#FIXNORDICS

Market Model Typology (MMT)

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FIX TRADING COMMUNITY
Market Model Typology (MMT) Workshop

Revised Data Standard FIX MMT v4.1

FIX Nordics Trading Conference, Stockholm May 16 2024

Marc Berthoud, SIX Exchanges, FIX MMT Technical Committee Co-Chair
Hanno Klein, FIX Technical Director
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WHAT IS THE RATIONALE FOR USING FIX MMT?

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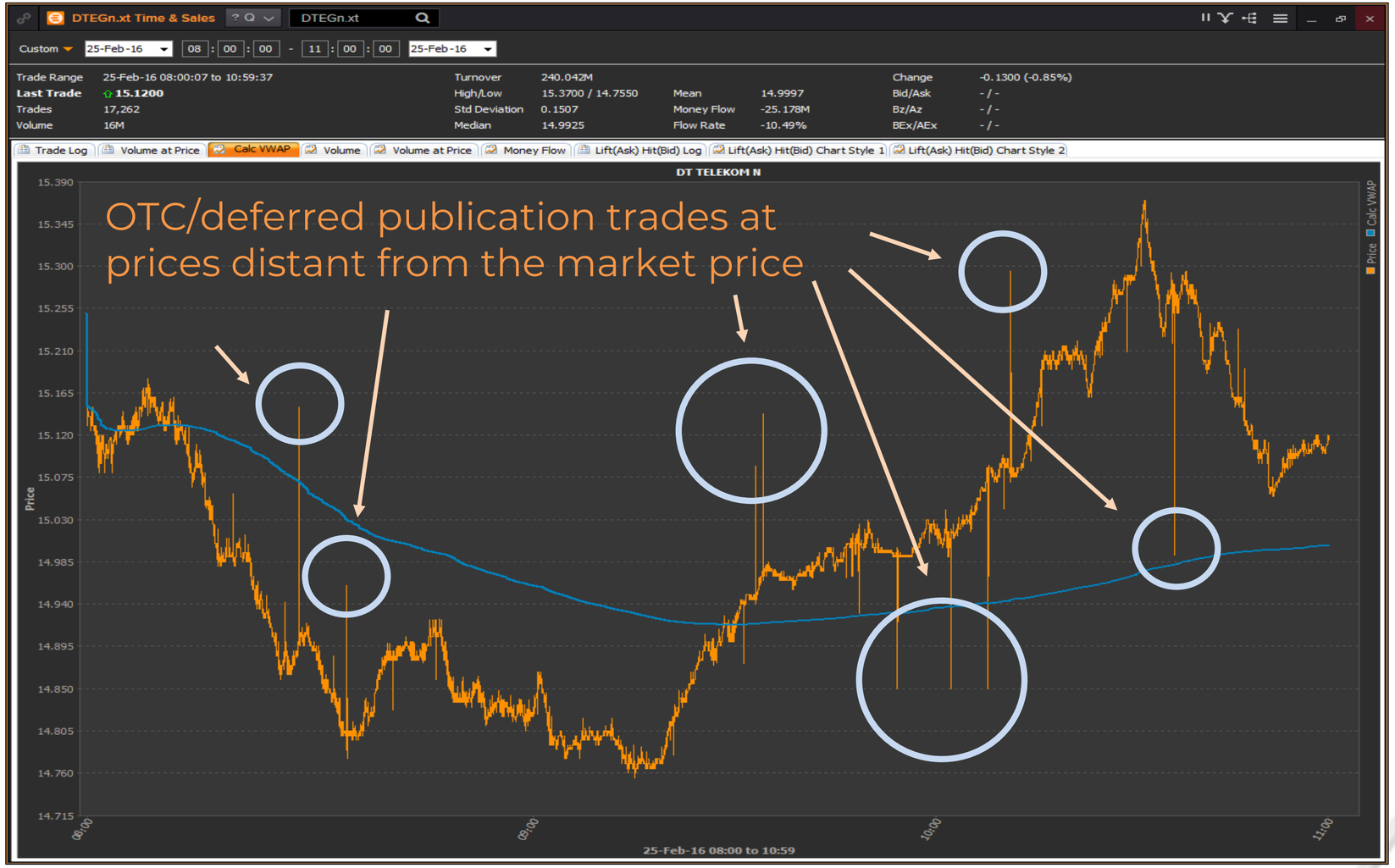
Improving post-trade transparency



Source: Refinitiv

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Why do we have FIX MMT?

- Purpose: MMT is an efficient operational solution for fulfilling trade flagging, incl. respective regulatory requirements.

  It became a de facto standard for trade reporting across all equity and part of non-equity markets, predominantly in Europe.

- Benefits: MMT delivers unambiguous post trade transparency information, that is created at the source, and which may flow (e.g. STP) along the full market data value chain.

  MMT supports fully electronic processing of consistently flagged data points without the need for local reinterpretation/mapping of the same events across different sources. It improves data quality and reduces cost.

- It is protocol agnostic.

Post-trade transparency typically informs about …

- the validity of the transaction information (e.g. a cancellation).
- the trading venue the execution took place on.
- the type of market mechanism used to perform liquidity pooling.
- the type of interaction between the buyer(s) and seller(s), and if it was of a bilateral or multilateral nature.
- the level of pre-trade transparency which was available before the execution.
- the level of timestamping accuracy is available for determining the exact sequence of executions.
- the immediacy or deferral of the trade publication.

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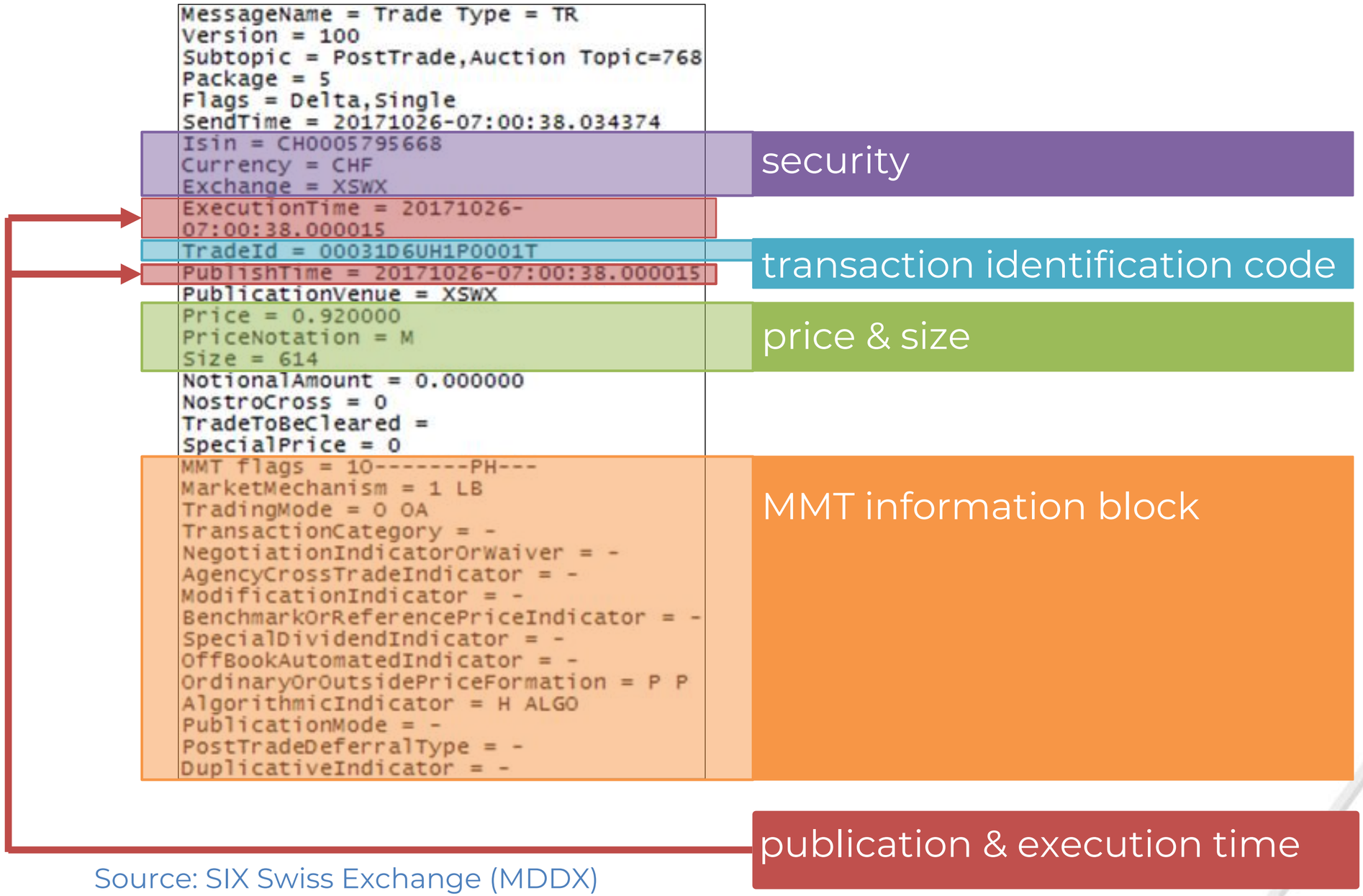
Components of post-trade transparency



