

FIX TRADING COMMUNITY

Americas Trading Conference 2024

– Update from the Global Technical Committee –

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Hanno Klein

FIX Technical Director

GTC EMEA Co-Chair

Senior Standards Advisor, FIXdom



Agenda

- What's new in FIX Latest?
 - FIX Business Standard for Algo Certification and Testing
 - FIX Business Standard for FX Reject Codes
 - EU/UK Post-Trade Transparency
 - Miscellaneous
- Plans for FIX Protocol Documentation
- FIX Technical Standards Update
- GTC Collaboration

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



Algo Certification and Testing

Algo Trading Firm

Certification request

Certification request ack

Certification report

Certification report ack

- Request facility - venues requesting certifications from their participants.
- Using participant id and algo id as the request key

- Requires a status (draft, approved, sent)
- Contains identity of authorised person and participant
- Contains an effective date
- Contains a certificate id that is unique over all time for the submitter
- Certification amendments only permitted for errata – everything else requires a new certificate id

Venue

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.
- EP292 added 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.
- EP292 added two new messages to define and acknowledge test schedules.

■ Test schedule execution

- The execution of test schedules generates results per scenario for different metrics.
- EP292 added three new messages to support the execution of test schedules.

Algo Certification and Testing

		Status fields	TestSuiteStatus (3070)	TestScenarioStatus (3030)	TestMeasureResult (3057)
			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=EJ)			any value		
	TestScenarioGrp			any value	
		TestMeasureGrp			any value
TestScheduleDefinitionRequest(35=EL)					
	TestScenarioGrp			0=Undefined	
		TestMeasureGrp			0=Undefined
TestActionReport(35=EP)			any value		
	TestScenarioGrp			any value	
		TestMeasureGrp			any value

What's new in FIX Latest? EU/UK Post-Trade Transparency



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 added 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 added 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 changed the specific terms previously used in the FIX Protocol

