value in the 9999 format. • If no value is entered, TRACE will look in the firm profile and use the value in the default clearing number field and capture it on the trade record. If no clearing number exists in the firm profile then the clearing number field in the trade record will be left blank. • TRACE will not validate whether the clearing number entered corresponds to a valid clearing firm.
Seller PA		<p>A one character P/A Indicator field for the Sell-side. It denotes whether the Seller is acting as "P" for principal or "A" for agent for this trade.</p>
Buyer PA		<p>A one character P/A Indicator field for the Buy-side. It denotes whether the Buyer is acting as "P" for principal or "A" for agent for this trade.</p>
Special Price Indicator		<p>This field may contain the following entries:</p> <p>Y= the transaction was intentionally executed at a price not related to the current market. Not to be used for things like long or short settlement or average price trades, rather it is to be used when trading specified.</p> <p>b= Transaction price not special.</p> <p>If this field is used, the Special Price Memo field must be used. "Y" must be entered in this field if text is entered into the Special Memo field.</p>
Execution Time		<p>This is a required field. A field denoting the time of execution in military time (HHMMSS) format. For example, if the trade was executed at 2:03:02 p.m. the entry will be 140302. Please enter times in Eastern Time. This is a required field for all transactions submitted into TRACE.</p>
Special Price Memo		<p>A fifty character alphanumeric subscriber MEMO field. This field must be used when the Special Price Indicator has been selected to</p>

		describe the reason why the trade was executed at a special price. Fill unused positions with spaces. This field may be displayed to the Contra party.
Internal Memo		An optional ten character alphanumeric memo field. Fill unused positions with spaces. This field is not displayed to the Contra party. If a Reversal is submitted, the TRACE Control Number of the trade being reversed must be entered in this field.
Contra Branch Sequence		An optional eight (8) alphanumeric character field, (A-Z, 0-9 embedded spaces, left justified, pad with trailing spaces), to indicate the firm's branch office.
As-of / Reversal Trade Date		The date that the As-of or Reversal transaction was executed. For an As-of trade, the date must be T+1 or older. For a Reversal transaction, the date must also be T+1 or older. The date must be a valid business date not older than one year (365 days). The format is MMDDYYYY. For regular trades (not As-of/Reversal), this field is blank.
Automatic Give Up Flag		<p>"Y" or blank.</p> <p>Y = Indicates an automatic give-up transaction, where an introducing broker is reporting the trade on behalf of the Executing Broker. Note: when the AGU Flag is set to "Y", the transaction must be entered from the Seller's point of view.</p> <p>Blank = Not an AGU transaction.</p>
Reversal Indicator		<p>The valid values for this field are "R" or blank.</p> <p>R = Indicates a Reversal of the original trade entry.</p> <p>Blank = Not a Reversal transaction.</p> <p>As TRACE only allows cancellations (Function C) of trade reported on the same day, a Reversal should be submitted in order to cancel a trade that was reported on a prior day. A Reversal of a trade should be identical to the original trade entry, i.e., all of the original trade entry details must be entered for a trade to be reversed.</p> <p>When submitting a Reversal transaction, the As-of field must be set to "Y" and the TRACE Control Number of the original trade report must be entered in the <u>Internal Memo</u> field.</p>

2.5 TRACE Message Types by Function

TRACE output messages are sent to the Reporting and Contra Party firms as verification for each TRACE transaction. The following table shows the output messages sent to the Reporting and Contra Parties as categorized by Function. Included below this table is one detailing messages being sent to both the Executing Broker and the Clearing Broker firms.

	Reporting Party Message Received	Contra Party Message Received
Trade Entry	BCEN	BCAL
Cancel	BCAN	BCAN
No/Was	BCNW	BCNW

3.0 TRADE REPORTING INPUT MESSAGES

3.1 RP Trade Entry

The Reporting Party will use this message to enter an original T Date or an As-Of Trade Entry into the TRACE System. A trade reportable Trade Entry will be processed if it satisfies the trade report requirement.

The RP Trade Entry may generate the following output message flow:

- o Reject message
If a TRACE Trade Entry is rejected for any reason, the current reject message containing the reject reason and the echo of the trade will be returned to the entering RP. The maximum size of a reject reason is 75 bytes.
- o BCEN (refer to Section 5.1.1)
If a TRACE Trade Entry is accepted, a BCEN Acknowledgment message containing the TRACE "T" for trade reporting status and Control Number, and the echo of the trade will be returned to the RP. The entering firm may use this message to build the initial trade record in its image file.
- o BCAL (refer to Section 5.2.1)
If a TRACE Trade Entry is accepted, a BCAL Allege message containing the same contents as the BCEN will be forwarded to the contra side of the trade. The contra may use this message to build the initial trade record in its image file.

The following table displays the TRACE Seller Trade Entry message format.

Exhibit 3.1 TRACE Trade Entry Message Format
Two Part Message

Field Name	Position	Format	Contents/Comments
Line 1			
Function	1-1	X(1)	U = RP Trade Entry
As-Of	2-2	X(1)	Y = As-Of (T+1 to T+n) b= Original (T Date Entry)
B/S Indicator	3-3	X(1)	B=Bought, S=Sold
Reference Number	4-23	X(20)	User assigned reference number, not validated by system.
Volume	24-35	9(12)	Report the actual number of bonds or number of shares traded. Format 9(7) v 9(5)
Symbol	36-49	X(14)	TRACE issue symbol
CUSIP	50-58	X(9)	Bond CUSIP
Filler	59	X(1)	Reserved for Future Use
Price	60-69	X(10)	Numeric Field, Price at which bond traded. For equity-linked notes that trade in shares as units, price per share. Format 9(4)V9(6)
Yield Sign	70	X(1)	“-“ Yield is negative
Yield	71-82	X(12)	Yield format X(6) v X(6). Spaces are valid in this field.
Seller Commission	83-90	9(8)	Commission format 9(2)V9(6)
Buyer Commission	91-98	9(8)	Commission format 9(2)v9(6)
CR LF			Carriage Return, Line Feed
Line 2			
Trade Modifier	1-3	X(3)	SNN=Seller, C=Cash, ND=Next Day, W=Weighted Average, b=Regular
Price Override	4	X(1)	O=Override, b=No override
CPID	5-8	X(4)	MPID of the Contra Party. “C” for Customer may be entered by the Reporting party.
CPGU	9-12	X(4)	MPID of give up on the Contra side
CP Clear Number	13-16	9(4)	Contra Party’s clearing Number, b=Major clearing Number
RPID	17-20	X(4)	Required MPID of the Reporting Party
RPGU	21-24	X(4)	MPID of give up on the Reporting side
RP Clear Number	25-28	9(4)	Reporting Party clearing Number, b=Major clearing Number
Seller PA Indicator	29	X(1)	P or b=Principal, A=agent
Buyer PA Indicator	30	X(1)	P or b=Principal, A=agent
Filler	31-32	X(2)	Reserved for Future Use
Execution Time	33-38	9(6)	Execution Time in HHMMSS format.
Internal Memo	39-48	X(10)	User Memo (Will not be displayed to Contra party)
Special Price Indicator	49	X(1)	Y=Special Price, b= Not Special Price
Filler	50	X(1)	Reserved for Future Use
Special Price Memo	51-100	X(50)	User Memo (may be displayed to Contra party)
Contra Branch Sequence	101-108	X(8)	Optional field, eight (8) alphanumeric
As Of or Reversal Trade Date	109-116	9(8)	mmddyyyy format; Must be entered for all as-of and reversal transactions
Reversal Indicator	117	X(1)	b=not a Reversal, R = Reversal
Automatic Giveup Flag	118	X(1)	Contains “Y” if Automatic Giveup; Blank otherwise (Note: AGU transactions must be entered from the Seller’s point of view.)