Source: SIX Swiss Exchange (MDDX)

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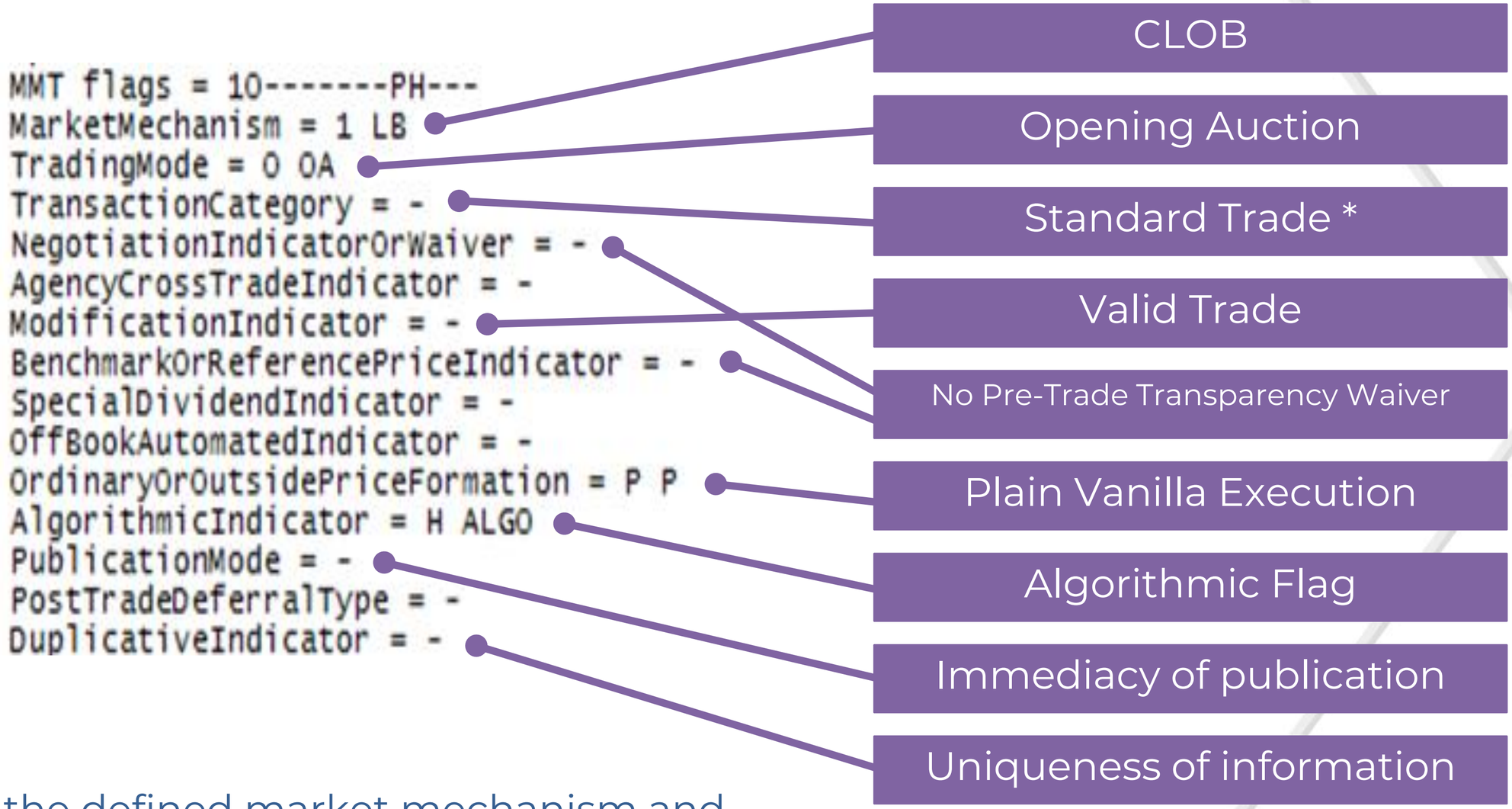
MMT Components



* for the defined market mechanism and trading mode

Source: SIX Swiss Exchange (MDDX)

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WHO HAS ADOPTED MMT?

