

FIF Input to NYSE Rule 409(f) SIFMA Memo to NYSE, Dated: March 24, 2007

In addition to surveying SIFMA member firms, SIFMA invited the Financial Information Forum to provide input on the survey questions¹ as well. As you may recall, SIFMA has been working with the FIF on Regulation NMS-related implementation issues from an operations and technology perspective. The service bureaus and correspondent clearing firms of FIF provided input for our March 7, 2007 call, and now offer the following additional feedback on the survey questions:

1. Multi-Client Back Office service providers estimate a 6 – 8 month timeframe for implementation starting from the time that implementation requirements are clearly defined, including for the following:
 - We understand that only a single indicator will be required for a multiple or unknown execution venue; however, if specific wording is necessary, that information needs to be provided at the start of the implementation time frame.
 - Impact of away market indicator on any other regulatory or reporting requirement – e.g., blue sheets, statements.

One service bureau estimated that an implementation team of three FTE would be required to implement this change.

The implementation process would be iterative since each back office client has a custom confirm with varying text, text placement, and confirm size. If back office clients are required to add content that exceeds their current confirm size, they will incur additional printing and mailing costs.

2. Numerous systems are affected by changes to the confirm, including:
 - Execution matching - Parsers will have to change to recognize the new Line 4b “away market center” and “MMID” field. Additionally, execution reports from the other exchanges will need to be parsed for their away market information. Given that each market center represents information regarding routing away orders in a different manner, development effort extends to parsing all execution reports in NYSE-listed securities. Logic will also be required to process multiple away markets into a single away market indicator representing “multiple.”
 - Order Management Databases will need to store this information.
 - OMS to Back Office Services will need to communicate this information.
 - Back Office Databases will need to store this information.
 - Confirm processes will need to accommodate this new value based on regulatory and client requirements including changes to content, formatting, and potentially paper size. While P&S consolidates some of the processing, code unique to each client must also be modified.

¹ Survey Questions: 1) How much time would your firm need to program to comply with NYSE Rule 409(f) under Regulation NMS? Please provide cost estimates as well if you have them. 2) What systems would need to be programmed to comply with this requirement under Regulation NMS?