CLAIMS

1. A computer-implemented method for mitigating trading risks of a market participant, the method comprising:

receiving, by an electronic trading system, an order or quote associated with a trading symbol and with a market participant, said electronic trading system comprising one or more specialized computers comprising a risk manager (RM) module embodied therein, said RM module comprising computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor;

determining, by the RM module, whether the order or quote breaches a single-trade risk threshold;

disabling, by the RM module, execution of any further trades associated with the trading symbol and the market participant on the electronic trading system when it is determined that the order or quote breaches the single-trade risk threshold; and

when it is determined that the order or quote does not breach the single-trade risk threshold:

determining, by the RM module, whether the order or quote breaches a secondary risk threshold;

incrementing a breach count of the secondary risk threshold if the order or quote breaches the secondary risk threshold; and

disabling execution of any further trades associated with the trading symbol and the market participant on the electronic trading system if the breach count of the secondary risk threshold exceeds a predetermined maximum.

2. The method of Claim 1, wherein the breach count comprises a total count of breaches of the secondary risk threshold, as determined by:

evaluating, by the RM module, other orders or quotes received within a rolling time period and prior to said order or quote;

determining, by the RM module, whether said other orders or quotes breach said secondary threshold; and

incrementing the breach count of the secondary risk threshold for each breach of the secondary risk threshold by said other orders or quotes.

3. The method of Claim 1, wherein the breach count comprises a total count of breaches of the secondary risk threshold, as determined by:

evaluating, by the RM module, other orders or quotes received within a rolling time period and after said order or quote;

determining, by the RM module, whether said other orders or quotes breach said secondary threshold; and

incrementing the breach count of the secondary risk threshold for each breach of the secondary risk threshold by said other orders or quotes.

4. The method of Claim 1, further comprising:

resetting, by the RM module, the breach count of the secondary risk threshold if the predetermined maximum is not exceeded within a predetermined rolling time period.

5. The method of Claim 1, wherein determining whether the order or quote breaches a single-trade risk threshold comprises:

determining a risk measure associated with the order or quote, said risk measure being based on one or more of:

a number of transactions associated with the market participant and the trading symbol,

a number of contracts associated with the market participant and the trading symbol,

and an aggregate of all series percentages associated with the market maker and the trading symbol during a rolling time period, wherein each particular series percentage comprises a number of executed contracts in said particular series over a total order or quote size; and

comparing the risk measure to the single-trade risk threshold.

6. The method of Claim 1, further comprising:

generating and transmitting, by the RM module, a system alert notifying the market participant that the order or quote breaches a single-trade risk threshold.

7. The method of Claim 1, wherein the disabling execution of any further trades is imposed for a predetermined period of time or until an electronic re-enable requested is received and accepted by the RM module, after which execution of further trades is re-enabled.

8. The method of Claim 1, wherein the market participant comprises at least one of an agency broker, a market maker, and a proprietary trader.

9. A computer-implemented method for mitigating trading risks of a market participant, the method comprising:

receiving, by a global risk mitigation (GRM) module, an electronic message associated with a market participant, the electronic message indicating a breach of a trading risk threshold, said GRM module comprising computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor;

determining, by the GRM module, whether the breach of the trading risk threshold causes a global risk counter to exceed a predetermined maximum; and

disabling, by the GRM module, execution of any further trades associated with the market participant if it is determined that the breach exceeds the predetermined maximum.

10. The method of Claim 9, wherein the GRM module is in communication with one or more matching engines, each of which comprises computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor,

wherein the electronic message is received by the GRM module from at least one of the one or more matching engines, and

wherein disabling further trades comprises disabling trades associated with a plurality of trading symbols across said one or more matching engines.

11. The method of Claim 9, wherein determining whether the breach of the trading risk threshold causes the global risk counter to exceed the predetermined maximum comprises:

determining whether the breach of the trading risk threshold occurred within a particular time period;

incrementing the global risk counter if the breach occurred within the particular time period;

and comparing the incremented global risk counter to the predetermined maximum.

12. The method of Claim 9, further comprising:

generating and transmitting, by the GRM module, a system alert notifying the market participant of said disabling.

13. The method of Claim 9, wherein the disabling execution of any further trades is imposed for a predetermined period of time or until an electronic re-enable requested is received and accepted by the GRM module, the method further comprising:

re-enabling, by the GRM module, execution of further trades involving all trading symbols on all matching engines associated with the market participant.

14. The method of Claim 9, wherein the market participant comprises at least one of an agency broker, a market maker, and a proprietary trader.

