



# Equities Risk Checks

## User Interface User Guide

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# 1. Introduction

Nasdaq offers members and sponsored access firms configurable pre-trade risk checks via a user interface on Nasdaq's WorkX platform. In addition to the configuration of risk parameters, members will also be able to monitor exposure, configure alerting, and retrieve audit information via the UI.

The risk checks are available on all order entry protocols on Nasdaq, BX, and PSX:

- OUCH
- FLITE
- FIX
- RASHport

# 2. Risk Entities

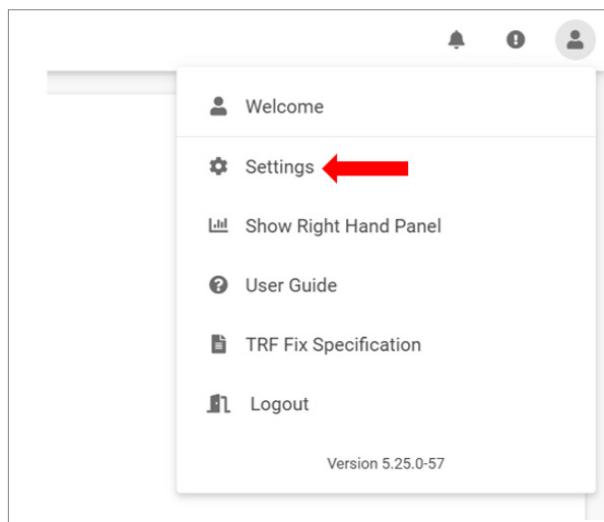
A Risk Entity is a business unit for which different risk limits may be set. The available Risk Entities and their applicability per risk control type is as follows:

- **MPID**
  - Mandatory for all checks
- **MPID + Port**
  - Entering firms have the ability to segment risk at a more detailed level by specifying a MPID + Port combination.
  - MPID + Port is required for Message Rate Threshold and Duplicative Order Protection checks
- **MPID + Symbol**
  - Entering firms will be required to specify a symbol in order to enable certain risk checks
- **MPID + Port + Symbol**
  - Entering firms have the ability to segment risk at a more detailed level by specifying a Port with the MPID + Symbol hierarchy.
- **MPID + Group ID hierarchy**
  - Entering firms have the ability to register Group IDs within their MPIDs to segment risk at a more detailed level than MPID
  - Group ID format:
    - 2 byte short integer

Risk Control	MPID	MPID + Port	MPID + Group ID	MPID + Symbol	MPID + Port + Symbol
Maximum Notional Value per order	Y	Y			
Maximum Shares per order	Y	Y			
Single Order - Percentage of Symbol ADV	Y	Y			
Reject ISO	Y	Y			
Reject Short Sale Orders	Y	Y			
Reject Non-Auction Market Orders	Y	Y			
Reject Pre-Market Trading	Y	Y			
Reject Post-Market Trading	Y	Y			
Reject Short Sale Exempt	Y	Y			
Require Locate	Y	Y			
Restricted Stock List				Y	Y
Hard to Borrow List				Y	Y
Fat Finger Protection	Y	Y			
Market Impact Check	Y	Y			
Message Rate Threshold - Port & Symbol		Y			
Duplicative Order Protection		Y			
Gross Exposure – Open	Y	Y	Y		
Gross Exposure – Executed	Y	Y	Y		
Gross Exposure - Notional	Y	Y	Y		

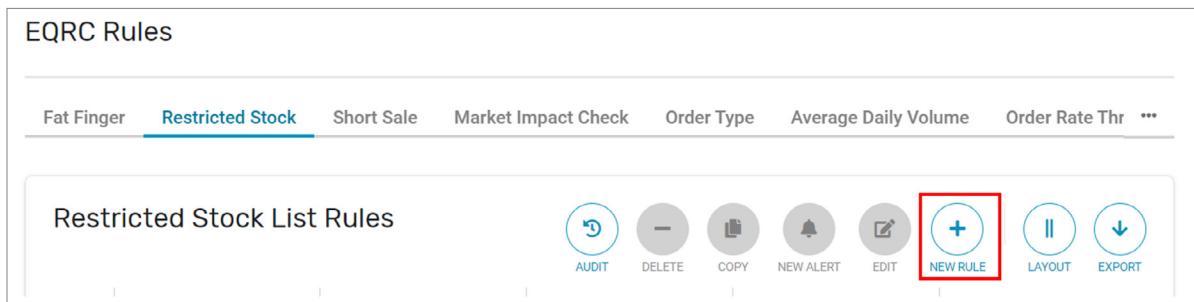
### 3. View/Create/Edit Risk Settings

All rule creation, maintenance, auditing, and alerts can be managed in the EQRC Rules section of the Settings menu.



### 3.1. Creating a new rule

- To add a new rule, select the applicable risk setting tab and click the “New Rule” button.



- Mandatory fields will be designated with an orange circle
- Newly configured rules will automatically default to a status of CONFIGURED and will not become active until the next trading session.

#### 3.1.1. Maximum Shares per order

**Breach Action:** triggered when calculation > limit. Order rejected on arrival.

**Calculation:**

- Value specified in Shares field of the order.

**Configuration:** configurable at the MPID and MPID+Port level.

- Min: 0 Max 999,999

**Design:** Each individual order that would exceed the configured limit will be rejected on arrival.

Create Max Shares Per Order Rule		
Exchange	MPID	Port
NASDAQ	INET	Select...
<b>Per Order Shares Limit</b>		
500000		
<b>CLOSE</b>		<b>SAVE</b>

#### 3.1.2. Maximum Notional Value per order

**Breach Action:** triggered when calculation > limit. Order rejected on arrival.

**Calculation:**

- Calculated as booked price x Shares.