Stakeholders that have adopted MMT

AQUIS EXCHANGE

Bloomberg

Cboe

DEUTSCHE BÖRSE GROUP

EURONEXT

ION MARKETS

London Stock Exchange

Nasdaq

REFINITIV

SIX

BME BOLSAS Y MERCADOS ESPAÑOLES a SIX company

Turquoise

UBS

wiener boerse

Bloomberg Desktop Terminal

Source: Bloomberg

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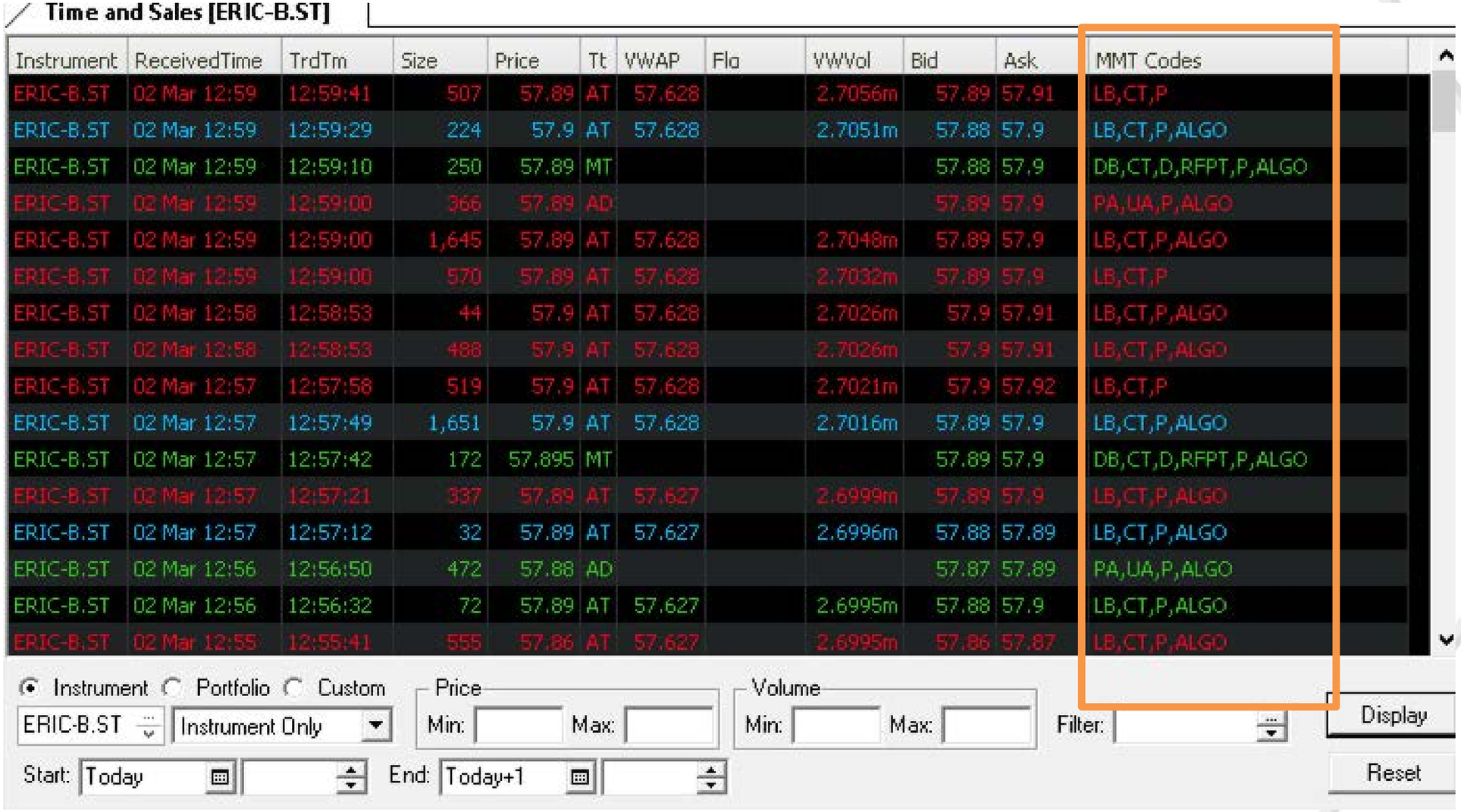
ION Fidessa



Source: ION Fidessa

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SIX Financial Information – Market Data Feed (MDF)

BOURSE_CODE	ISIN	VALOREN	ISSUER	TPCURR	REPTTPRI	REPTRADE	REPTBATE	TRTIME	REPTTIMEMICROSEC	REPTRADEMMT
SWX	US0231351067	645156	AMAZON.COM RG	CHF	1430	1430	TRA	9:04:21	908154	2O-------P----
SWX	FI0009000681	472672	NOKIA RG	CHF	5.562	5.562	TRA	9:02:57	251950	2O-------P----
SWX	LU0838782315	20028815	XTR DAX IN U 1D	CHF	126.08	126.08	TRA	9:55:20	248608	22-------PH---
SWX	CH0200252812	20025281	1.125 AUSNET 19	CHF	101.69	101.69	TRA	9:33:29	877116	22-------PH---
SWX	CH0197841551	19784155	4 EDP FINANCE 18	CHF	103.15	103.15	TRA	10:18:58	392087	22-------PH---
SWX	CH0194958986	19495898	1.375 SVENSKA 22	CHF	106.25	106.25	TRA	10:22:02	463622	22-------PH---
SWX	CH0194836364	19483636	SCOR OPEN	CHF	101.35	101.35	TRA	9:36:20	945431	22-------PH---
SWX	CH0194695190	19469519	SWISS LIFE -S FRN	CHF	102.4	102.4	TRA	10:08:56	771250	22-------PH---
SWX	IE00B88DZ566	19328353	ISHS S&P 500 CHF-AC	CHF	48.62	48.62	TRA	9:37:24	514382	22-------PH---
SWX	IE00B88BVCK12	19328350	ISHS WORLD CHF-ACC	CHF	44.79	44.79	TRA	9:11:13	921785	22-------PH---
SWX	LU0641007421	19204552	XTR2 GI-LBD 4DHD	CHF	107.32	107.32	TRA	10:40:23	55060	22-------PH---
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SWX	IE00B7452L46	14969108	SPDR UK ALL GBP-ACC	CHF	63.44	63.44	TRA	10:47:33	575424	22-------PH---
SWX	CH0146698425	14669842	1.25 EIB 19	CHF	102.95	102.95	TRA	10:28:41	158033	22-------PH---
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SWX	CH0139101601	13910160	ZKB GOLDETF-AAH CHF	CHF	368.3	368.3	TRA	10:46:50	77625	22-------PH---
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SWX	DK0060252690	11784376	PANDORA RG	CHF	95.66	95.66	TRA	9:04:28	274810	22-------PH---
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SWX	FR0010869438	11202645	LY SMI D2I ETF A	CHF	9.428	9.428	TRA	10:29:51	218117	22-------PH---
SWX	FR0010871145	11145933	AM SWITZ UC ETF CHF	CHF	288.85	288.85	TRA	9:12:56	22781	22-------PH---
SWX	LU0488317701	11058258	COMS NY A GOLD ID	CHF	16.25	16.25	TRA	9:56:22	323735	22-------PH---
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SWX	CH0048265513	4826551	TRANSOCEAN RG	CHF	9.05	9.05	TRA	9:34:39	782141	22-------PH---

Source: SIX Financial Information (visualisation of the Market Data Feed)

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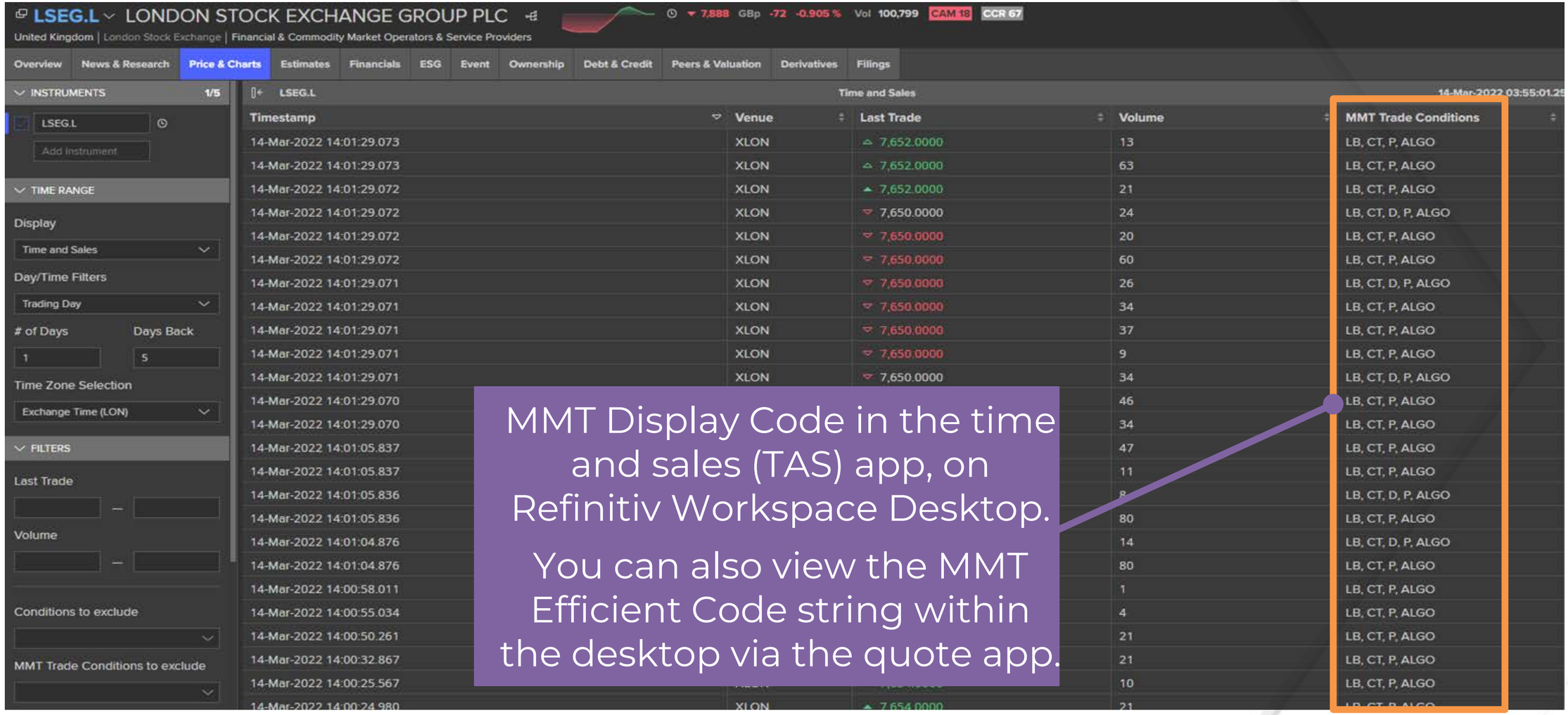
LSEG Refinitiv – Desktop