What's new in FIX Latest? Miscellaneous extensions



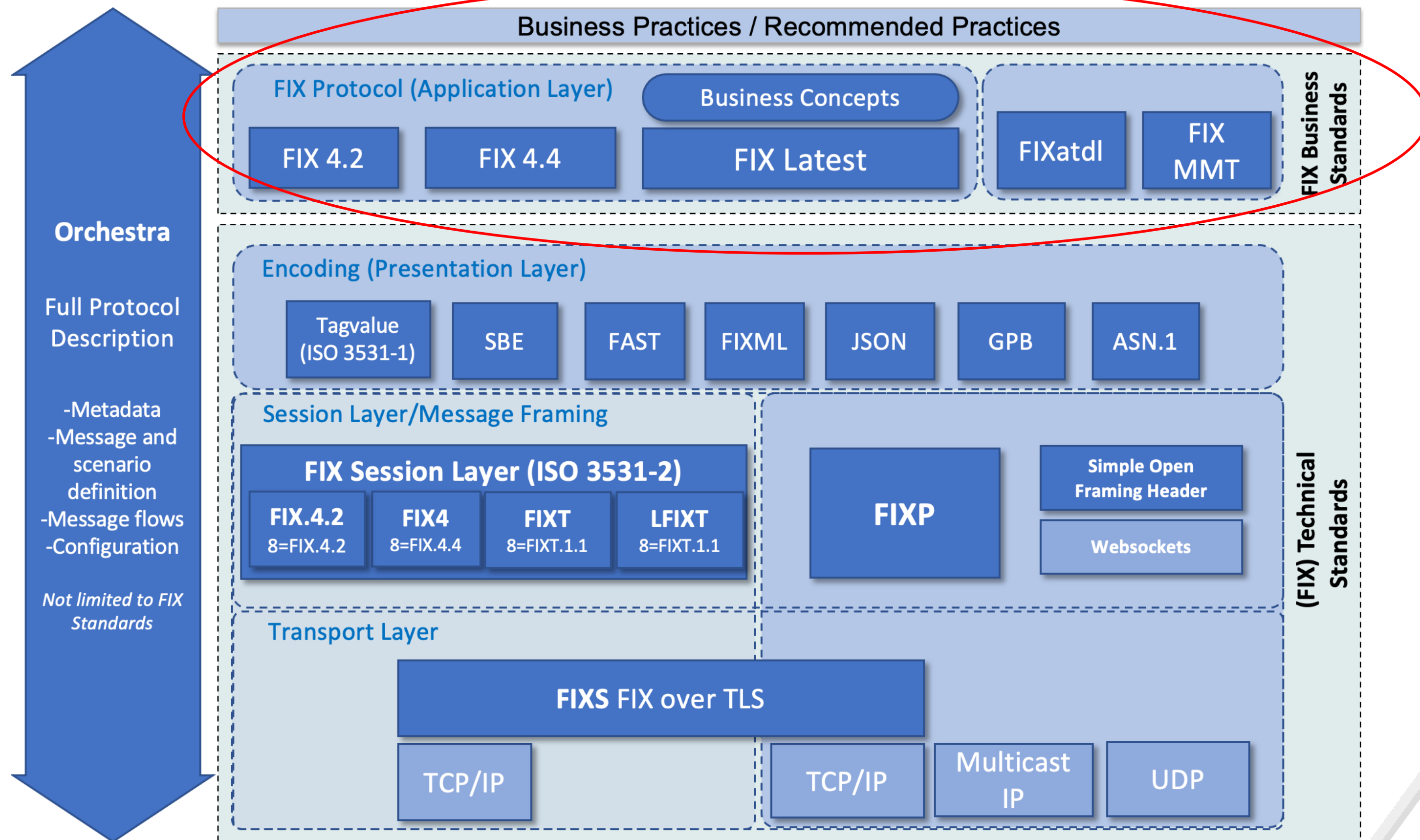
FIX Business Standards

- 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

Plans for FIX Protocol Documentation



FIX Standards



FIX Protocol Documentation

- Scope

- In scope: documentation related to the application layer (messages, components, fields, values)
- Out of scope: documentation related to the encoding and session/transport layer of the FIX Protocol

- Current situation

- There is a vast amount of documentation related to the FIX Protocol, spread across many artifacts.
- The core FIX Protocol specification is available online and as PDF for download.
- There is additional guideline material from the “legacy” spec (Volumes 3-5 and 7) as well as recommended practice document with a narrow focus on an asset class or part of the life-cycle.
- Extension Packs for the core FIX Protocol specification also contain guideline material.

- Objectives

- Improve user search experience
- Define structure and types of documentation we want to produce
- Migrate to Orchestra as the master source for FIX Latest
- Align content across different media (docx, pdf, online etc)
- Simplify the maintenance and release process
- Support compliant usage of the FIX Protocol

FIX Protocol Documentation

■ Organization

- GTC has created a FIX Protocol Subcommittee and issued a call for participation.
- GTC focus on the next version of the Orchestra Technical Standard (v1.1) has delayed the kick-off.
- Subcommittee may create small working groups to address different objectives.
- Collaboration with business level working groups to produce new and review existing content.
- Usage of GitHub presence of FIX (<https://github.com/FIXTradingCommunity>) to automate document generation, audit trail changes, and engage the wider community.
- Develop a user community for free and/or open-source tools increasing FIX compliance and supporting the automated development of (machine-readable) Rules of Engagement.