**Configuration:** configurable at the MPID level.

- Min: 0 Max: Max Long
- Must be configured in increments of 1,000

**Design:** Each individual order that would exceed the configured limit will be rejected on arrival.

Create Max Notional Order Rule

Exchange	MPID	Port	<b>CLEAR</b>
PSX	INET	Select...	
Per Order Notional Limit			
20000000			
<b>CLOSE</b> <b>SAVE</b>			

### 3.1.3. Percentage of Symbol Average Daily Volume

**Breach Action:** triggered when Shares > calculated maximum quantity. Order rejected on arrival.

#### Calculation:

- The single order maximum quantity for a given symbol is calculated as the symbol's 20 day Average Daily Volume x the configured percentage limit.
- Additional ability for customers to specify a minimum CADV value; e.g minimum 20 day CADV is  $\geq$  Y shares.
  - For any symbol that has a 20 day CADV below this value, the value specified by the customer will be used for calculation.
- The rolling 20-day consolidated Average Daily Volume (ADV) is updated for each symbol at the end of each trading day. If a symbol has been trading for less than 20 days, the exchange will take the average volume across the days that it has been trading. If no trading has occurred the value will be zero.

**Configuration:** configurable at the MPID and MPID+Port level.

- Min: 0% Max: 255%

#### Design:

- Each individual order that would exceed the configured limit will be rejected on arrival.
- Enabling this setting will result in this check being done on all symbols (i.e. there will not be an ability to enable on a per symbol basis).

Create Average Daily Volume Rule

<input checked="" type="radio"/> Exchange	<input checked="" type="radio"/> MPID	Port	<b>CLEAR</b>
NASDAQ	INET	Select...	
<input checked="" type="radio"/> Percent ADV	<input checked="" type="radio"/> Minimum Volume		
5	10000		
<b>CLOSE</b> <b>SAVE</b>			

### 3.1.4. Order Type/Attribution Restrictions

**Breach Action:** Order rejected on arrival.

**Configuration:** configurable at the MPID and MPID+Port level

- Reject ISO - on/off
- Reject Pre-Market Trading - on/off
- Reject Post-Market Trading - on/off
- Reject Short Sale orders – on/off
- Reject Non-Auction Market Orders – on/off
- Reject Short Sale Exempt Orders – on/off
- Reject IPO Buy Market Orders – on/off

**Design:** Each individual order subject to the configured restriction will be rejected on arrival.

Create Order Type Rule

Exchange: NASDAQ | MPID: INET | Port: Select... | CLEAR

ISO Orders Enabled?  Short Sale Orders Enabled?  
 Non Market Orders Enabled?  Pre Market Trading Enabled?  
 Post Market Trading Enabled?  Short Sale Exempt Enabled?

**CLOSE** **SAVE**

### 3.1.5. 3.1.5. Shares Located Check

**Breach Action:** Order rejected on arrival.

**Configuration:** configurable at the MPID+Symbol and MPID+Port+Symbol level

- Require Locate on Short Sale/Short Sale Exempt orders - on/off.
  - Applicable to orders with Side = Short Sale/Short Sale Exempt
  - Check only available on OUCH 5.0, FIX, and RASHport 1.2
- Require Broker List on Short Sale/Short Sale Exempt orders – on/off
  - The broker list will only accept shares located orders that are from the select brokers in the list.
  - Check only available on OUCH 5.0 and FIX.

**Design:** Each individual order subject to the configured restriction will be rejected on arrival.

Create Shares Located Check Rule - Step 1 of 2

Exchange: NASDAQ      MPID: INET      Port: Select...      CLEAR

Shares Located Check: Select...       Include Short Sale Exempt

CLOSE      NEXT

Create Shares Located Check Rule - Step 2 of 2

Exchange: NASDAQ      MPID: INET      Port: Select...      CLEAR

Broker List: Select or create options

BACK      SAVE

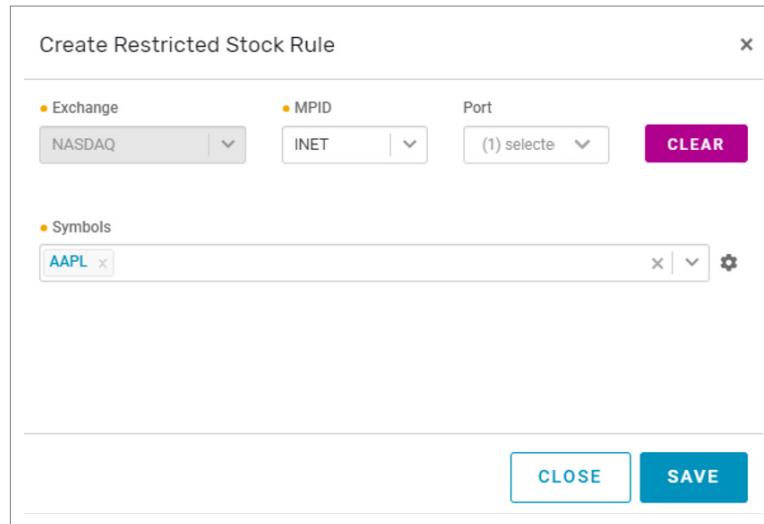
### 3.1.6. Restricted Stock List

**Breach Action:** Order rejected on arrival.

**Configuration:** configurable at the MPID+Symbol and MPID+Port+Symbol level

- Reject Restricted Symbol (all Sides) - on/off

**Design:** Each individual order subject to the configured restriction will be rejected on arrival.



The dialog box is titled 'Create Restricted Stock Rule'. It has three tabs: 'Exchange' (selected), 'MPID', and 'Port'. Under 'Exchange', 'NASDAQ' is selected. Under 'MPID', 'INET' is selected. Under 'Port', '(1) select...' is shown. A 'CLEAR' button is available. The 'Symbols' section contains a single entry 'AAPL'. A 'CLOSE' and 'SAVE' button are at the bottom.