Field Name	Position	Format	Contents/Comments
Reserved Field	119-130	X(12)	Reserved Field
CR LF			Carriage Return, Line Feed

How to Report Agency Transactions

In order to capture a complete audit trail for regulatory use, agency transactions need to be reported in the same way that principal transactions are reported. What this means is that if your firm acts as agent for your customer, the trade reports you must submit will “look” like you stood between your customer and the contra party.

For example, Firm XYZ receives an order from a customer to sell 100 bonds. Acting as the customer’s agent, XYZ sells the bonds to ABC. Although, technically the customer sold the bonds to ABC with XYZ acting as their agent, the reports from XYZ would be made as follows:

Report #1: XYZ BUY 100 bonds from C as Agent @ 98 and charged .125 commission
Report #2: XYZ SELL 100 bonds to ABC as Agent @98.

Notice that even though XYZ SOLD the bonds FOR their customer, they actually reported a BUY FROM the customer, followed by a SELL TO ABC. This is how a principal trade would be reported as well. Be aware that the trade tickets your firm generates for agency trades will most likely be different from the report you must submit. In the example above, you would probably have only a single SELL ticket, showing the customer vs. ABC, yet in TRACE you are reporting a BUY FROM the customer, followed by a SELL TO ABC.

Another aspect to be careful of is the calculation of yield for agency transactions. The yield you report must be inclusive of commissions charged, which is in line with what is done for customer confirmations. The yield is a corollary of price, and that is where it gets tricky. The general understanding with regard to agency trades is that you “Buy Plus Commission”, and “Sell Less Commission”. The problem is that those axioms are from the customer’s perspective. It is the customer that is buying plus the commission, but the TRACE trade reports are always from the FINRA member’s point of view. What this means is that when you incorporate the commission charged into the price for yield calculation, you must SUBTRACT the commission on BUY trade reports, and ADD the commission on SELL trade reports. This makes sense, because when the customer is Buying, a member firm is Selling, based on the way the reports must be made. In the example above, the price that would be used for yield calculation in Report #1 would be 98 MINUS .125 or 97.875.

What is the Difference Between a Give-Up and an AGU?

A “Give Up” trade report is reported by one FINRA Member on behalf of another FINRA Member who had a reporting responsibility. In order to do this, “Give-Up” agreements are required for every firm for which the reporting firm will submit. A simple example of a Give-Up would be a clearing firm that reports on behalf of its correspondent firms. The clearing firm reports the trade, but “gives up” the name of the correspondent in the Give-Up field. The trade report will be considered to have come from the correspondent for regulatory and billing purposes.

NOTE: Only the firm that submits the trade report into TRACE can subsequently correct or cancel that trade report. In this case, only the clearing firm has access to the report on TRACE; if the correspondent realizes a mistake was made, the correspondent will have to notify their clearing firm and require the clearing firm to correct it on the correspondent’s behalf.

An Automatic Give-Up, or AGU, is a trade report representing both sides of a transaction. Alternative

Trading Systems (ATSS) and Electronic Communications Networks (ECNs), and even clearing firms have the ability to match buy and sell orders, and create “locked-in” executions ready for settlement that require no further comparison by the involved parties. ATSS and ECNs that are FINRA members (as opposed to those registered as an exchange) have the ability to report on behalf of multiple parties using a single trade report to TRACE and indicate that the trade is “locked-in” by using the AGU flag. A clearing firm that executes a trade with one of its correspondents can likewise submit a “locked-in” trade, since the clearing firm clears the trade for the correspondent. In order to do this, “Give-Up” agreements (GUs and AGUs are covered by the same agreement) are required for every firm for which the ATS/ECN or clearing firm will submit trade reports. Depending on the scenario, a “One-sided” or “Two-sided” AGU can be submitted.

NOTE: The seller’s Customer side and the buyer’s Customer side are additional separate reports not covered by the AGU report.

Click the AGU flag to indicate that a “locked-in”, two-sided trade is being reported. In addition to this flag, the Contra ID should contain the MPID of the Reporting Party, and the “Your Give Up” and “Contra Give Up” fields should be entered identifying the parties involved in the trade.

Scenario	How To Report
<p><i>Simple Give-Up</i> Clearing firm just reporting a trade for one of its correspondents</p>	<ul style="list-style-type: none"> • The clearing firm enters the MPID of the correspondent in the “Your Giveup” field • Marks the trade as a Buy or Sell, based on whether the correspondent firm bought or sold • Marks the P/A indicator as either Principal or Agent, depending on what capacity the correspondent acted. • Enter any modifiers that applied to the correspondent

Scenario	How To Report
<p><i>One-sided AGU</i></p> <p>A clearing firm executes a trade with one of its correspondents, creating a “locked-in” trade with the correspondent. To report this trade, the clearing firm fills in the following:</p> <p>OR</p> <p>A FINRA member ATS/ECN matches a Buy and a Sell order from FINRA member firms using its system which causes two executions to occur, and creates two “locked-in” trades. Each counterparty knows the ATS/ECN as its contra, i.e., the ATS/ECN provides anonymity through settlement. Two One-sided AGU’s would be reported.</p>	<ul style="list-style-type: none"> • The clearing firm enters its own MPID in the Contra MPID field (which makes it look like the clearing firm is trading with itself) • Marks the trade as a Buy or Sell, based on whether the clearing firm bought or sold • Puts the MPID of the correspondent in the Contra Give Up field • Marks the capacity indicators for both itself and the correspondent. If the clearing firm Sold, then the clearing firm marks its capacity in the Seller P/A and the correspondent’s capacity in the Buyer P/A. • Enters any modifiers that applied to the clearing firm • Checks the AGU checkbox.
<p><i>Two-sided AGU</i></p> <p>A clearing firm is reporting on behalf of two fully disclosed correspondent firms that traded with each other. Since the clearing firm processes both sides of the trade, the clearing firm can consider the trade “locked in”, permitting an AGU report.</p> <p>OR</p> <p>A FINRA member ATS/ECN matches a Buy and a Sell order from FINRA member firms using the ATS/ECN system, which causes an execution to occur, and generates a “locked-in” trade in which the two counterparties ARE DISCLOSED TO ONE ANOTHER.</p>	<ul style="list-style-type: none"> • The clearing firm or ATS/ECN enters its own MPID in the Contra MPID field • Marks the trade as Sell. The report is made from the point of view of the correspondent who SOLD. • Puts the MPID of the Selling correspondent in the “Your Give Up” field • Puts the MPID of the Buying correspondent in the “Contra Give Up” field • Marks the capacity indicators for the correspondents in the Seller P/A and Buyer P/A fields. • If either of the correspondents is charging a commission, enter the commissions • Enter any modifiers that applied to the Selling correspondent • Checks the AGU checkbox.