Source: Refinitiv

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Trade Flagging modifications driven by regulation

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Amended EU RTS 1 and RTS 2 provisions for MMT v4.0

- New Market Mechanism “Hybrid System” (RTS 1 and RTS 2)
- ‘CONT’ flag to be added (RTS 1)
- ‘PORT’ flag to be added (RTS 1 and RTS 2)
- Combinations of ‘PRIC’, ‘CONT’, ‘PORT’ permitted
- Combination with ‘NPFT’ is excluded
- Amended “NPFT” definition (RTS 1 and RTS 2)
- ‘TNCP” flag to be deprecated (RTS 1)

→ Application date: Jan. 1st 2024

See ESMA70-156-4944

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Trade Flagging modifications driven by regulation FCA PS23/4

Application Date on April 29 2024

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Amended FCA provisions for MMT v4.1

1) Deletion of SI related flags → see PS 23/4 § 3.48

- ‘RPRI’ flag to be deprecated [L 3.1]
- ‘ILQD’ flag to be deprecated [L 3.2]
- ‘SIZE’ flag to be deprecated [L 3.10]

2) Deletion of misc. flags → see PS 23/4 § 3.57

- ‘ACTX’, agency cross flag, to be deprecated [L 3.3]
- ‘DUPL’, duplicate trade flag, to be deprecated [L 5.1]

3) Deletion of flags related to pre-trade transparency waiver → see PS 23/4 § 3.68

- ‘NLIQ’, negotiated trade in liquid instrument flag, to be deprecated [L 3.2]
- ‘OILQ’, negotiated trade in illiquid instrument flag, to be deprecated [L 3.2]
- ‘PRIC’, negotiated trade subject to other conditions, to be deprecated [L 3.2]

Amended FCA provisions for MMT v4.1

4) New flags for simplified pre trade transparency waiver representation

→ see PS 23/4 § 3.45 + 3.68 + § 3.73

- ‘CLSE’ , Benchmark transactions executed at the market closing price to be added [L 3.5]

  There is mutual exclusivity between the new ‘CLSE’ and the existing ‘BENC’ flag
- ‘NETW’, the negotiated trade waiver flag, to be added [L3.2]
- ‘NTLS’ , flag for large in scale trade that are bilaterally negotiated off-book, to be added [L 3.2]
- ‘TNCP’ , Transaction not contributing to price discovery, to be re-activated

  [L 3.8] (was deprecated du to EU regulation in v4.0)

→ Application Date on April 29 2024

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Amended FIX Recommended practices

- ‘NTLS’,OTC Trade Larger than LIS brought onto a venue
- ‘IGRP’ new flag for Intra-Group transactions executed for administrative or position management purposes
- ‘GIVE’ new flag for RFMD give-ups transactions
- ‘XBDT’ new flag for trades reported more than once due to overlapping regulatory reporting rules in different jurisdictions

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Benefits of MMT for advanced analytics purposes:

BMLL Use Cases

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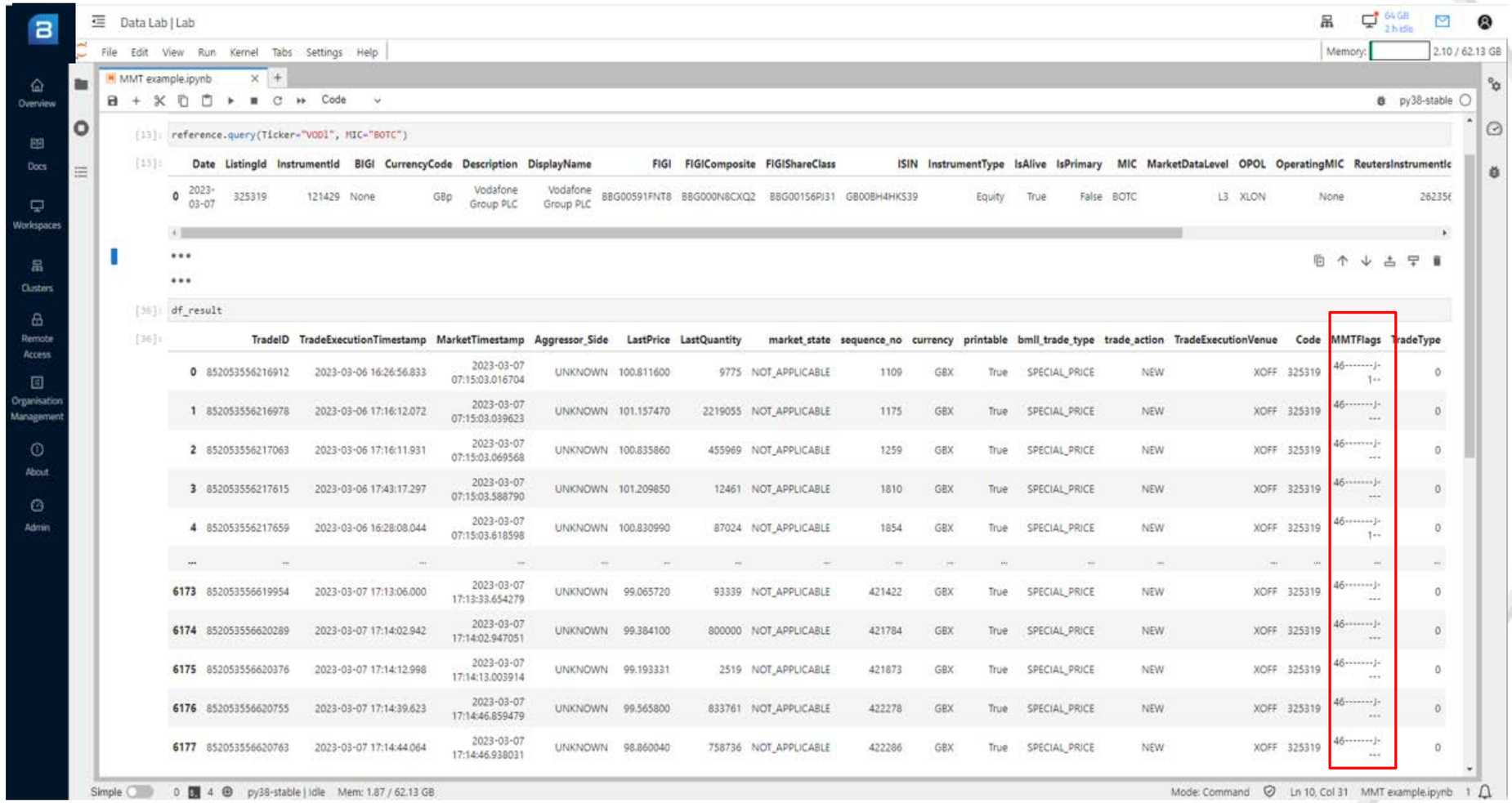
Using MMT: BMLL Example