### 3.1.7. Hard to Borrow List

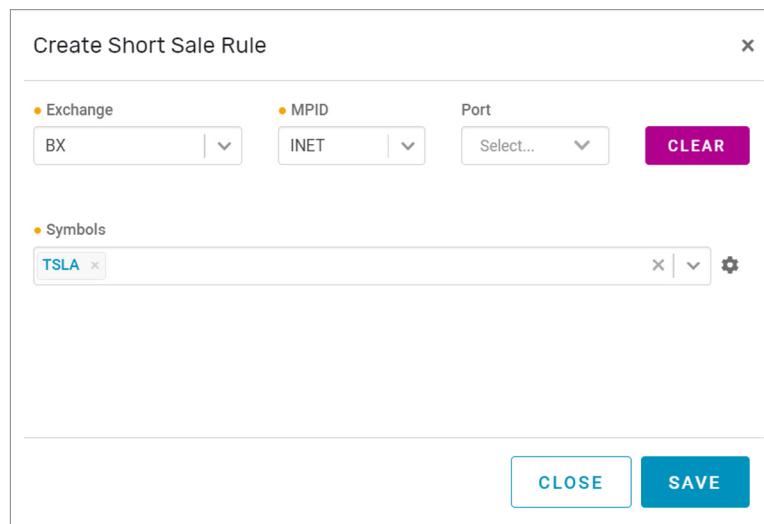
**Breach Action:** Order rejected on arrival.

**Configuration:** configurable at the MPID+Symbol and MPID+Port+Symbol level

- On/off

**Design:**

- Short Sale exempt orders are NOT included in this check
- Each individual order subject to the configured restriction will be rejected on arrival.



The dialog box is titled 'Create Short Sale Rule'. It has three tabs: 'Exchange' (selected), 'MPID', and 'Port'. Under 'Exchange', 'BX' is selected. Under 'MPID', 'INET' is selected. Under 'Port', 'Select...' is shown. A 'CLEAR' button is available. The 'Symbols' section contains a single entry 'TSLA'. A 'CLOSE' and 'SAVE' button are at the bottom.

### 3.1.8. Market Impact Check

**Breach Action:** order rejected on arrival, or cancellation when applied to a previously entered order.

**Calculation:** far-side of the current LULD bands (i.e. buy (sell) order cannot be more aggressive than the upper (lower) band).

**Configuration:** configurable at the MPID and MPID+Port level

- On/off

**Design:**

- Each individual order that would exceed the configured limit will be rejected.
- Enabling this setting will result in this check being done on all symbols (i.e. there will not be an ability to enable on a per symbol basis).
- Check is only available during market hours and will only apply to non-market priced orders in the continuous market.

The dialog box is titled 'Create Market Impact Check Rule'. It contains three dropdown menus: 'Exchange' (set to PSX), 'MPID' (set to INET), and 'Port' (with a 'Select...' button). Below these is a checked checkbox labeled 'Market Impact Check Enabled?'. At the bottom are 'CLOSE' and 'SAVE' buttons.

### 3.1.9. Fat Finger Protection

**Breach Action:** triggered when calculation > limit. Order rejected on arrival

**Calculation:** incoming order's limit price differs from the NBBO by more than the configured limit

**Configuration:** configurable at the MPID and MPID+Port level

- Reference Price - contra side NBBO. If NBBO is not available, the previous day's Official Closing Price will be used as the reference price. Separate limits can be set depending on the reference price ranges below.

RiskRangeID	Reference Price
1	Below \$1.00
2	Equal to \$1.00 and Below \$10.00
3	Equal to \$10.00 and Below \$50.00
4	Equal to \$50.00 and Below \$100.00
5	Equal to \$100.00 and Below \$500.00
6	Equal to \$500.00 and Above

- **Percentage:** Min: 0% , Max: 500%

- **Notional:** Min 0 , Max: Max Long

## Design:

- Each individual order that would exceed the configured limit will be rejected.
- Customers will have the ability to configure Fat Finger limits using both percentage-based limits and/or dollar-based limits.
- When both percentage and dollar-based limits are specified, the more conservative limit will be enforced.
- Auction orders (excluded by default) and ISO orders (included by default) are optionally configurable. Market Maker Peg orders are excluded from Fat Finger protection.

Create Fat Finger Rule

Exchange	MPID	Port	
NASDAQ	INET	Select...	
<b>Range 1 Amt</b> <b>Range 1 %</b> <b>Range 2 Amt</b> <b>Range 2 %</b>			
0	0	50	10
<b>Range 3 Amt</b> <b>Range 3 %</b> <b>Range 4 Amt</b> <b>Range 4 %</b>			
70	10	100	5
<b>Range 5 Amt</b> <b>Range 5 %</b> <b>Range 6 Amt</b> <b>Range 6 %</b>			
100	5	100	5
<b>CLOSE</b> <b>SAVE</b>			

### 3.1.10. Order Rate Thresholds

#### 3.1.10.1. Duplicative Order Protection

**Breach Action:** triggered when count of duplicative orders > limit.

**Calculation:** Duplicative orders that have the same side, price, quantity and symbol that have been entered during a configurable amount of time (in seconds, and specified by the customer) for the same MPID.

**Configuration:** configurable at the MPID+Port level

- Number of orders: Min: 0 Max: Max Long
- Number of seconds: Min: 1 Max: 30

**Design:** Each individual order that would exceed the configured limit will be rejected. A breach will require customers to send a Safety Switch command to allow new orders to be entered via the affected port(s).

Create Order Rate Threshold Rule

Exchange	MPID	Port
Select...	Select...	Select...
<b>Max Duplicate Messages</b> <b>Duplicate Time Window Size</b> <b>Max Port Messages</b>		
<b>Port Time Window Size</b> <b>Max Symbol Messages</b> <b>Symbol Time Window Size</b>		
<b>CLOSE</b> <b>SAVE</b>		