15. A system for mitigating trading risks of a market participant comprising:

one or more specialized computers comprising a risk manager (RM) module embodied therein, said RM module comprising computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor, said computer-readable instructions causing the RM module to:

receive an order or quote associated with a trading symbol and with a market participant;

determine whether the order or quote breaches a single-trade risk threshold; and

disable execution of any further trades associated with the trading symbol and the market participant on an electronic trading system when it is determined that the order or quote breaches the single-trade risk threshold; and

when it is determined that the order or quote does not breach the single-trade risk threshold, the RM module is further configured to:

determine whether the order or quote breaches a secondary risk threshold;

increment a breach count of the secondary risk threshold if the order or quote breaches the secondary risk threshold; and

disable execution of any further trades associated with the trading symbol and the market participant on the electronic trading system if the breach count of the secondary risk threshold exceeds a predetermined maximum.

16. The system of Claim 15, wherein the breach count comprises a total count of breaches of the secondary risk threshold, said RM module further configured to:

evaluate other orders or quotes received within a rolling time period and prior to said order or quote;

determine whether said other orders or quotes breach said secondary threshold; and

increment the breach count of the secondary risk threshold for each breach of the secondary risk threshold by said other orders or quotes.

17. The system of Claim 15, wherein the breach count comprises a total count of breaches of the secondary risk threshold, said RM module further configured to:

evaluate other orders or quotes received within a rolling time period and after said order or quote;

determine whether said other orders or quotes breach said secondary threshold; and

increment the breach count of the secondary risk threshold for each breach of the secondary risk threshold by said other orders or quotes.

18. The system of Claim 15, wherein the RM module is further configured to:

reset the breach count of the secondary risk threshold if the predetermined maximum is not exceeded within a predetermined rolling time period.

19. The system of Claim 15, wherein the RM module is configured to determine whether the order or quote breaches a single-trade risk threshold by:

determining a risk measure associated with the order or quote, said risk measure being based on one or more of:

a number of transactions associated with the market participant and the trading symbol,

a number of contracts associated with the market participant and the trading symbol,

and an aggregate of all series percentages associated with the market maker and the trading symbol during a rolling time period, wherein each particular series percentage comprises a number of executed contracts in said particular series over a total order or quote size; and

comparing the risk measure to the single-trade risk threshold.

20. The system of Claim 15, wherein the RM module is further configured to:

generate and transmit a system alert notifying the market participant that the order or quote breaches a single-trade risk threshold.

21. The system of Claim 15, wherein the RM module is configured to disable execution of any further trades for a predetermined period of time or until an electronic re-enable requested is received and accepted by the RM module, after which execution of further trades is re-enabled.

22. The system of Claim 15, wherein the market participant comprises at least one of an agency broker, a market maker, and a proprietary trader.

23. A system for mitigating trading risks of a market participant comprising:

a global risk mitigation (GRM) module comprising computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor, said computer-readable instructions, when executed, causing the GRM module to:

receive an electronic message associated with a market participant, the electronic message indicating a breach of a trading risk threshold;

determine whether the breach of the trading risk threshold causes a global risk counter to exceed a predetermined maximum; and

disable execution of any further trades associated with the market participant if it is determined that the breach exceeds the predetermined maximum.

24. The system of Claim 23, further comprising one or more matching engines in communication with the GRM module, said matching engines each comprising computer-readable instructions stored on a non-transitory computer readable storage medium and executed by at least one processor,

wherein the electronic message is received by the GRM module from at least one of the one or more matching engines, and

wherein the GRM module is configured to disable further trades by disabling trades associated with a plurality of trading symbols across said one or more matching engines.

25. The system of Claim 23, wherein the GRM module is further configured to determine whether the breach of the trading risk threshold causes the global risk counter to exceed the predetermined maximum by:

determining whether the breach of the trading risk threshold occurred within a particular time period;

incrementing the global risk counter if the breach occurred within the particular time period;

and comparing the incremented global risk counter to the predetermined maximum.

26. The system of Claim 23, wherein the GRM module is further configured to:

generate and transmit a system alert notifying the market participant of said disabling.

27. The system of Claim 23, wherein the GRM module is further configured to:

disable execution of any further trades for a predetermined period of time or until an electronic re-enable requested is received and accepted by the GRM module; and

re-enable execution of further trades involving all trading symbols on all matching engines associated with the market participant.

28. The system of Claim 23, wherein the market participant comprises at least one of an agency broker, a market maker, and a proprietary trader.