	Date	ListingId	InstrumentId	BIGI	CurrencyCode	Description	DisplayName	FIGI	FIGIComposite	FIGIShareClass	ISIN	InstrumentType	IsAlive	IsPrimary	MIC	MarketDataLevel	OPOL	OperatingMIC	ReutersInstrumentIc
0	2023-03-07	325319	121429	None	GBp	Vodafone Group PLC	Vodafone Group PLC	BBG00591FNT8	BBG000N8CXQ2	BBG001S6PJ31	GB00BH4HKS39	Equity	True	False	BOTC	L3	XLON	None	26235E

	TradeID	TradeExecutionTimestamp	MarketTimestamp	Aggressor_Side	LastPrice	LastQuantity	market_state	sequence_no	currency	printable	bmll_trade_type	trade_action	TradeExecutionVenue	Code	MMTFlags	TradeType
0	852053556216912	2023-03-06 16:26:56.833	2023-03-07 07:15:03.016704	UNKNOWN	100.811600	9775	NOT_APPLICABLE	1109	GBX	True	SPECIAL_PRICE	NEW	XOFF	325319	46-------J-1--	0
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...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
6173	852053556619954	2023-03-07 17:13:06.000	2023-03-07 17:13:33.654279	UNKNOWN	99.065720	93339	NOT_APPLICABLE	421422	GBX	True	SPECIAL_PRICE	NEW	XOFF	325319	46-------J-----	0
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6175	852053556620376	2023-03-07 17:14:12.998	2023-03-07 17:14:13.003914	UNKNOWN	99.193331	2519	NOT_APPLICABLE	421873	GBX	True	SPECIAL_PRICE	NEW	XOFF	325319	46-------J-----	0
6176	852053556620755	2023-03-07 17:14:39.623	2023-03-07 17:14:46.859479	UNKNOWN	99.565800	833761	NOT_APPLICABLE	422278	GBX	True	SPECIAL_PRICE	NEW	XOFF	325319	46-------J-----	0
6177	852053556620763	2023-03-07 17:14:44.064	2023-03-07 17:14:46.938031	UNKNOWN	98.860040	758736	NOT_APPLICABLE	422286	GBX	True	SPECIAL_PRICE	NEW	XOFF	325319	46-------J-----	0

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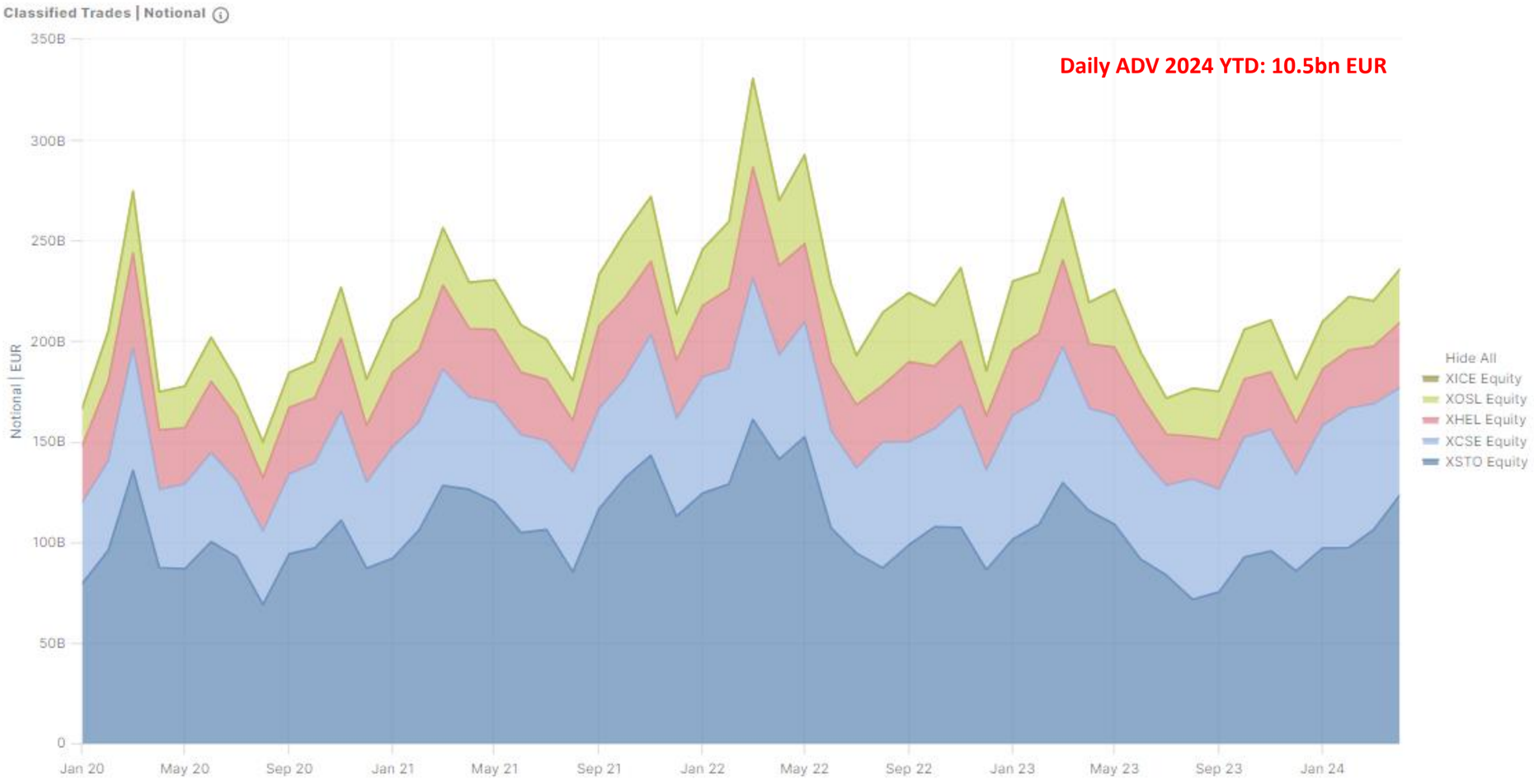
Using MMT for Analytics: Nordic Region



