

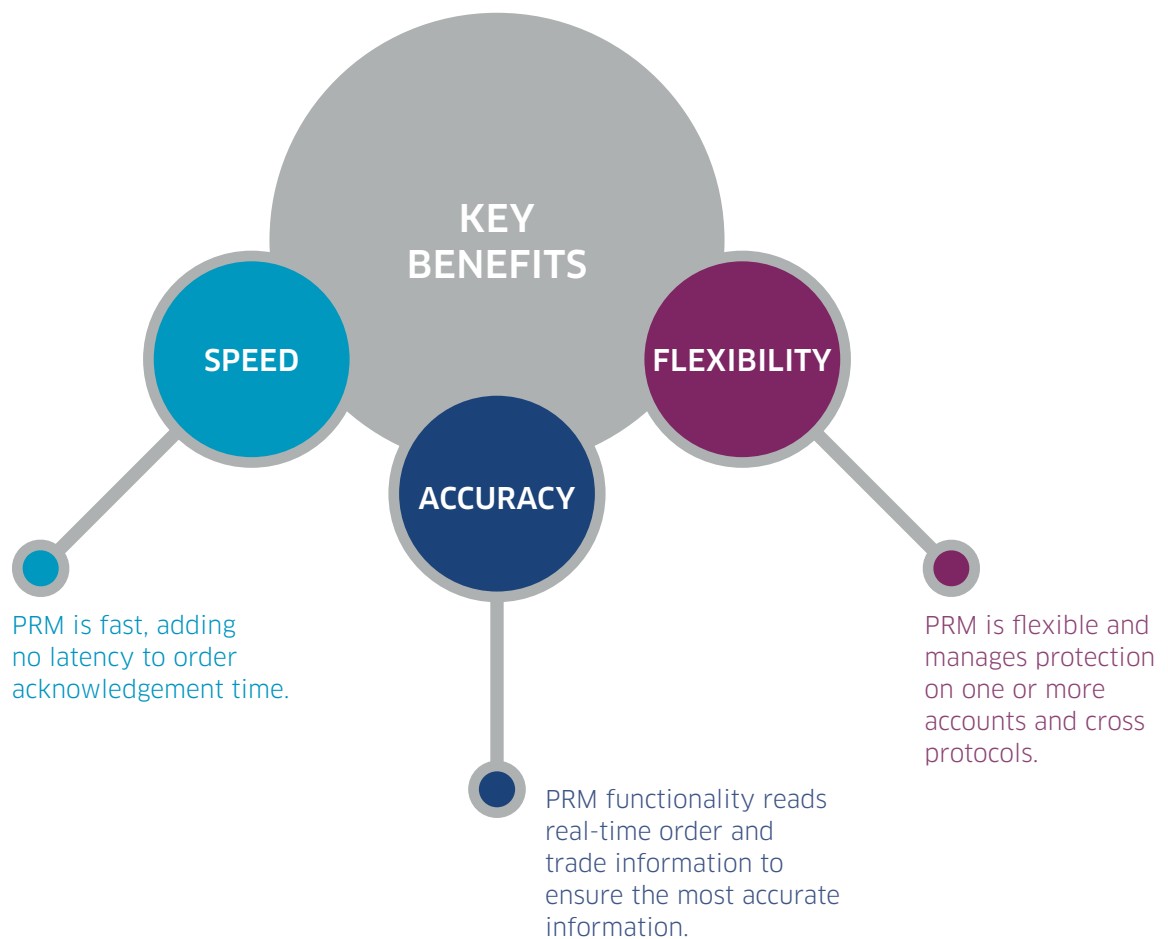
PRE-TRADE RISK MANAGEMENT

Control your risk from order entry to execution with Nasdaq Nordic Pre-Trade Risk Management (PRM).

Benefits and Features

Nasdaq Nordic PRM service¹ provides member firms with ability to facilitate pre-trade protection on INET Nordic. Using PRM, firms can have order level control of their trading activity and the trading activity of their clients and customers including prevention of potentially erroneous transactions.

PRM validates orders entered via OUCH and FIX prior to allowing them into the matching engine. PRM is flexible, using a set of parameters to determine if the order should be allowed into the market.



1. Service offered by Nasdaq Stockholm AB

PRM Protection in Brief

Members utilizing PRM as their sole pre-trade validation system for sponsored clients must have the following checks activated at all times: *Fat Finger Price Check*, *Accumulated Value Checks*, *Maximum Orders per second (per port or per symbol)*, *Maximum Order Quantity* or *Maximum Order Value*.

Market Order Restriction (During Auctions)	It is possible to specify which PRM accounts are prohibited from using market orders during auctions.
Market Order Protection In Calls	This functionality makes it possible to validate the theoretical impact of Market Price Orders in auctions.
Fat Finger Price Check	Compares price instructions on incoming aggressive and passive orders against the current last sale. If the order deviates more than an order book configured parameter (%), the order will be rejected.
Max Quantity Check	Provides users an ability to check order volume against a pre-set value.
Max Value Check	Controls the maximum order value allowed on a per order basis.
Accumulated Value Checks	Accumulate the order value throughout the current trading day. Once volume hits the maximum configured value, new orders will be rejected. Multiple accumulation checks are available.
Maximum Orders Rate Checks	Set limits on allowed orders/sec rates on a per port or symbol basis.
Repeated Order Generation Check	Detects unusual repeated order generation patterns and generates e-mail notifications.
Restricted Symbol And Market Segment List Checks	Allow users to prevent trading on certain symbols or market segments. Any orders on symbols that are on the restricted list will be rejected.
PRM E-Mail Notifications	PRM sends notifications when limits are breached or warning levels are reached.
Blow-Through Protection	Protects from triggering Nasdaq Nordic Volatility Guards.
Fix Drop On-Disconnect Safeguard	Cancels all open orders and prevents order entry in case of disconnect.
PRM Administration Interface	Easy to use and free of charge interface available in the Nordic Workstation. It provides direct control of your PRM account configuration, including the ability to perform emergency actions (Kill Switch).

PRM Protection in Detail

For detailed information about the PRM service: new.nasdaq.com/solutions/pre-trade-risk-management-for-inet-nordic

More Information

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DISCLAIMER

While this fact sheet has been prepared on the basis of the best information available, Nasdaq Nordic Member Rules (NMR) is the legally binding document between Members and Nasdaq Nordic. The purpose of this fact sheet is solely to provide guiding information for trading Members.

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