### 3.1.10.2. Message Rate Thresholds

**Breach Action:** triggered when count of messages (Port or Symbol) > limit

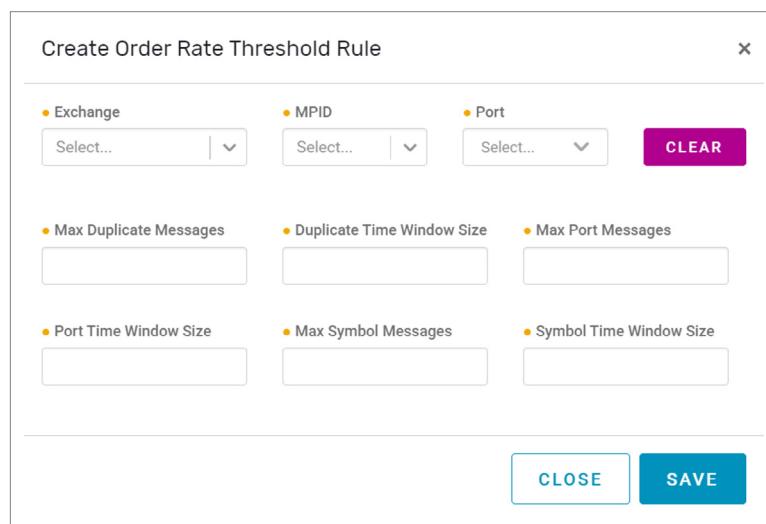
**Calculation:** The maximum number of messages (Port or Symbol) sent in a rolling one second window, calculated from the time a non-heartbeat message is received. All non-cancel messages, via non-dedicated cancel ports, will count towards this threshold.

**Configuration:** configurable at the MPID+Port level

- Number of messages: Min: 0 Max: Long

**Design:**

- Once breached, all new orders and modifications will be rejected, and cancels will continue to be accepted via the affected MPID/port. Manual intervention from the firm will be required to re-allow new orders and modifications to be entered via the affected MPID/port.
- A breach will require customers to send a Safety Switch command to allow new orders to be entered via the affected port(s).



The dialog box is titled 'Create Order Rate Threshold Rule'. It contains three tabs: 'Exchange', 'MPID', and 'Port'. Under 'Exchange', there is a 'Select...' dropdown and a 'CLEAR' button. Under 'MPID', there is a 'Select...' dropdown. Under 'Port', there is a 'Select...' dropdown. Below these tabs are six input fields arranged in a 2x3 grid: 'Max Duplicate Messages', 'Duplicate Time Window Size', 'Max Port Messages'; 'Port Time Window Size', 'Max Symbol Messages', 'Symbol Time Window Size'. At the bottom are 'CLOSE' and 'SAVE' buttons.

### 3.1.11. Gross Exposure - Open, Executed, Notional

**Action:** triggered when calculation > limit.

**Calculation:** Gross Open, Executed, and Notional exposure is calculated at an aggregated basis, at EACH separate exchange (Nasdaq, BX, PSX) and for routed orders.

- **Gross Open Exposure**

– [sum of booked price \* size for all open buy orders] + [sum of booked price \* size for all open sell orders]. Orders exposed will be calculated using the resting order's booked price on the book (which may be less aggressive than the order's entered limit price).

- **Gross Executed Exposure**

– [sum of size \* trade price for all buy orders executed] + [sum of size \* trade price for all sell orders executed].

- **Gross Notional Exposure**

– Total open and executed order exposure; (buys executed + buys exposed + sells executed + sells exposed)

**Configuration:** configurable at the MPID, MPID+Port, and MPID+GroupId

- Min: 1 Max: Long

## Design:

- Orders received after the breach is detected will be rejected
- Port auto-unlock will apply if the amount falls under the configured limit.
- For each of the Gross Exposure risk controls, the following options are available as automatic actions if the specific risk control is breached on each individual exchange. This action will be applied to the specific level where the limits configured were breached
  - Reject new orders
  - Reject new orders and cancel all open orders including Opening and Closing Cross orders
  - Reject new orders and cancel all open orders excluding Opening and Closing Cross orders
- Gross Exposure checks offer three threshold levels:
  - **Watch:** exposures exceeding this value will generate an email alert (when configured)
  - **Warn:** exposures exceeding this value will generate an email alert (when configured)
  - **Action:** exposures exceeding this value will generate an email alert (when configured) and trigger the selected Breach Action (Reject, Cancel All, Cancel Non Cross)

**Create Gross Exposure Rule**

<input checked="" type="radio"/> Exchange	<input checked="" type="radio"/> MPID	Port
PSX	INET	Select...
<b>CLEAR</b>		
Group ID		
Select or create an option		
<input checked="" type="radio"/> Open Exposure Watch	<input checked="" type="radio"/> Open Exposure Warn	<input checked="" type="radio"/> Open Exposure Action
10000	20000	30000
<input checked="" type="radio"/> Executed Exposure Watch	<input checked="" type="radio"/> Executed Exposure Warn	<input checked="" type="radio"/> Executed Exposure Action
5000	6000	7000
<input checked="" type="radio"/> Notional Exposure Watch	<input checked="" type="radio"/> Notional Exposure Warn	<input checked="" type="radio"/> Notional Exposure Action
20000	25000	30000
<input checked="" type="radio"/> Breach Action		
CANCEL NON CRO...		
<b>CLOSE</b> <b>SAVE</b>		

### 3.2. Deleting a rule

- To delete a current rule, select the rule by checking the box to the left and click “Delete”.
- Rule deletions will take immediate effect intraday and the applicable risk settings will no longer be active.
- Rule deletions are not retroactive and will not impact orders entered prior to the deletion.

EQRC Rules

Fat Finger **Restricted Stock** Short Sale Market Impact Check Order Type Average Daily Volume Order ...

Restricted Stock List Rules

	STATUS	MPID	PORT	EXCHANGE	SYMBOLS
<input type="checkbox"/>	ACTIVE	INET	IN19T6	NASDAQ	NDAQ, ZWZT
<input type="checkbox"/>	ACTIVE	INET	IN21T7	BX	NDAQ, ZWZT
<input type="checkbox"/>	ACTIVE	INET	IN20T9	PSX	NDAQ
<input type="checkbox"/>	ACTIVE	INET	IN19T9	ROUTED	NDAQ, IBM
<input type="checkbox"/>	CONFIGURED	INET	BTFGW2	NASDAQ	AAPL
<input type="checkbox"/>	CONFIGURED	INET	IN16T7	ROUTED	MSFT, BB

AUDIT **DELETE** COPY NEW ALERT EDIT NEW RULE LAYOUT EXPORT

### 3.3. View/Edit current rules

- Clicking on each rule tab will display all current risk settings in the table below.
- Rules with a status of ACTIVE are currently being enforced in the trading system.
- Rules with a status of CONFIGURED have been setup but are not yet active. Such rules will automatically become ACTIVE for the next trading session.