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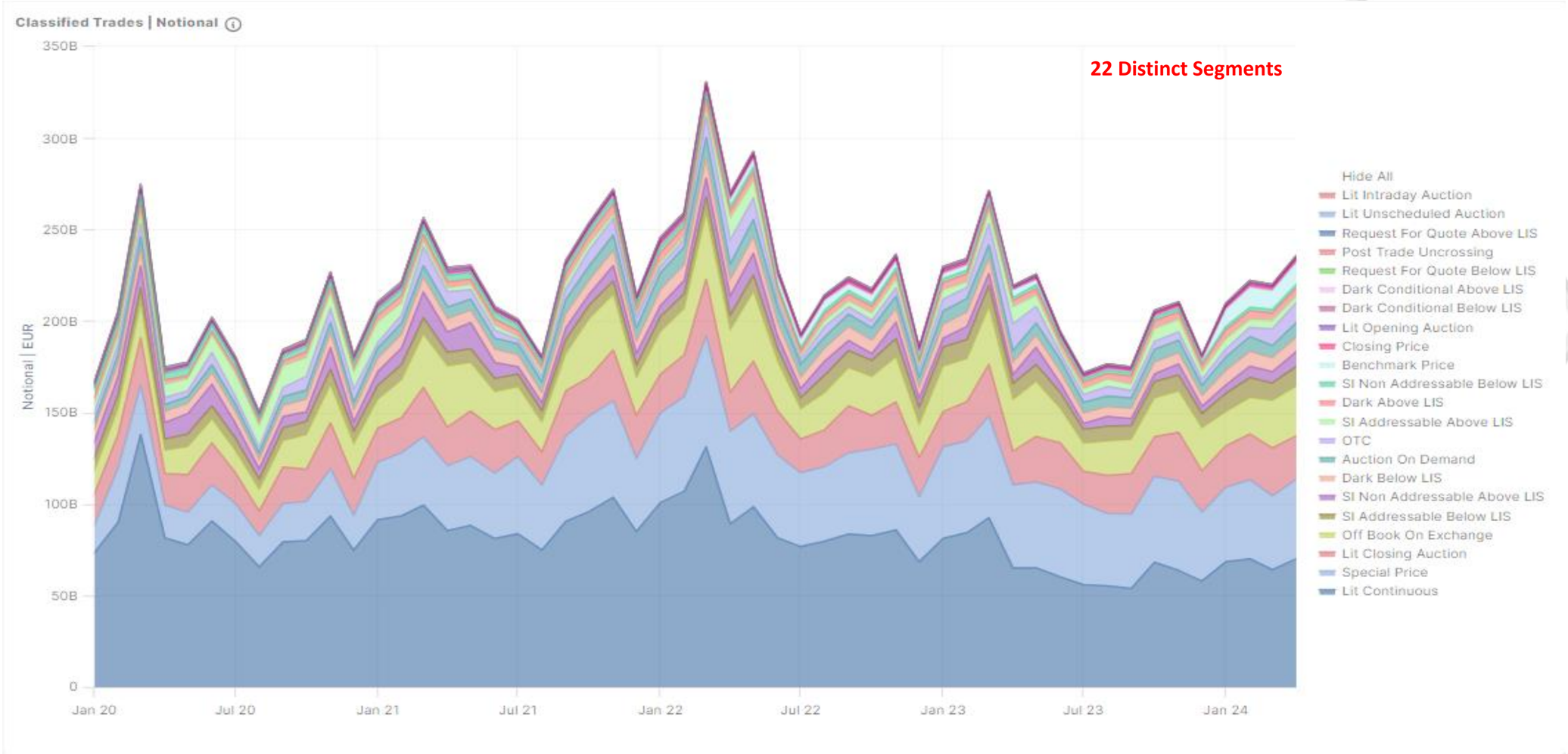
Using MMT for Analytics: Nordic Classified Trades



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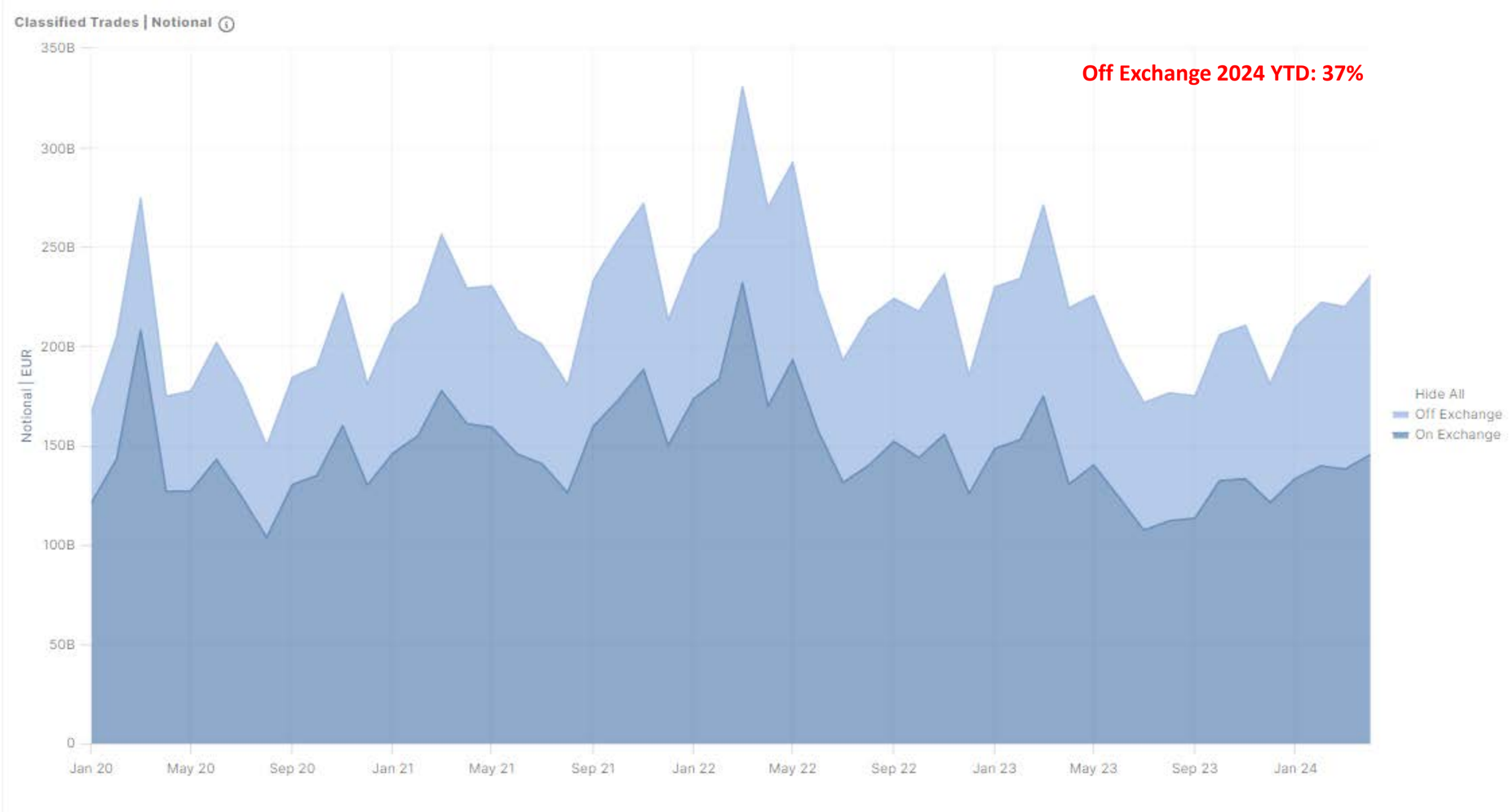
Using MMT for Analytics: On Exchange vs Off Exchange