3.2 Cancel Trade

Firms will use this message to cancel a TRACE trade entry which was previously reported. Cancellation of a previously disseminated trade report will cause the cancel transaction to be disseminated as well. TRACE will forward a BCAN message to both parties of the trade to advise them that the specified trade is updated to Cancel status. All canceled trades will be deleted at the end of the entry day. The Cancel function can only be used when a trade was submitted on the same day.

EXHIBIT 3.2 CANCEL TRADE MESSAGE FORMAT

Field Name	Position	Format	Contents/Comments
Function	1-1	X(1)	C=RP cancels its own trade which it entered previously
Reference Number	2-21	X(20)	User assigned Reference Number
Control Number	22-31	9(10)	Control Number associated with the trade to be canceled
CR LF			Carriage Return, Line Feed

3.3 No/Was Trade Entry

Firms will use this function to enter a No/Was (amendment) trade to the TRACE System. The No/Was trade is applicable to both T date and T+N As-Of trades. The As-Of field can be used in a No/Was trade for trades originally entered as an As-Of. TRACE will determine if the new transaction is disseminated. The No/Was function can only be used when a trade was submitted on the same day.

In addition to the required field format requirements, the entering of a No/Was trade must also meet the following requirements.

- A No/Was correction is applicable to both parties' Trade entry.
- Both the No and the Was portion must be submitted.
- The No and the Was portions are part of the same message text and are not separated by 'CR LF' (line delimiter).
- A change to a trade entry symbol or CUSIP, Contra MPID, Contra Give Up, or Contra clearing number may not be made via the No/Was Correction entry. In order to effect such a change, it must be made by entry of a Cancel of the original entry, followed by a new original entry with the correct data.

3.3.1 No Portion

EXHIBIT 3.3 NO TRADE MESSAGE FORMAT

Field Name	Position	Format	Contents/Comments
Function	1-1	X(1)	N = TRACE NO/WAS Trade Entry
Reference Number	2-21	X(20)	User assigned Reference Number
Control Number	22-31	9(10)	Control Number associated with the original trade

The Function, Reference Number and Control Number fields are part of one message to be sent, see the next Exhibit, No/Was Trade Entry Format. The WAS portion of the No/Was trade immediately follows the NO portion without a 'CR LF' between the two parts.

3.3.2 Was Portion

The specification for the Was portion of the No/Was trade is the same as the TRACE RP Trade Entry (refer to Section 3.1) except it does not include the "U" Function.

Note: All fields must be included, including those whose content is indicated as optional, (blank fields are to be space filled and unused positions are to be space or zero filled wherever applicable). The No/Was will be processed for trade reporting and disseminated to the vendors through BTDS if trade report eligible. The TRACE System will assign a new control number to the Was portion and it will be processed as an original RP Trade Entry.

EXHIBIT 3.3 NO/WAS TRADE ENTRY

Two Part Message

Field Name	Position	Format	Contents/Comments
Line 1			
Function	1-1	X(1)	N = NO/WAS Trade Entry
Reference Number	2-21	X(20)	User Assigned Reference Number of the No trade
Control Number	22-31	9(10)	Control Number of the No trade
As-of	32	X(1)	Y=As-of (T+1 to T+n); b=Original (T Day entry)
B/S Indicator	33	X(1)	B=Bought, S=Sold
Reference Number	34-53	X(20)	User assigned reference number
Volume	54-65	9(12)	Report the actual number of bonds or shares traded. Format 9(7) v 9(5)
Symbol	66-79	X(14)	TRACE issue symbol
CUSIP	80-88	X(9)	Bond CUSIP
Filler	89	X(1)	Reserved for Future Use
Price	90-99	9(10)	Dollar price format 9(4) v 9(6)
Yield Sign	100	X(1)	“-“ Yield is Negative, Blank - Yield is Positive
Yield	101-112	X(12)	The yield at which the transaction was effected. For when-issued bonds, Yield is not required unless Price is not provided.. Format X(6)vX(6). Spaces are valid in this field.
Seller Commission	113-120	9(8)	Commission format 9(2) v 9(6)
Buyer Commission	121-128	9(8)	Commission format 9(2) v 9(6)
CR, LF			Carriage Return, Line Feed
Line 2			
Trade Modifier	1-3	X(3)	SNN=Seller, C=Cash, ND=Next Day, W=Weighted Average, b=Regular
Price Override	4	X(1)	O=Override, b=No override
CPID	5-8	X(4)	MPID of the Contra Party. “C” for Customer may be entered by the Reporting party.
CPGU	9-12	X(4)	MPID of give up on the Contra side
CP Clear Number	13-16	9(4)	Contra party clear Number, b=Major clear Number
RPID	17-20	X(4)	Required MPID of the Reporting Party
RPGU	21-24	X(4)	MPID of give up on the Reporting side
RP Clear Number	25-28	9(4)	Reporting Party clear Number, b=Major clear Number
Seller PA Ind.	29	X(1)	P or b=Principal, A=agent
Buyer PA Ind.	30	X(1)	P or b=Principal, A=agent
Filler	31-32	X(2)	Reserved for Future Use
Execution Time	33-38	9(6)	Execution Time in HHMMSS format.
Internal Memo	39-48	X(10)	User Memo (Will not be displayed to Contra party)
Special Price Indicator	49	X(1)	Y = Special Price, b = Not Special Price
Filler	50	X(1)	Reserved for Future Use
Special Price Memo	51-100	X(50)	User Memo (may be displayed to Contra party)
Contra Branch Sequence	101-108	X(8)	Optional field, eight (8) alphanumeric
Trade Date	109-116	9(8)	mmddyyyy format; Must be entered for all as-of and reversal transactions

Field Name	Position	Format	Contents/Comments
Reversal Indicator	117	X(1)	b=not a Reversal, R = Reversal
Automatic Giveup Flag	118	X(1)	Contains "Y" if Automatic Giveup; Blank otherwise. (Note: AGU transactions must be entered from the Seller's point of view.)
Reserved field	119-130	X(12)	Reserved Field
CR LF			Carriage Return, Line Feed

4.0 SWITCH OUTPUT MESSAGES

For more detailed Switch Output Message formats, refer to Chapter 4.0 in the Subscriber Requirements for CTCI Communication with Nasdaq CTCI Message Switch document located at <http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/ctcimessageswitch.pdf>

Input messages received from TRACE subscribers will be forwarded to the TRACE System for processing through the NASDMS Switch. Identical to currently existing CTCI applications (i.e., ACT Trade Report, SOES etc.), the NASDMS Switch will perform the Switch validations for each TRACE input message received. The NASDMS Switch will always generate a response back to the originator for each input message received. The response can be a positive acknowledgment if the input messages pass the switch validation, or a negative acknowledgment, or a rejection if the input messages fail the Switch validation.