EQRC Rules

Fat Finger **Restricted Stock** Short Sale Market Impact Check Order Type Average Daily Volume Order ...

Restricted Stock List Rules

	STATUS	MPID	PORT	EXCHANGE	SYMBOLS
<input type="checkbox"/>	ACTIVE	INET	IN19T6	NASDAQ	NDAQ, ZWZT
<input type="checkbox"/>	ACTIVE	INET	IN21T7	BX	NDAQ, ZWZT
<input type="checkbox"/>	ACTIVE	INET	IN20T9	PSX	NDAQ
<input type="checkbox"/>	ACTIVE	INET	IN19T9	ROUTED	NDAQ, IBM
<input type="checkbox"/>	CONFIGURED	INET	BTFGW2	NASDAQ	AAPL
<input type="checkbox"/>	CONFIGURED	INET	IN16T7	ROUTED	MSFT, BB

AUDIT DELETE COPY NEW ALERT EDIT NEW RULE LAYOUT EXPORT

- To edit an existing rule, select the rule and click "Edit".

EQRC Rules

Restricted Stock   Short Sale   Market Impact Check   Order Type   Average Daily Volume   Order Rate Thr   ...

Restricted Stock List Rules

	STATUS	MPID	PORT	EXCHANGE	SYMBOLS
<input checked="" type="checkbox"/>	ACTIVE	INET	IN24T9	ROUTED	NDAQ
<input type="checkbox"/>	ACTIVE	INET	IN19T9	ROUTED	BABA
<input type="checkbox"/>	ACTIVE	INET	IN24T4	NASDAQ	NDAQ, SPCE
<input type="checkbox"/>	ACTIVE	INET		NASDAQ	AMD

- When editing CONFIGURED rules, the rules can only be edited using the "Next Day (Configured)" radio button and will take effect when the rule becomes ACTIVE.
- When editing ACTIVE rules, any changes made will take immediate effect and will be applied during the current trading session.

### 3.4. Audit rules

- Users are able to audit the history of a given rule by selecting the rule and clicking "Audit".
- User will need to specify the Exchange, MPID, and Date Range
- The audit feature will produce a .CSV file detailing the Revision Date, Revision Type, User, and relevant changes made to the rule.

Fat Finger Rules

Audit Fat Finger Rule

Exchange: NASDAQ

MPID: INET

Port: Select...

Group ID: Select or create an option

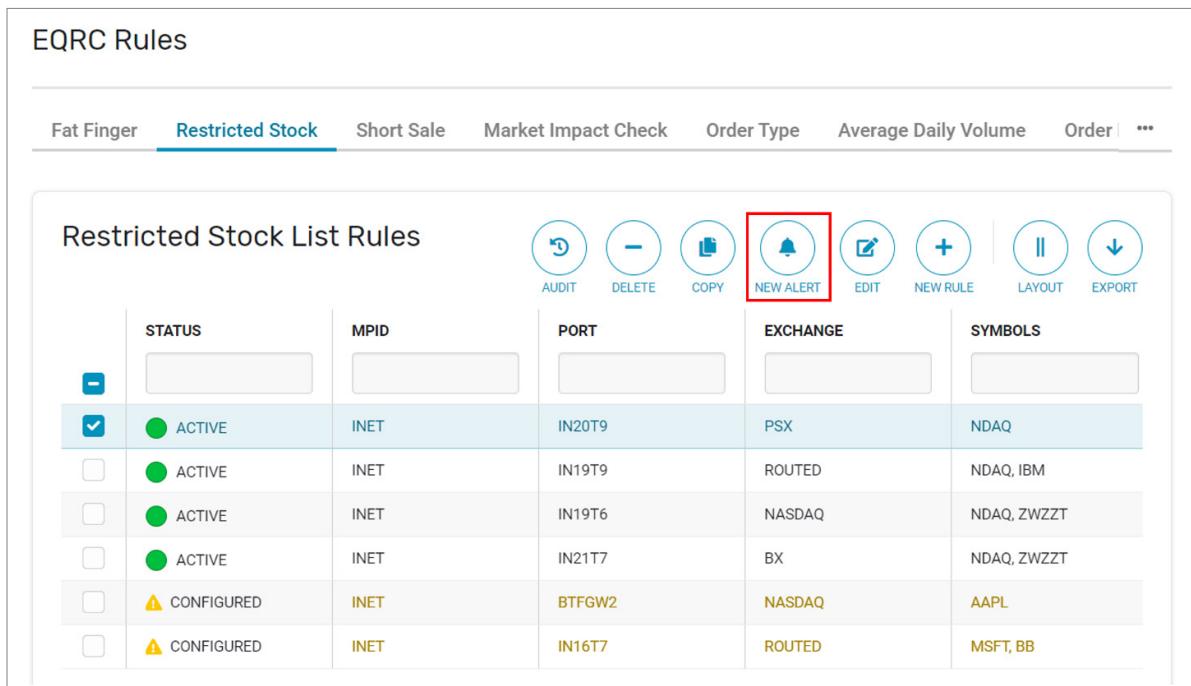
Date Range: 4/1/2023 - 6/13/2023

AUDIT   DISCARD

	STATUS	MPID	RANGE 1 AMOUNT	RANGE 1 %
<input checked="" type="checkbox"/>	ACTIVE	INET	0	0
<input type="checkbox"/>	ACTIVE	INET	1,000	1
<input type="checkbox"/>	ACTIVE	INET	0	0
<input type="checkbox"/>	CONFIGURED	AKAM	0	0
<input type="checkbox"/>	CONFIGURED	INET	2	3
<input type="checkbox"/>	CONFIGURED	INET	1	1
<input type="checkbox"/>	CONFIGURED	INET	2	2
<input type="checkbox"/>	CONFIGURED	INET	1	1
<input type="checkbox"/>	CONFIGURED	INET	1	1
<input type="checkbox"/>	CONFIGURED	INET	1	1