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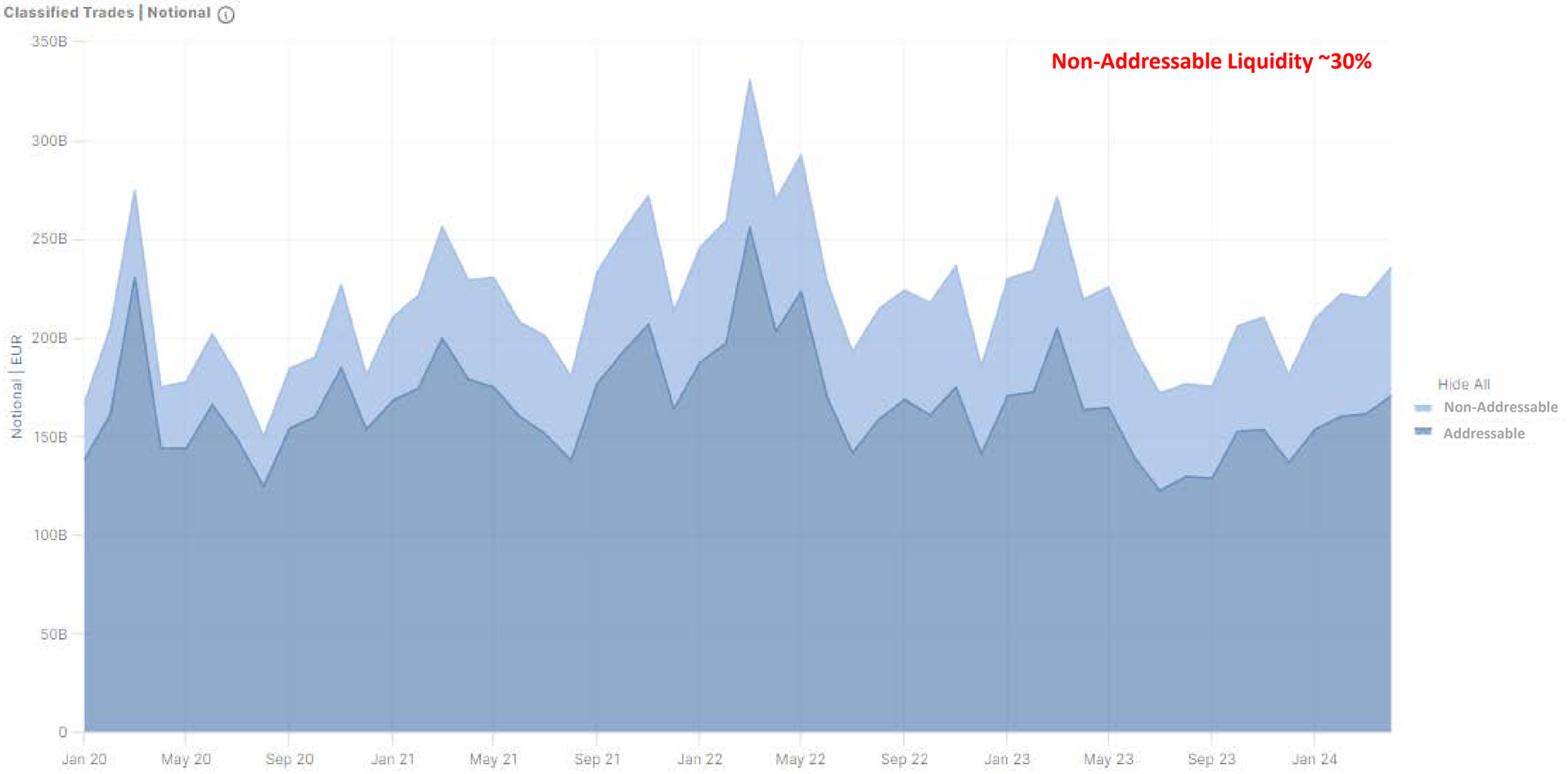
Using MMT for analytics: Addressable Liquidity



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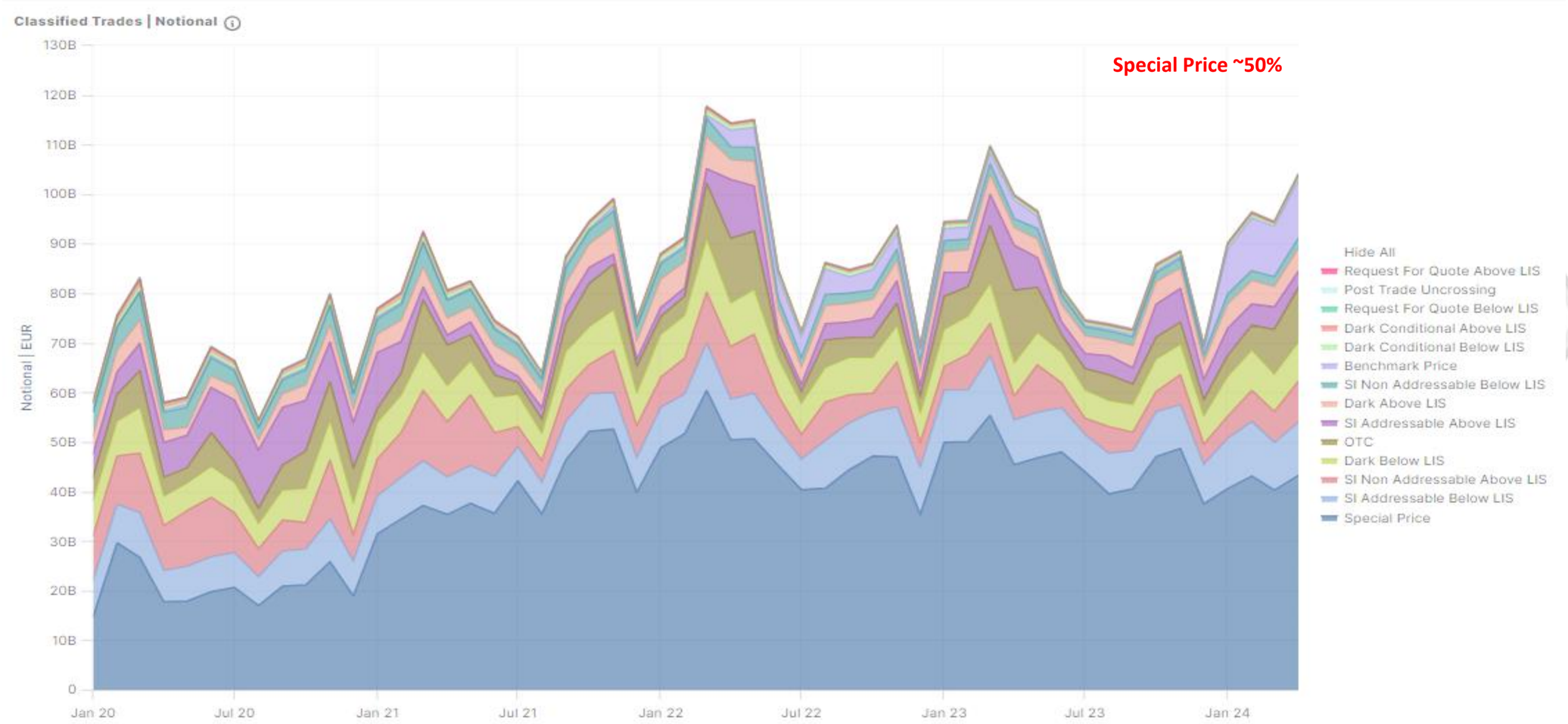
Using MMT for analytics: Trade Transparency (Dark, SI, OTC)



