FIX TRADING COMMUNITY
Nordic Trading Conference 2024

– What’s new in FIX Latest? –

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Agenda

- FIX Business Standard for Algo Certification and Testing
  - Algo certification
  - Test schedule definition
  - Test schedule execution
- EU/UK Post-Trade Transparency
  - Concurrent trade flags
  - New trade flags
  - Authorised reporter
- Miscellaneous extensions of FIX Latest

What‘s new in FIX Latest?
Algo Certification and Testing

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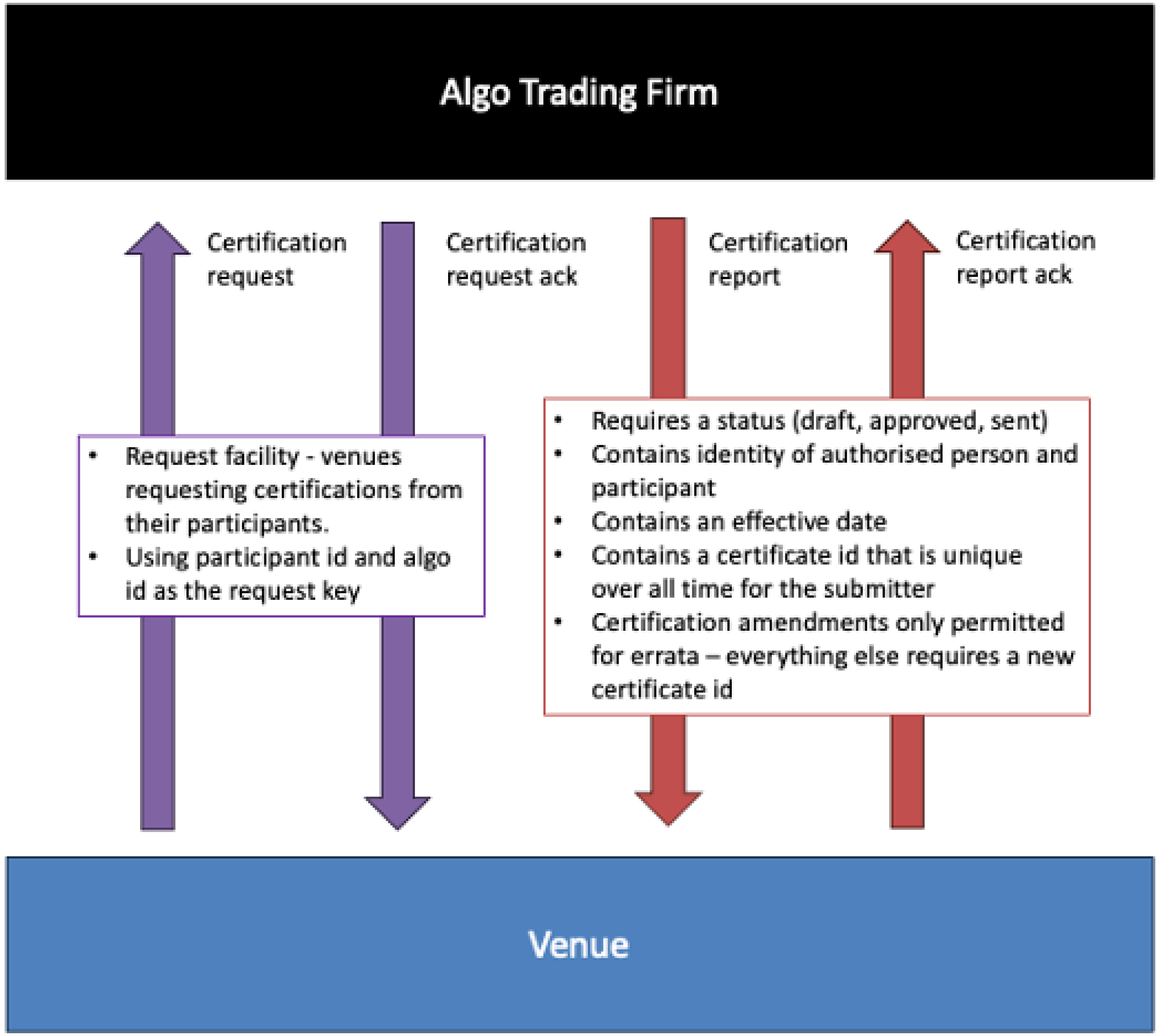
Algo Certification and Testing