### 3.5. Email alerts

- Users are able to create email alerts when breaches occur for any of their established risk settings.
- A user is only allowed to configure email alerts for a MPID, Port, and GroupID to which they have access
- The user need to specify the following when configuring an email alert:
  - Rule Type
  - Exchange
  - MPID/Port/Group ID
  - Email address(es)
- Users can create email alerts directly through the configuration screen for the specific rule or through the Alert Configurations tab:
  - To create an alert through the configuration screen for the specific rule, select the appropriate rule from the EQRC Rules screen and click the “New Alert” button. Select or type the email address that should receive the alerts, check “Configuration Enabled”, and click “Save”.



The screenshot shows the EQRC Rules interface with the 'Restricted Stock' tab selected. The toolbar includes buttons for AUDIT, DELETE, COPY, NEW ALERT (which is highlighted with a red box), EDIT, NEW RULE, LAYOUT, and EXPORT. Below the toolbar is a table titled 'Restricted Stock List Rules' with columns for STATUS, MPID, PORT, EXCHANGE, and SYMBOLS. The table contains several rows of data, with the first row having a checked status indicator.

	STATUS	MPID	PORT	EXCHANGE	SYMBOLS
<input checked="" type="checkbox"/>	ACTIVE	INET	IN20T9	PSX	NDAQ
<input type="checkbox"/>	ACTIVE	INET	IN19T9	ROUTED	NDAQ, IBM
<input type="checkbox"/>	ACTIVE	INET	IN19T6	NASDAQ	NDAQ, ZWZT
<input type="checkbox"/>	ACTIVE	INET	IN21T7	BX	NDAQ, ZWZT
<input type="checkbox"/>	CONFIGURED	INET	BTFGW2	NASDAQ	AAPL
<input type="checkbox"/>	CONFIGURED	INET	IN16T7	ROUTED	MSFT, BB

- To create an alert through the Alert Configurations tab, navigate to this tab and click on “New”.
  - User will have to manually select the applicable risk entities, rule type, and email addresses for the alerts, select “Configuration Enabled”, and click “Save”.

**Create Alert Configuration**

Exchange      MPID      Port

Select...      Select...      Select...      CLEAR

Group ID

Select or create an option

Rule Type

Select...

Email Addresses

Select or create options

Configuration Enabled?

**CLOSE**      **SAVE**

- NOTE: For Gross Exposure checks, an email alert will be received for a breach of each threshold (Watch/Warn/Action).
- Users can view all current email alerts that have been set up through the Alerts Configurations tab in the EQRC Rules menu.

**EQRC Rules**

Fat Finger    Restricted Stock    Short Sale    Market Impact Check    Order Type    Average Daily Volume    Order Rate Thresholds    Gross Exposure    Alert Configurations

**EQRC Alert Configuration**

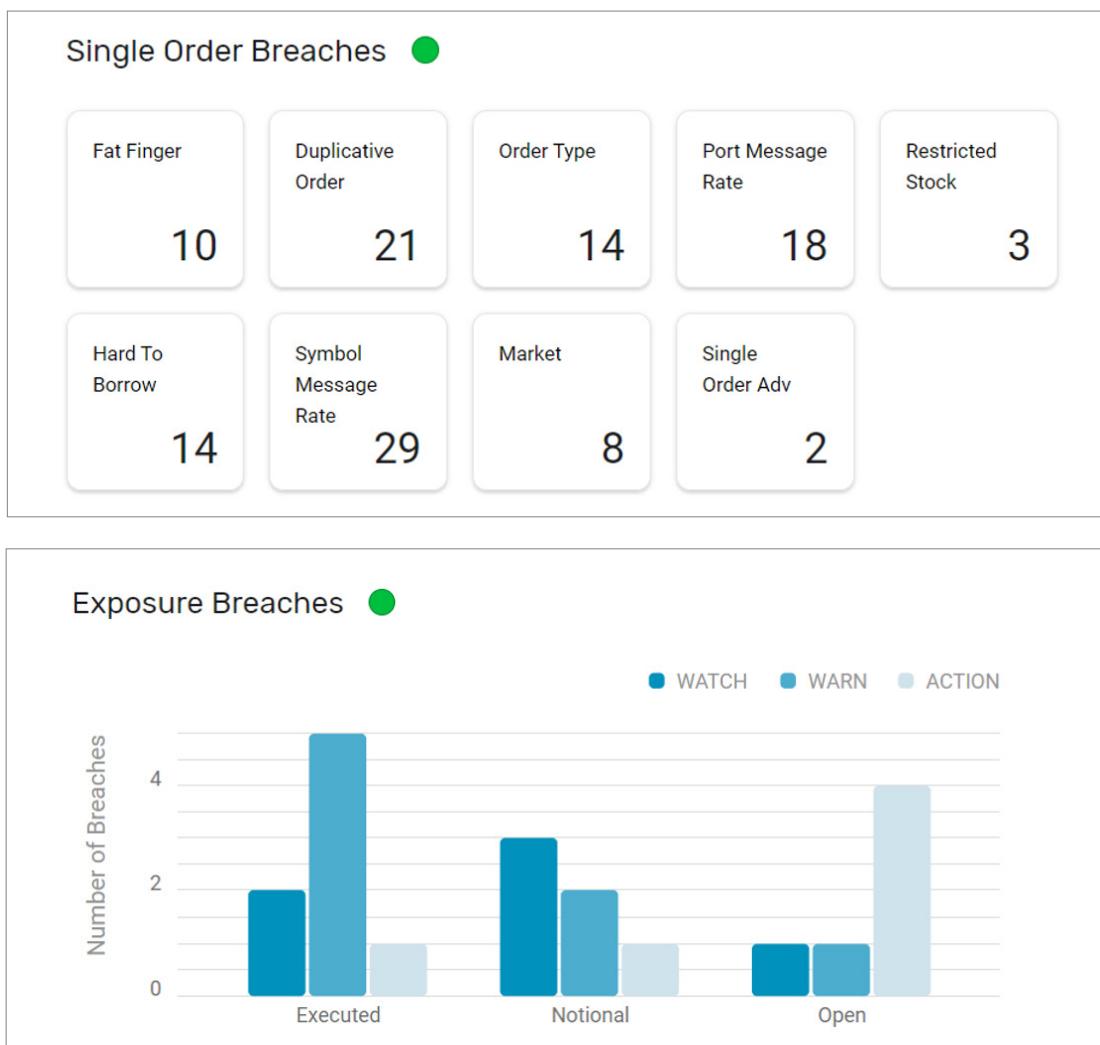
MPID	PORT	EXCHANGE	RULE TYPE	EMAIL ADDRESSES
<input type="checkbox"/> INET	IN21T7	BX		test2@nasdaq.com