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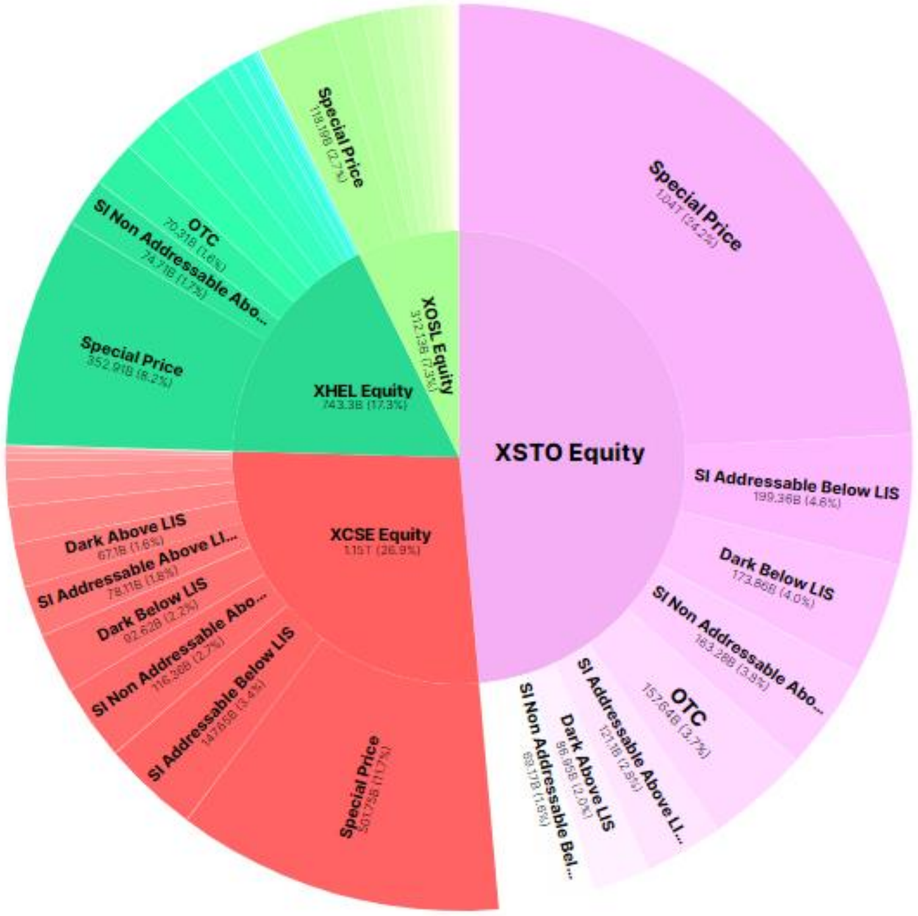
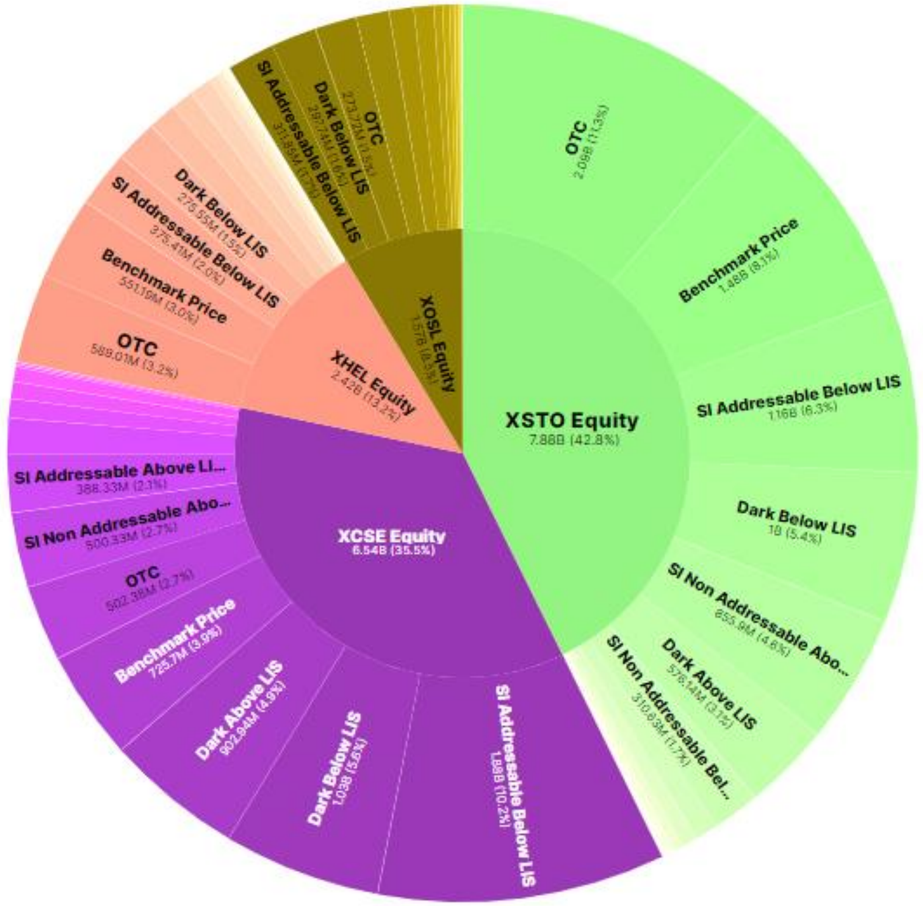
Classifying trades without MMT: Before & After 29/04





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WHAT YOU SHOULD REMEMBER ABOUT FIX MMT

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What you should remember about FIX MMT

- FIX MMT delivers an operational solution for fulfilling trade flagging regulatory requirements raised by ESMA. Have a look!
- FIX MMT is suitable for all asset classes subject to MiFID/MiFIR.
- FIX MMT is an off-the-shelf industry solution and can be freely used without any licensing constraint.
- FIX MMT is protocol agnostic. It is supported in the FIX Protocol.
- FIX MMT has been adapted to the latest trade flagging requirements from ESMA and FCA.
- FIX MMT is a collaborative initiative; additional expertise is always welcome.
- Please submit your questions/comments to:

fix@fixtrading.org

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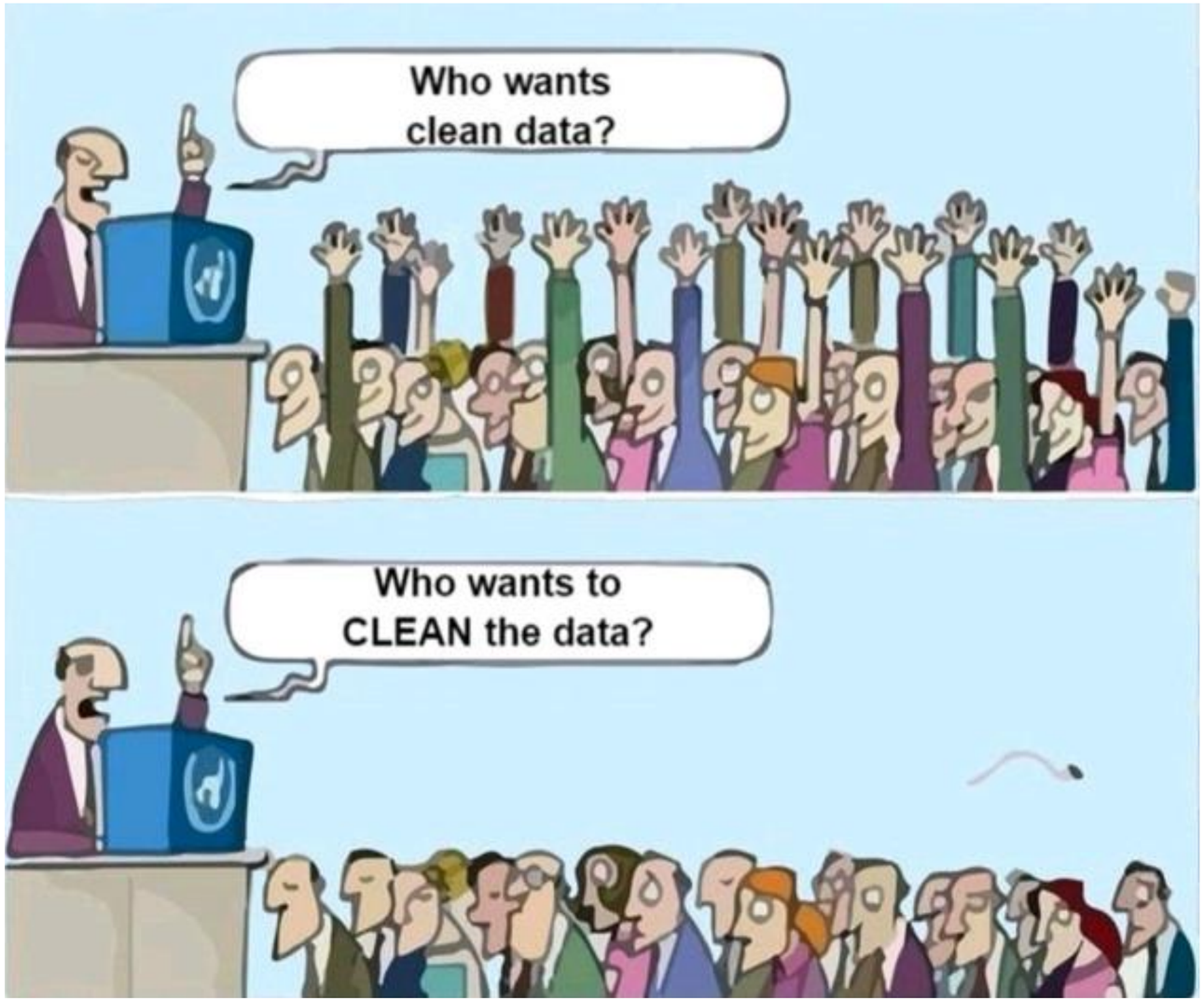
Questions?