All output message (Switch or application output messages) forwarded by the Switch to an output destination (i.e., subscriber station) will be contained in the Switch Output Message Envelope format.

4.1 TRACE Application Output Messages

A TRACE input message that successfully passes the Switch validations is forwarded to the TRACE application, which will perform additional validations on the text of the input message. If an error is detected, the originating subscriber shall receive a reject message explaining why the original message could not be processed. If no errors are detected and TRACE accepts the input message, the TRACE application will send an acknowledgment message to the originating subscriber and a Notification message to the contra party. All Reject and Notification messages released from the TRACE Application Processor will be forwarded to the subscriber via the NASDMS Switch in Switch Output Message format if the subscriber is employing a CTCI and will be contained in a Switch Output Message Envelope. Note that if the rejected text is too large, the Switch Trailer will overlay the text such that the block does not exceed 1024 characters.

For TRACE, all Reject messages will contain a priority code. This code will indicate to firms the urgency to which action should be taken to correct and resubmit a rejected trade report. The two codes that will be utilized are 'H' for High Priority and 'L' for Low Priority. The priority code will follow the Status on Line 2 of the Reject message. The Reject Priority code is determined based on the reported bond's dissemination status, i.e., if a bond is designated to be disseminated and is rejected on a trade report, the Reject Priority will be High (H). If the bond is not designated to be disseminated, or the bond (CUSIP) is not maintained in our records, the Reject Priority will be Low (L).

There is no guarantee that TRACE messages will be received in a logical sequence. Subscribers should take this into consideration in their design.

4.2 Reject Message Format

If the TRACE application cannot process a message received from the subscriber, it will generate a Status Message for the originator which indicates why the message was rejected. The Status Message will be received by the originator as the text portion of a Standard Switch Output Message. The text (Status Message) is described below.

Line 1:

Originator

This is an optional line that may contain the

MPID -	four character MPID of the entering firm, or the MPID of the firm the Service Bureau is acting for. If this option is utilized for multistation lines, it will equal the four character MPID associated with the station (select/poll address).
CR LF -	Required line delimiter.
 <u>Line 2:</u>	
Category and Priority -	This field identifies the message category and will contain "STATUS". In addition, the line will contain the priority code of the reject, either H to indicate High or L to indicate Low. A space will separate the category and priority.
CR LF -	Required line delimiter.
 <u>Line 3:</u>	
	This line contains ("REJ - Reason for Rejection"). The maximum reject reason is 75 bytes. <i>If the message is shorter than 75 bytes, the reject reason will be followed by CR LF.</i>
CR LF -	Required line delimiter.
 <u>Line 4:</u>	
Branch Office Code and Sequence Number	This line of the Status Message contains the one to eight alphabetic character Branch Office Code Sequence Number which appears on line 1 of the input message, if one was submitted. In addition, a time field (HH:MM:SS) will be sent on this line. If a Branch Office Code Sequence Number were not entered in the input message, Line 4 contains only the time message.
CR LF -	Required line delimiter.
 <u>Line 5:</u>	
	This line contains an echo of the original input message being rejected.
CR LF -	Required line delimiter.

EXHIBIT 4.2
TRACE REJECT MESSAGE FORMAT

Line 1: MPID cr lf
Line 2: STATUS H (or) L cr lf (see note below)
Line 3: REJ - (Reject Reason) cr lf
Line 4: BRIDSQNO HH:MM:SS cr lf
Line 5: (Text of original input message) cr lf

Note: Line 2 will end with a value of either H or L to indicate that the reject is either a High priority or Low priority.

4.3 TRACE UM Notification Message

For more detailed Switch Output Message formats, refer to Chapter 4.0 in the Subscriber Requirements for CTCI Communication with Nasdaq CTCI Message Switch document located at <http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/ctcimessageswitch.pdf>

If a TRACE input message (i.e., Trade Entry, Cancel, No/Was) is accepted by the TRACE application (i.e., it passes all validations), an appropriate UM Notification Message will be forwarded to the proper TRACE subscriber. The TRACE UM Notification Messages contain sufficient data to enable subscribers to build their own TRACE Image Files to perform trade reporting procedures. If the firm selected header options but has not specified customized headers, then the default message header origin will be BNDXXX where XXX represents 1 - 3 alphanumeric characters reserved for Nasdaq's use, and the default message header type field will contain T (OTHER). Following the optional header line(s), the UM notification message will be received by the subscriber as the text portion of a Standard Switch Output Message and is described below:

Line 1:

OTHER MPID - Receiving firm MPID.
CR LF - Required line delimiter.

Line 2:

TRACE Message Type - This field identifies the TRACE UM Notification message header and will contain the type of message being sent. See Section 4.4 for a list of Output Message Types.

Line 3:

Message Detail This line is the detail data of the UM Notification Message corresponding to the Output Message Type specified in Line 2. See Section 4.4 for a description of the message formats associated with each Output Message Type.

4.4 Message Format Definitions

BCEN - denotes a TRACE Entry Acknowledgment Message. When firm enters an original or As-of trade and the trade is accepted by TRACE, this message will be forwarded to the originator.

BCAN - denotes a Cancel TRACE UM Notification Message. If a trade is canceled, this message will be forwarded to both parties.

BCNW- denotes a No/Was TRACE UM Notification Message. This message will be forwarded to the trading parties as follows when a firm submits a No/Was transaction:

- 1) The BCNW Message will always be forwarded to the updating firm.
- 2) The BCNW Message will be forwarded to the contra.

BCAL - denotes a TRACE Entry Allege Notification Message. When a firm enters an original or As-of trade and the trade is accepted by TRACE, this message will be forwarded to the contra party.

Note: If a subscriber chooses to build a TRACE Image File, which contains all trades entered by the firm or trades other firms entered against the firm, then respective BCEN and BCAL messages should be used to build it. Other TRACE UM messages described below will be used to update the statuses and/or contents of these trades.

5.0 TRADE REPORTING OUTPUT MESSAGES

5.1 Acknowledgment Message (BCEN)

5.1.1 TRACE Trade Entry Acknowledgment Message (BCEN)

BCEN: denotes a TRACE Entry Acknowledgment Notification Message. When a firm enters a TRACE trade entry and the entry is accepted by TRACE, this message will be forwarded to the originator. This message is formatted as follows:

LINE 1: OTHER MPID Cr Lf
LINE 2: BCEN Cr Lf
LINE 3: Control Number (Trade Text) Cr Lf

Where:

MPID - Receiving firm MPID

Control Number - The ten digit control number which the TRACE System had assigned to the TRACE trade when it was accepted by the TRACE System. The control number is required to uniquely identify the record in the TRACE File for subsequent processing.