## 4. Breach and Exposure Monitoring

- The EQRC UI provides users with the ability to monitor risk limit breaches, current exposure levels, as well as the ability to cancel orders/disable ports via the Safety Switch function.
- Users will only be able to see breaches and exposure levels for MPIDs for which they have access.
- When selecting an MPID, users will see all breaches and exposure levels for that MPID and have the ability to further refine the results by Port.

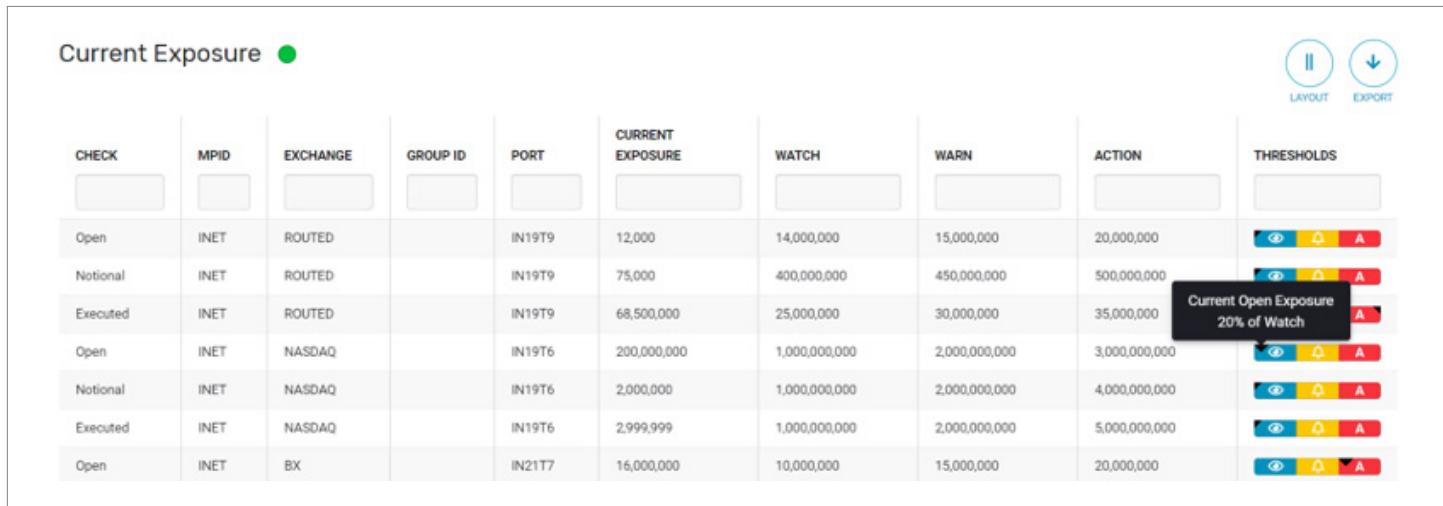
### 4.1. Breach Monitoring

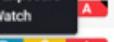
- The EQRC user interface provides users with the ability to monitor single order and exposure breaches.
- The number of breaches listed for each risk setting represents the cumulative breaches for the MPID or MPID+Port to which the user has access.



## 4.2. Exposure Monitoring

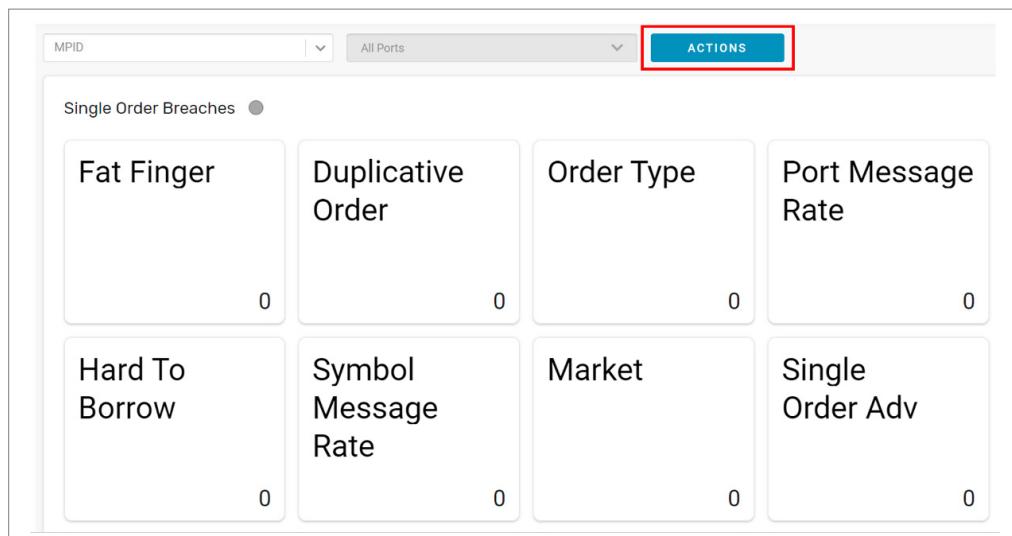
- The EQRC UI provides users with the ability to monitor current exposure levels against all configured Open Exposure, Executed Exposure, and Notional Exposure rules.
- All active rules will be listed in the “Current Exposure” section of the UI.
- For each established exposure limit, the UI will provide the three threshold levels (Watch, Warn, Action) as well as the current exposure for a given MPID/Port.
- Users can also monitor exposure levels by looking at the threshold bar which displays the level within which the current exposure lies.
- The percentage usage within the current level can be viewed by hovering over the black indicator arrow.