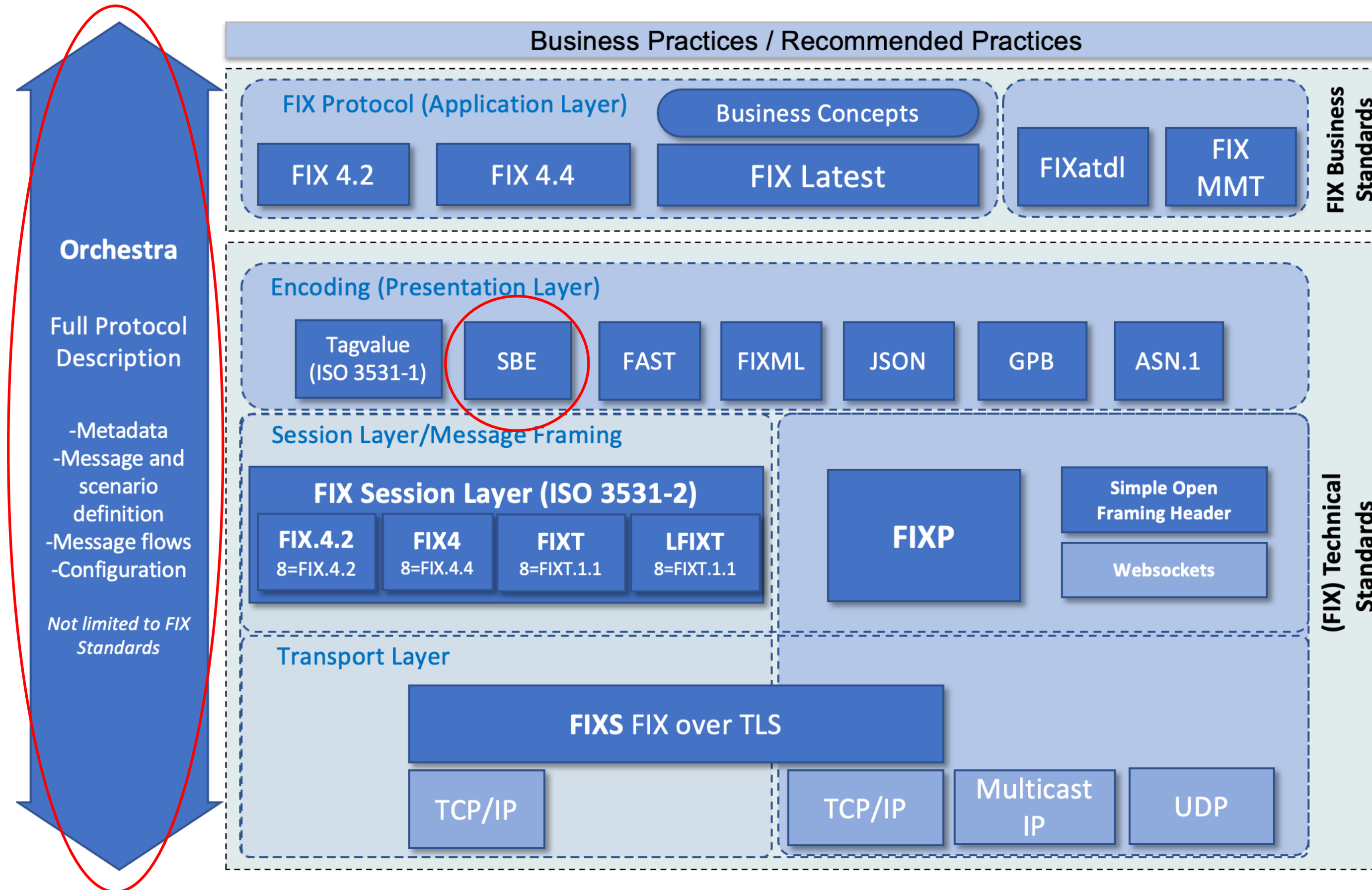
■ Vision

- Mission statement: The FIX Protocol Subcommittee is intended to address the strategy for and management of the FIX Trading Community's publicly available documentation material related to the application layer.
- Provide an easy-to-use interface on the FIX website to search for online and offline documentation related to a specific topic of interest.
- Use an SLM (Small Language Model) to support a search using natural language.

FIX Technical Standards Update



FIX Standards



FIX Technical Standards Update

■ Orchestra

- Version 1.0 published February 2021
- Version 1.1 Release Candidate 1 published November 2023
- Version 1.1 Release Candidate 2 is work in progress, publication planned for end of 2024

■ Simple Binary Encoding

- Version 1.0 Errata published November 2020 and submitted to ISO/IEC JTC1 June 2024
- Version 2.0 Release Candidate 1 published August 2018
- Version 2.0 Release Candidate 2 published August 2019
- Continuation of the work for v2.0 depends on the interest in the community

■ GitHub for standards development

- GitHub supports the FIX working groups and is open to non-members
- Artifacts are maintained in public GitHub repositories (<https://github.com/FIXTradingCommunity>)
- GitHub discussions are used to work on larger enhancements, e.g. scenario relationships
- GitHub issues and pull requests are required to propose specific changes or corrections
- GitHub projects are used to plan versions and Release Candidates

GTC Collaboration



GTC Collaboration

■ ISO/TC68

- Scope: Standardization in the field of banking, securities and other financial services, chaired by Jim Northey, FIX Board of Directors.
- SC9 (Standardization in the field of information exchange for financial services) supported by FIX resources in WG1 (ISO 20022 Semantic Models) and WG4 (ISO 20022 revision).
- ISO 20022 Registration Management Group (RMG) supervises the overall registration process, defines the business domains for Standards Evaluation Groups (SEGs) and reports to ISO TC68/SC9.

■ ISO 20022 Securities SEG

- Securities SEG and SubSEG (<https://www.iso20022.org/securities-seg-and-subseg>) cover messages supporting transactions and business processes related to various asset classes and are supported by FIX resources.
- Securities SubSEG reviews change requests for ISO 20022 messages related to authorities globally such as regulators and national banks.

■ OASIS

- Objective: Align the OASIS Energy Interoperation Technical Committee (EITC)'s transactive resources market microstructures with the FIX standard's market protocols. (<https://www.oasis-open.org/committees/energyinterop>).
- Transactive Resources Working Group (<https://www.fixtrading.org/groups/transactiveresources/>) created by FIX to align the Common Transactive Services (CTS) Version 1.0 (work in progress) with FIX concepts and terminology.