Trade Text - This field contains the TRACE trade and will be formatted as a TRACE Trade Entry Message. The function field will contain the status of the trade.

Cr Lf - Required line delimiter.

Note 1: Valid TRACE statuses are:

W - Was (BCNW message)

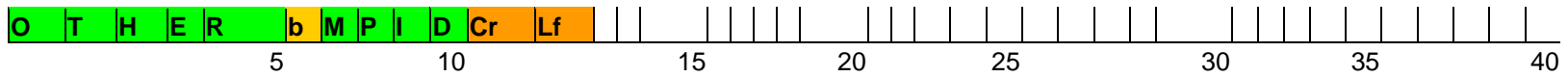
T - Trades entered for Trade Reporting (BCEN and BCAL messages)

TRACE UM Notification Message BCEN

b = Blank Space

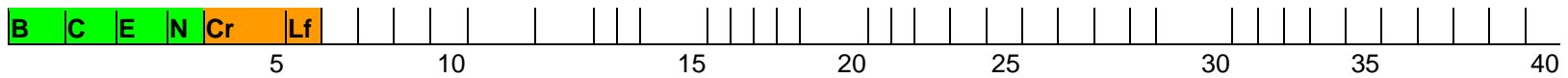
Constant

Line 1



Line 2

Constant



Line 3

Control Number

Trade Text

Cr

Lf

Figure – TRACE UM Notification Message (BCEN)

**Exhibit 5.1 TRACE Trade Entry Acknowledgment - (BCEN)
Two Part Message**

Field Name	Position	Format	Contents/Comments
Line 1			
Control Number	1-10	9(10)	Control Number Assigned to Trade
Trade Status	11	X(1)	Status of Trade
As-of	12	X(1)	Y=As-of (T+1 to T+n); b=Original (T Day entry)
B/S	13	X(1)	B=Bought, S=Sold
Reference Number	14-33	X(20)	User assigned reference number, not validated by system.
Volume	34-45	9(12)	Report the actual number of bonds or shares traded. Format 9(7) v 9(5)
Symbol	46-59	X(14)	TRACE issue symbol
CUSIP	60-68	X(9)	Bond CUSIP
When-Issued Indication	69	X(1)	Y = Yes, N = No
Price	70-79	X(10)	Numeric Field, Price at which bond traded. Format 9(4)V9(6)
Yield Sign	80	X(1)	“-“ Yield is negative
Yield	81-92	X(12)	The yield at which the transaction was effected. For when-issued bonds, Yield is not required unless Price is not provided . Format X(6) v X(6). Spaces are valid in this field.
Seller Commission	93-100	9(8)	Commission format 9(2)V9(6)
Buyer Commission	101-108	9(8)	Commission format 9(2)v9(6)
CR, LF			Carriage Return, Line Feed
Line 2			
Trade Modifier	1-3	X(3)	SNN=Seller, C=Cash, ND=Next Day, W=Weighted Average, b=Regular
Price Override	4	X(1)	O=Override, b=No override
CPID	5-8	X(4)	MPID of the Contra Party. “C” for Customer may be entered by the Reporting party.
CPGU	9-12	X(4)	MPID of give up on the Contra side
CP Clear Number	13-16	9(4)	Contra Party’s clearing Number, b=Major clearing Number
RPID	17-20	X(4)	Required MPID of the Reporting Party
RPGU	21-24	X(4)	MPID of give up on the Reporting side
RP Clear Number	25-28	9(4)	Reporting Party’s clearing Number, b=Major clearing Number
Seller PA Indicator	29	X(1)	P or b=Principal, A=agent
Buyer PA Indicator	30	X(1)	P or b=Principal, A=agent
Filler	31-32	X(2)	Reserved for Future Use
Execution Time	33-38	9(6)	Execution Time in HHMMSS format.
Internal Memo	39-48	X(10)	User Memo (Will not be displayed to Contra party)
Special Price Indicator	49	X(1)	Y=Special Price, b= Not Special Price
Filler	50	X(1)	Reserved for Future Use
Special Price Memo	51-100	X(50)	User Memo (may be displayed to Contra party)
Contra Branch Sequence	101-108	X(8)	Optional field, eight (8) alphanumeric

Field Name	Position	Format	Contents/Comments
Trade Date	109-116	9(8)	mmddyyyy format; Must be entered for all as-of and reversal transactions
Reversal Indicator	117	X(1)	b=not a Reversal, R = Reversal
Automatic Giveup Flag	118	X(1)	Contains "Y" if Automatic Giveup; Blank otherwise. (Note: AGU transactions must be entered from the Seller's point of view.)
Append Modifier	119-121	X(3)	Shows the second modifier (.A, .SLD) or nothing
Reserved Field	122-124	X(3)	Reserved for Future Use
CR, LF			Carriage Return, Line Feed

5.2 *Allege Messages (BCAL)*

5.2.1 TRACE Trade Entry Allege Message (BCAL)

BCAL: Denotes a TRACE Entry Allege Notification Message. When a firm enters a TRACE trade entry and the entry is accepted by TRACE, this message will be forwarded to the contra party. This message is formatted as follows:

LINE 1: OTHER MPID Cr Lf
LINE 2: BCAL Cr Lf
LINE 3: Control Number (Trade Text) Cr Lf

Where:

MPID - Receiving firm MPID

Control Number - The ten digit control number which the TRACE System had assigned to the TRACE trade when it was accepted by the TRACE System. The control number is required to uniquely identify the record in the TRACE File for subsequent processing.

Trade Text - This field contains the TRACE trade and will be formatted as a TRACE Trade Entry Message (Section 3.1). The function field will contain the status of the trade.

Cr Lf - Required line delimiter.

