

## NASDAQ OMX Nordic Smart Order Routing FAQ

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### **Introduction:**

NASDAQ OMX Nordic exchanges offers easy and cost efficient access to order routing to other trading venues, using the NASDAQ OMX Nordic Smart Order Router.

### **Frequently Asked Questions**

**1. How is order routing related to the investment firms best execution obligation?**

Best execution is, in general, related to the investment Firms responsibility to execute order in the best possible way for the client. The process to do this should be specified in the firms best execution policy. NASDAQ OMX Nordic service offering, whereby orders can reach other venues trading Nordic shares where there, could be potential price improvement is a way of enhancing execution. However, best execution is always the responsibility of the investment firm executing the order for its customer and the policy needs to reflect the execution possibilities.

**2. Will the Nordic Order Routing Service include routing to Burgundy?**

NASDAQ OMX Nordic will support Smart Order Routing to Burgundy right from start.

**3. Will the prices for the different MTF's be displayed in Nordic Workstation?**

Real-time (Best Bid / Offer) BBO from the supported MTF's and regulated markets will not be available in Nordic Workstation. There are already third party vendor products out there supporting this. Many front-end solutions also have consolidated market data integrated.

**4. What are the costs for settling routed trades in EMCF?**

The costs for settling trades at EMCF that were routed away from NASDAQ OMX Nordic are the same as if the trade was executed at any of the NASDAQ OMX Nordic exchanges.

**5. How extensive is the applications process?**

We will have an integrated application process for the service. It should be possible to complete the application and approval process within two days. Please contact your local KAM for the details.

**6. Will you have to manually fill in if you want a trade order routed?**

An order eligible for routing can be entered by the Nordic Workstation or via the FIX protocol. Default configuration at order entry is always "Book", which means no order routing. If you want the order to be routed, you must actively instruct so at order entry.

**7. Which securities can be order routed and where do I find the information?**

Currently OMXS30, OMXH25 and OMXC20 as well as other CCP cleared large caps also traded on away markets including the Oslo shares listed on NASDAQ OMX Stockholm.

Information on routable stocks will be available on our web-site. Latest Q2, 2011 the information will be available in the GCF reference data.

**8. How does the priority between venues work when orders are routed out?**

We will route out based on best price. If there are multiple venues with the same price, we will route to the venue based on our experience of likelihood for execution.

**9. Is the SCAN strategy the only option available?**

Going forward we are preparing for offering additional strategies. Strategies where orders can route out again based on change in market data is one example. We are also planning to offer strategies where the member can target primary markets/MTFs only and/or dark pools.

**10. How can I see on what away market the trade originally was executed?**

The constructed mirrored trade between the member and the Introducing broker is seen as on-exchange (on respective NASDAQ OMX Nordic Exchange), but the origination of the trade will be possible to distinguish by examining the FIX message in TAG 9882 (LiquidityFlag). The code in that field will display the origination of the trade. This field will be available in the FIX drop as well. Therefore it will be fully possible for the member to see that the routed trade originally was done at Chi-x.

**11. What is the extra latency when utilizing order routing?**

Routing logic will not add any measurable additional latency when trying to match in the Nordic order book. There is no time difference between a routed order scraping the Nordic book and a standard Nordic order scraping the book.

When routed out to an away market in London, the major part of the extra latency will be explained by the physical distance between Stockholm and London. NASDAQ OMX Nordic will monitor the latency and communicate that to customers of the service at a later point in time.