Algo Certification and Testing

- Algo certification
  - MiFIR requires investment firms engaged in algorithmic trading with venues to certify their algos towards the venue (RTS 7, Article 10(1)).
  - Firms need to identify an employee as “authorising person” who provide certifications together with detailed information related to the algorithm and how it has been tested.
  - A single algo contains a number of parameters and detailed information about the algo system.
  - EP290 adds four new messages to support the certification workflow between firms and venues.
- Test schedule definition
  - The testing of algorithms is based on scenarios comprising a possibly very large number of steps.
  - A scenario further contains detailed information about the system being used for testing the algo.
  - Every step in a scenario has its own set of parameters and start/end times.
  - EP290 adds two new messages to define and acknowledge test schedules.
- Test schedule execution
  - The execution of test schedules generates results per scenario for different metrics.
  - EP290 adds three new messages to support the execution of test schedules.

Algo Certification and Testing

		Status fields	TestStatus (tbd)	TestScenarioStatus (tbd)	TestResultStatus (tbd)
			0 = Undefined 1 = Pass 2 = Fail 3 = Warning	0 = Undefined 1 = Pass 2 = Fail 3 = Warning	0 = Undefined 1 = Pass 2 = Fail 3 = Warning
AlgoCertificationReport(35=tbd)			any value		
	TestScenarioGrp			any value	
		TestResultGrp			any value
TestScheduleDefinitionRequest(35=tbd)					
	TestScenarioGrp			0=Undefined	
		TestResultGrp			0=Undefined
TestActionReport(35=tbd)			any value		
	TestScenarioGrp			any value	
		TestResultGrp			any value

What's new in FIX Latest?

EU/UK Post-Trade Transparency

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EU/UK Post-Trade Transparency

- Concurrent trade flags
  - FIX currently provides up to 3 distinct fields for trade types that can be used for regulatory trade flags
  - EP289 adds support for an arbitrary number of trade types on a single message (new repeating group TradeTypeGrp when 4 or more trade types need to be provided)

- New trade flags
  - EP283 and EP289 add support for a number of additional trade flags to the FIX Protocol:
    - CLSE – Trade at market closing price (new TrdType(828) value)
    - NETW – Negotiated transaction (new TrdRegPublicationReason(2670) value with TrdRegPublicationType(2669)=0 (pre-trade transparency waiver))
    - IFND – Inter-fund transfer (new TrdType(828) value)
    - ENAV – Net asset value (new TrdType(828) value)

- Authorised reporter
  - Regulators use different terminology for the role of the firm required to report a trade
  - FIX introduces the generic term “authorised reporter” for this role
  - EP283 and EP289 change the specific terms previously used in the FIX Protocol

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What‘s new in FIX Latest?
Miscellaneous extensions

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FIX Business Standards

- EP284 – EMIR Report Tracking Number
  - Unique number assigned to the execution and common among a group of reports related to the same execution.
  - New value for RegulatoryTradeIDType(1906) in RegulatoryTradeIDGrp
- EP285 – Average Pricing Enhancements
  - Additional granularity for notional value average pricing (NVAP)
  - New repeating group AllocGroupSubQtyGrp for subgroups of an average pricing group
- EP286 – Addendum to MMT v4.0 and v4.1 support
  - Distinction between hybrid and other market mechanisms for market data messages
  - Support for trading mode “On Demand Auction”
- EP287 – Maturity frequency
  - Support for frequency of maturities for derivative instruments, e.g. daily, weekly, monthly
- EP288 – Security Risk Metrics
  - Specialized calculations and statistics in order to evaluate current market state of options
  - New message SecurityRiskMetricsReport(35=EG) for the pre-trade business area
- See https://www.fixtrading.org/extension-packs/ for EP details

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