Equity Risk Checks (EQRC)

Exchange Risk Controls Framework
A risk system designed to address market access rules with oversight and flexible controls built to keep evolving with changing market landscapes and client dynamics. A last stop for risk mitigation, Nasdaq offers a comprehensive pre-trade risk solution to provide final checks before orders enter each Nasdaq exchange.

Key Benefits:

- Flexible controls and protection parameters by single order and aggregate exposure levels via a RESTful API
- Configurable automatic actioning when exposure limits are breached

Set guardrails

- Retrieve information on current settings, consumption levels, alerts and breaches via API
- Users can opt into email alerts for when risk levels are breached
- The API provides audit and historical utilization services

Retrieve real-time and historical information

- Offered within existing membership cost framework
- Reduce the use of outside vendors

No additional cost

Pre-trade Risk Management Features

<table>
<thead>
<tr>
<th>Single Order Checks</th>
<th>Rate Threshold Checks:</th>
<th>Aggregate Checks*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted stock list</td>
<td>Port message rate threshold</td>
<td>Gross open exposure</td>
</tr>
<tr>
<td>Hard to borrow list</td>
<td>Symbol message rate threshold</td>
<td>Gross executed exposure</td>
</tr>
<tr>
<td>Single order ADV check</td>
<td>Duplicative order protection</td>
<td>Gross notional exposure</td>
</tr>
<tr>
<td>Fat Finger Protection</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order type/attribution check (ISOs, SSOs, Non-marketable, pre/post market)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market impact check</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* These checks can be configured by each exchange (NASDAQ, BX, PSX) and by those that are routable orders
* Users can specify what type of action is taken when limit is breached- reject new orders, reject new and cancel all open including OR excluding open/closing cross orders
* Users can configure 3 alert thresholds- watch, warn, action

Equity Risk Checks (EQRC) User Guide
Contact us today to start testing our new pre-trade risk management solutions.

+1 212-231-5180 | tradingservices@nasdaq.com

© Copyright 2022. All rights reserved. Nasdaq is registered trademarks of Nasdaq, Inc. 2463-Q22

nasdaq.com