TRACE UM Notification Message BCAL

b = Blank Space

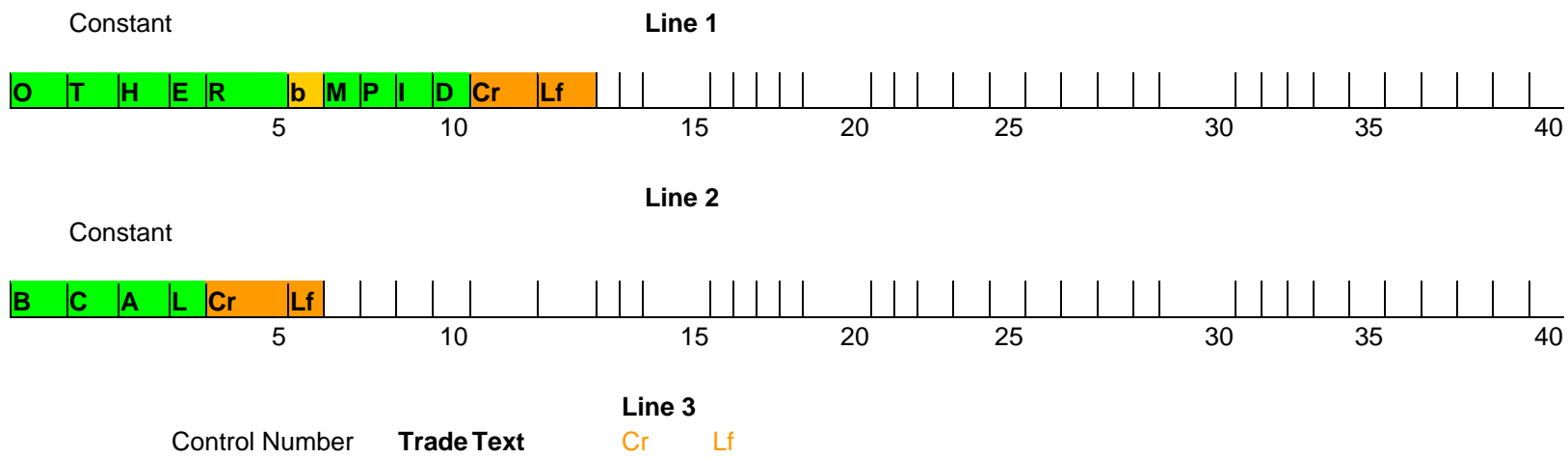


Figure – TRACE UM Notification Message (BCAL)

Exhibit 5.2 TRACE Trade Entry Allege Message - (BCAL)

Two Part Message

Field Name	Position	Format	Contents/Comments
Line 1			
Control Number	1-10	9(10)	Control Number Assigned to Trade
Trade Status	11	X(1)	Status of Trade
As-of	12	X(1)	Y=As-of (T+1 to T+n); b=Original (T Day entry)
B/S Indicator	13	X(1)	B=Bought, S=Sold
Reference Number	14-33	X(20)	User assigned reference number, not validated by system.
Volume	34-45	9(12)	Report the actual number of bonds or shares traded. Format 9(7) v 9(5)
Symbol	46-59	X(14)	TRACE issue symbol
CUSIP	60-68	X(9)	Bond CUSIP
When-Issued Indication	69	X(1)	Y = Yes, N = No
Price	70-79	X(10)	Numeric Field, Price at which bond traded. Format 9(4)V9(6)
Yield Sign	80	X(1)	“-“ Yield is negative
Yield	81-92	X(12)	The yield at which the transaction was effected. For when-issued bonds, Yield is not required unless Price is not provided.. Format X(6) v X(6). Spaces are valid in this field.
Seller Commission	93-100	9(8)	Commission format 9(2)V9(6)
Buyer Commission	101-108	9(8)	Commission format 9(2)v9(6)
CR, LF			Carriage Return, Line Feed
Line 2			
Trade Modifier	1-3	X(3)	SNN=Seller, C=Cash, ND=Next Day, W=Weighted Average, b=Regular
Price Override	4	X(1)	O=Override, b=No override
CPID	5-8	X(4)	MPID of the Contra Party. “C” for Customer may be entered by the Reporting party.
CPGU	9-12	X(4)	MPID of give up on the Contra side
CP Clear Number	13-16	9(4)	Contra Party’s clearing Number, b=Major clearing Number
RPID	17-20	X(4)	Required MPID of the Reporting Party
RPGU	21-24	X(4)	MPID of give up on the Reporting side
RP Clear Number	25-28	9(4)	Reporting Party’s clear Number, b=Major clear Number
Seller PA Indicator	29	X(1)	P or b=Principal, A=agent
Buyer PA Indicator	30	X(1)	P or b=Principal, A=agent
Filler	31-32	X(2)	Reserved for Future Use
Execution Time	33-38	9(6)	Execution Time in HHMMSS format.
Internal Memo	39-48	X(10)	User Memo (Will not be displayed to Contra party)
Special Price Indicator	49	X(1)	Y=Special Price, b= Not Special Price
Filler	50	X(1)	Reserved for Future Use
Special Price Memo	51-100	X(50)	User memo (may be displayed to the Contra party)
Contra Branch	101-108	X(8)	Optional field, eight (8) alphanumeric

Field Name	Position	Format	Contents/Comments
Sequence			
Trade Date	109-116	9(8)	mmddyyyy format; Must be entered for T+2 or older
Reversal Indicator	117	X(1)	b=not a Reversal, R = Reversal
Automatic Giveup Flag	118	X(1)	Contains "Y" if Automatic Giveup; Blank otherwise. (Note: AGU transactions must be entered from the Seller's point of view.)
Append Modifier	119-121	X(3)	Shows the second modifier (.A,SLD) or nothing if not needed
Filler	122-124	X(3)	Filler Reserved for Future Use.
CR, LF			Carriage Return, Line Feed

5.3 Cancel Trade Acknowledgment (BCAN)

- Reference Number -** A twenty character alphanumeric field provided by the subscriber. A firm's own reference number will be returned.
- Control Number -** The ten digit control number which the TRACE System had assigned to the TRACE transaction when it was originally received from the subscriber. The control number is required to uniquely identify the canceled TRACE record in the TRACE File.
- CR LF -** Required line delimiter.

EXHIBIT 5.3 TRACE UM NOTIFICATION MESSAGE - BCAN

- LINE 1: OTHER MPID cr lf
LINE 2: BCAN cr lf
LINE 3: (REF Number) (Control Number) cr lf

Exhibit 5.3 Cancel Trade Acknowledgment (BCAN)

Field Name	Position	Format	Contents/Comments
Reference Number	1-20	X(20)	User assigned Reference Number
Control Number	21-30	9(10)	Control Number associated with the canceled TRACE record