CHECK	MPID	EXCHANGE	GROUP ID	PORT	CURRENT EXPOSURE	WATCH	WARN	ACTION	THRESHOLDS
Open	INET	ROUTED		IN19T9	12,000	14,000,000	15,000,000	20,000,000	
Notional	INET	ROUTED		IN19T9	75,000	400,000,000	450,000,000	500,000,000	
Executed	INET	ROUTED		IN19T9	68,500,000	25,000,000	30,000,000	35,000,000	
Open	INET	NASDAQ		IN19T6	200,000,000	1,000,000,000	2,000,000,000	3,000,000,000	
Notional	INET	NASDAQ		IN19T6	2,000,000	1,000,000,000	2,000,000,000	4,000,000,000	
Executed	INET	NASDAQ		IN19T6	2,999,999	1,000,000,000	2,000,000,000	5,000,000,000	
Open	INET	BX		IN21T7	16,000,000	10,000,000	15,000,000	20,000,000	

## 4.3. Safety Switch

- The EQRC UI offers users the ability to mass cancel orders (including or excluding cross orders) and/or disable ports via the Safety Switch function.
- Users can perform one or both of these functions in a single command by clicking on the “Actions” button in the EQRC dashboard:



Single Order Breaches		Actions			
MPID	All Ports	Fat Finger	Duplicative Order	Order Type	Port Message Rate
		0	0	0	0
		0	0	0	0
		0	0	0	0

- Users must specify the Exchange, MPID, Port, Cancel Action and/or Port Action for each Safety Switch request.

**Safety Switch**

Exchange: NASDAQ

MPID: INET

Port: All (395)

Cancel Action: All

Port Action: Disable

**CLOSE** **SEND ACTION**

- Port disablement requests will only last for the current trading session and will not carry over to the next session
- The Safety Switch is also used to re-enable ports that have been disabled due to prior Safety Switch requests or rate threshold breaches. To re-enable a port, set the Port Action to "Enable" when performing the action.

## 5. Permissioning and Configurability

### 5.1. Availability and Permissioning

#### Availability

- UI will only be available Monday through Friday
- UI will not be available on holidays
- Creation/update/delete will not be allowed EST 8:30pm- 4:30am

#### Users

- Each user accessing the interface will require a unique user id and password
- Users are permissioned on a service by service level and whether they are allowed read, write, or have other access levels available in the UI.

#### Roles

##### 1. Read only

- Allows for reading of rules, breaches, and current exposure in the UI.

##### 2. Read/Write

- Allows for creation/updating/deletion of rules, reading of breaches and exposure within UI.

## API Roles

### 1. rules-api-rules-read

- Allows for reading of rules within rules api.

### 2. rules-api-rules-write

- Allows for creation/updating/deletion of rules within rules api.

### 3. rules-api-audit-read

- Allows for reading of rules audit data on rules api.

### 4. rules-api-unbreach

- Allows for use of unbreach endpoints.

### 5. history-api-read

- Allows for reading of history data.

## 5.2. Configurability

Risk Users are firms eligible to set, modify, and view risk check settings. Users also have the ability to analyze the historical usage of the risk checks settings.

*Note: If a specific risk check is configured at multiple hierarchies (e.g. MPID and Group ID) or across both the UI and legacy levels, the most restrictive limit will always be enforced.*

## API Commands

### GET

- Controls/settings service – ability to retrieve all risk settings
- Consumption level service – for each aggregate check, allow user to retrieve current consumption
- Audit service – ability to retrieve data on any changes that were made
- Historical utilization service – for each check, allow user to retrieve a total consumption amount on a daily and monthly basis
- Alert/breaches service – retrieve all limit thresholds and breaches applicable on a daily and monthly basis
- View Restricted list service
- View Short sale list service

### POST / DELETE (intraday changes will reflect next trading day)

- Upload/Delete restricted list
- Upload/Delete short sale list
- Create/Delete Risk limits

### PUT (intraday changes will reflect same day)

- Update risk limits

### Email Alert configuration:

- A user is only allowed to configure email alerts for a MPID, Port, and GroupID to which they have access
- The user need to specify the following when configuring an email alert:
  - Rule Type
  - Exchange
  - MPID/Port/GroupID
  - Email address(es)
- Example below for POST/alert/configuration:

Risk Management is the Firm's Responsibility. The Nasdaq Risk Controls are intended to be supplemental and complimentary to the firm's overall internal monitoring and procedures related to risk management and are not designed to be the sole means of the firm's risk management and should not be relied upon as such. Any risk control features are configurable and should be under the direct control and supervision of the member firm. Risk controls used on multiple Nasdaq exchanges need to be coordinated by the member firm to ensure compliance with applicable regulatory and financial requirements across exchanges. Nasdaq expressly disclaims all responsibility for the configuration of the risk control features. Moreover, use of the risk controls will not automatically constitute compliance with any exchange or federal rules, including but not limited to SEC Rule 15c3-5 (the "Market Access Rule"), and it is the firm's sole responsibility to ensure its own compliance with the Market Access Rule and all other exchange and federal rules.

## Document History

Version	Published	Author(s)	Summary of Changes
1.0	30 May 2023	US Equities Product Management	Initial draft
1.1	30 Jan 2024	US Equities Product Management	Updated verbiage and added API commands
1.2	16 May 2025	US Equities Product Management	Updated functionality for Fat Finger, IPO Buy Market Orders, and Shares Located
1.3	17 October 2025	US Equities Product Management	Updated Fat Finger check details

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