Block That (Questionable) Order

FPL Risk Guidelines

1. **Symbology validation**
   Make sure you have the right stock.
2. **Order quantity**
   If it's very large, it might be the result of a "fat finger" error. In any event, scrutinize.
3. **Notional value**
   Could subject parties to settlement risk.
4. **Average daily volume**
   If the order represents a large percentage of ADV, it could soak up available liquidity and execute at a poor price.
5. **Price limit**
   A bad limit price can impair execution quality. It may also result from a fat finger error.
6. **Validation of order instructions**
   Need to make sure the client's order handling instructions make sense.
7. **Stale order checks**
   Refers to a disparity between the order sending and receipt times. Risky because market may have moved.
8. **Duplicate order checks (I)**
   Client inadvertently sends a duplicate order.
9. **Favorable/adverse price moves**
   An intra-day check that compares current price to arrival price.
10. **Position limit**
    Intra-day check of client positions.
11. **Credit/capital checks**
    Intra-day check for ability to settle trade.
12. **Runaway checks**
    Out-of-control algorithm or black box.
13. **Duplicate order checks (II)**
    Repeated orders for same symbol name, side, order quantity, price, etc.

Source: FIX Protocol Limited