Trace UM Notification Message BCAN

b = Blank Space

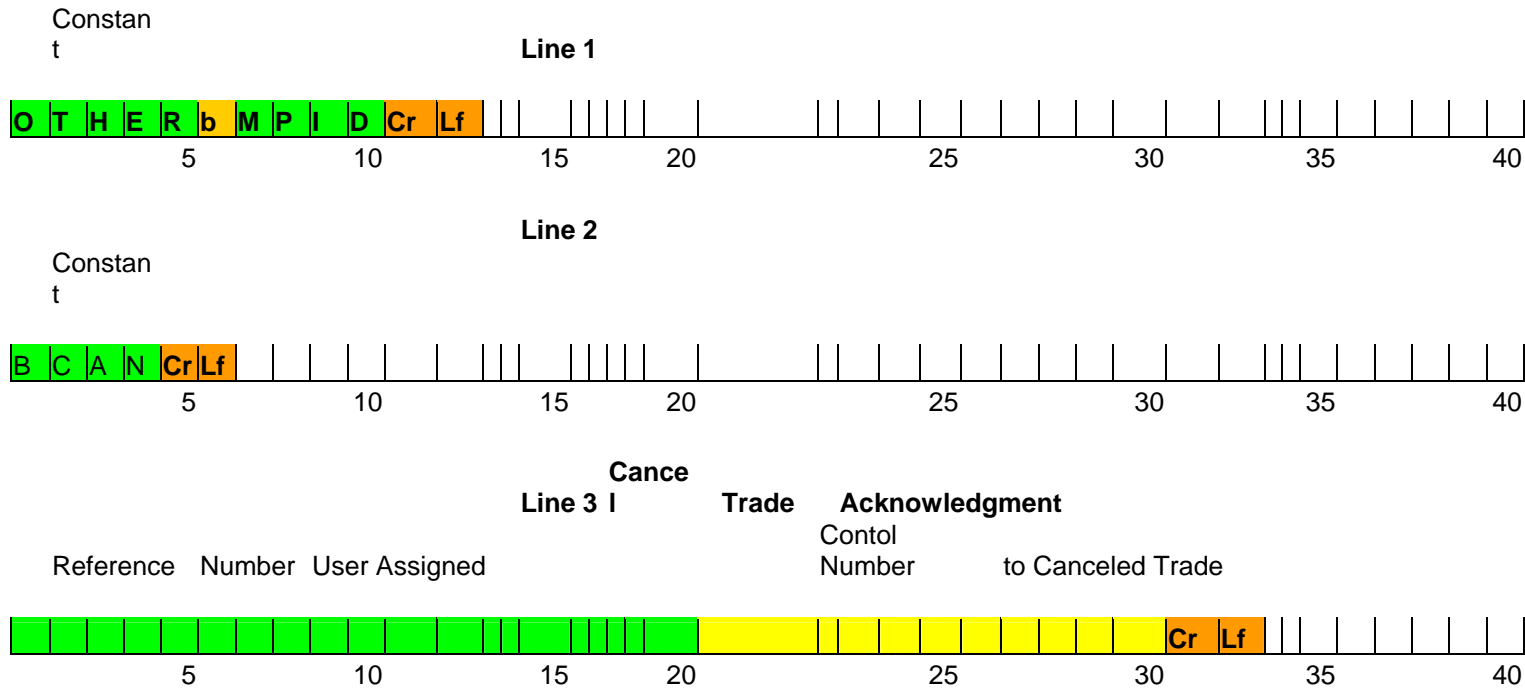


Figure – TRACE UM Notification Message (BCAN)

5.4 No/Was TRACE UM Notification (BCNW)

Denotes a TRACE No/Was TRACE UM Notification Message. This message will be forwarded to the trading parties as follows when a firm submits a No/Was transaction:

- 1) The BCNW Message will always be forwarded to the updating firm.
- 2) The BCNW Message will be forwarded to the contra party if the contra in the No trade equals the contra in the Was trade (i.e., no change in the CPID).

"NO" Reference Number Twenty character alphanumeric field provided by the subscriber. A firm's own reference number will be returned.

"NO" Control Number A ten digit TRACE assigned control number which will be used to identify the "NO" part of the No/Was trade.

"Was" Control Number A ten digit TRACE assigned control number which will be used to identify the "Was" part of the No/Was trade.

WAS TEXT The WAS TEXT is identical to the "Was Portion" of a NO/WAS entry message preceded by the status.

CR LF Required line delimiter.

EXHIBIT 5.4 **TRACE UM NOTIFICATION MESSAGE - BCNW**

LINE 1: OTHER MPID cr lf
LINE 2: BCNW cr lf
LINE 3: (NO REF Number) (No Control #)(WAS Control Number) (WAS Text) cr lf

Note 1: The WAS Text is identical to the Trade Text formatted as an RP Trade Entry.

TRACE UM Notification Message
BCNW

b = Blank Space

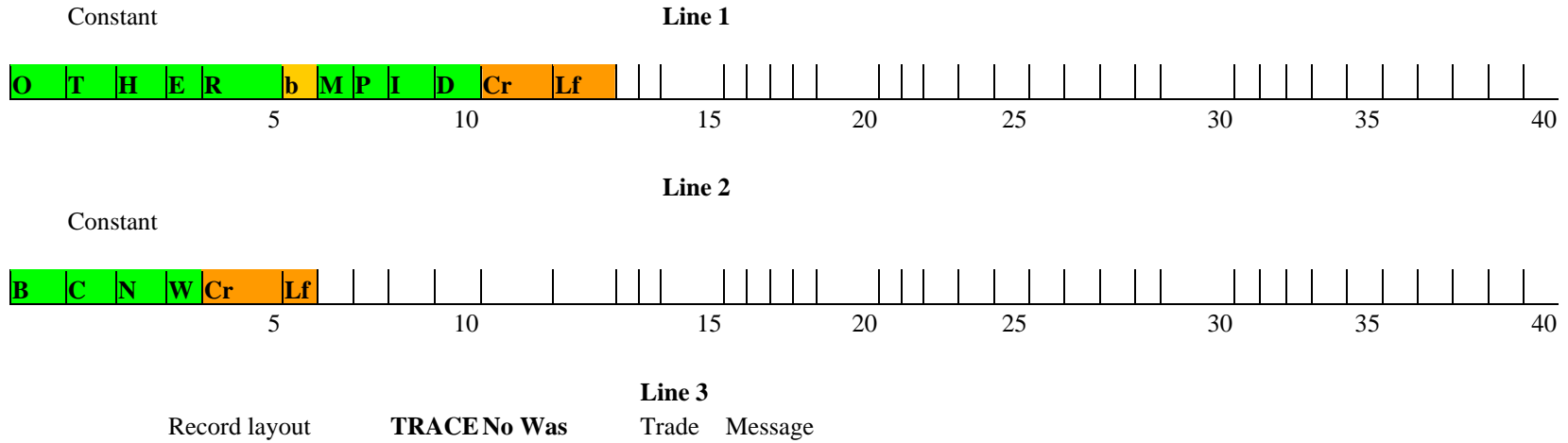


Figure - TRACE UM Notification Message (BCNW)

Exhibit 5.4.1 TRACE No/Was UM Notification (BCNW)

Two Part Message

Field Name	Position	Format	Contents/Comments
Line 1			
NO Reference Number	1-20	X(20)	User assigned Reference Number of the NO Trade
Control Number	21-30	9(10)	Control Number of the No trade
WAS Control Number	31-40	9(10)	Control Number assigned to the WAS portion of the trade
Trade Status	41	X(1)	Status of Trade
As-of	42	X(1)	Y=As-of (T+1 to T+n); b=Original (T Day entry)
B/S	43	X(1)	B=Bought, S=Sold
Reference Number	44-63	X(20)	User assigned reference number
Volume	64-75	9(12)	Report the actual number of bonds or shares traded. Format 9(7) v 9(5)
Symbol	76-89	X(14)	TRACE issue symbol
CUSIP	90-98	X(9)	Bond CUSIP
When-Issued Indication	99	X(1)	Y = Yes, N = No
Price	100-109	9(10)	Dollar price format 9(4) v 9(6)
Yield Sign	110	X(1)	“-“ Yield is Negative, Blank - Yield is Positive
Yield	111-122	X(12)	The yield at which the transaction was effected. For when-issued bonds, Yield is not required unless Price is not provided . Format X(6)vX(6). Spaces are valid in this field.
Seller Commission	123-130	9(8)	Commission format 9(2) v 9(6)
Buyer Commission	131-138	9(8)	Commission format 9(2) v 9(6)
CR, LF			Carriage Return, Line Feed
Line 2			
Trade Modifier	1-3	X(3)	SNN=Seller, C=Cash, ND=Next Day, W=Weighted Average, b=Regular
Price Override	4	X(1)	O=Override, b=No override
CPID	5-8	X(4)	MPID of the Contra Party. “C” for Customer may be entered by the Reporting party.
CPGU	9-12	X(4)	MPID of give up on the Contra side
CP Clear Number	13-16	9(4)	Contra Party’s clearing Number, b=Major clearing Number
RPID	17-20	X(4)	Required MPID of the Reporting Party
RPGU	21-24	X(4)	MPID of give up on the Reporting side
RP Clear Number	25-28	9(4)	Reporting Party’s clearing Number, b=Major clearing Number
Seller PA Ind.	29	X(1)	P or b=Principal, A=agent
Buyer PA Ind.	30	X(1)	P or b=Principal, A=agent
Filler	31-32	X(2)	Reserved for Future Use
Execution Time	33-38	9(6)	Execution Time in HHMMSS format.
Internal Memo	39-48	X(10)	User Memo (Will not be displayed to Contra party)
Special Price Indicator	49	X(1)	Y = Special Price, b = Not Special Price
Filler	50	X(1)	Reserved for Future Use
Special Price Memo	51-100	X(50)	User Memo (may be displayed to Contra party)
Contra Branch Sequence	101-108	X(8)	Optional field, eight (8) alphanumeric
Trade Date	109-116	9(8)	mmddyyyy format; Must be entered for all as-of and reversal transactions
Reversal Indicator	117	X(1)	b=not a Reversal, R = Reversal

Automatic Giveup Flag	118	X(1)	Contains "Y" if Automatic Giveup; Blank otherwise. (Note: AGU transactions must be entered from the Seller's point of view.)
Append Modifier	119-121	X(3)	Shows the second modifier (.A,SLD) or nothing if not needed
Reserved field	122-124	X(3)	Reserved Field
CR, LF			Carriage Return, Line Feed

APPENDIX A --- TCP/IP Connection NASDAQ CTCI TCP/IP Client Interface Specification

Refer to Appendix A in the Subscriber Requirements for CTCI Communication with Nasdaq CTCI Message Switch document located at <http://www.nasdaqtrader.com/trader/tradingservices/specsinstallguides/ctcimessageswitch.pdf>

APPENDIX B --- CTCI Rejection Messages

The following is a list of CTCI rejection messages. These messages may occur as a result of invalid data entry, lack of data or invalid action taken on the trade.

!REJ - FUNCTION NOT ALLOWED
!REJ - INVALID ENTRY
!REJ - INVALID RPID
!REJ - INVALID DATE
!REJ - INVALID PRICE
!REJ - INVALID PRICE OVERRIDE
!REJ - INVALID TIME
!REJ - RPID REQUIRED
!REJ - TRACE ENTRY SUSPENDED
!REJ - INVALID REASON CODE
!REJ - INVALID SIDE
!REJ - NOT WITHIN ALLOWABLE TIME
!REJ - PRICE OUT OF RANGE
!REJ - PRICE OUT OF OVERRIDE RANGE
!REJ - TERMINAL NOT AUTHORIZED
!REJ - INVALID MMID
!REJ - UPDATE OF FIELD REQUIRED
!REJ - NOT CUSIP AND SYMBOL
!REJ - THIS BOND HAS BEEN DELETED
!REJ - INVALID FUNCTION CODE
!REJ - INVALID TRADE DATE
!REJ - INVALID YIELD
!REJ - PRICE REQUIRED
!REJ - PRICE/YIELD REQUIRED
!REJ - INVALID YIELD SIGN
!REJ - INVALID BUYER COMMISSION
!REJ - INVALID CUSIP NUMBER
!REJ - INVALID SYMBOL
!REJ - BOND NOT FOUND
!REJ - INVALID VOLUME ENTERED
!REJ - INVALID AS-OF
!REJ - RPID NOT AUTHORIZED
!REJ - CPID NOT AUTHORIZED
!REJ - CANNOT CHANGE CUSIP
!REJ - INVALID RPID GIVE-UP
!REJ - INVALID CP GIVE-UP
!REJ - RPID GIVE-UP NOT AUTHORIZED
!REJ - CPID GIVE-UP NOT AUTHORIZED
!REJ - MUST ENTER BOND SYMBOL OR CUSIP

!REJ - YIELD DOES NOT MATCH CALC-YLD
!REJ - INVALID SELLER COMMISSION
!REJ - INVALID TRADE MODIFIER
!REJ - INVALID P/A
!REJ - CPID REQUIRED
!REJ - INVALID REPORT FLAG
!REJ - INVALID SPECIAL TRADE INDICATOR
!REJ - INVALID SPECIAL TRADE INDICATOR/SPECIAL MEMO
!REJ - BOND NOT TRACE AUTHORIZED
!REJ - NO CONTROL NUMBER
!REJ - TRADE ALREADY CANCELED
!REJ - CANNOT CANCEL 'NO TRADE' TRADE
!REJ - INVALID BRANCH SEQUENCE NUMBER
!REJ - INVALID CONTRA BRANCH SEQUENCE NUMBER
!REJ - INVALID AS-OF DATE
!REJ - INVALID REVERSAL FLAG
!REJ - NOT AN OPEN TRADE
!REJ - INVALID CPID
!REJ - CORRECTION MAY NOT CHANGE BOND
!REJ - INVALID AGU
!REJ - CORRECTION MAY NOT CHANGE REVERSAL FLAG
!REJ - RPID INTRODUCING BROKER SUSPENDED
!REJ - CPID INTRODUCING BROKER SUSPENDED
!REJ - EXECUTION TIME GREATER THAN TRADE REPORT TIME
!REJ - NOT TRADE SUBMITTER
!REJ - CORRECTION MAY NOT CHANGE AS-OF FLAG
!REJ - CORRECTION MAY NOT CHANGE CONTRA MPID
!REJ - CORRECTION MAY NOT CHANGE CONTRA GIVEUP
!REJ - CORRECTION MAY NOT CHANGE CONTRA CLEARING NUMBER
!REJ - INVALID TRACE ENTRY - YOUR GIVEUP IS RESPONSIBLE
!REJ - TRACE TEMPORARILY NOT AVAILABLE
!REJ - CONTROL NUMBER REQUIRED FOR MEMO FIELD