FIX TRADING COMMUNITY
France Trading Conference 2024

– Update from the Global Technical Committee –

Thursday 21st November2024

Hanno Klein
FIX Technical Director
GTC EMEA Co-Chair
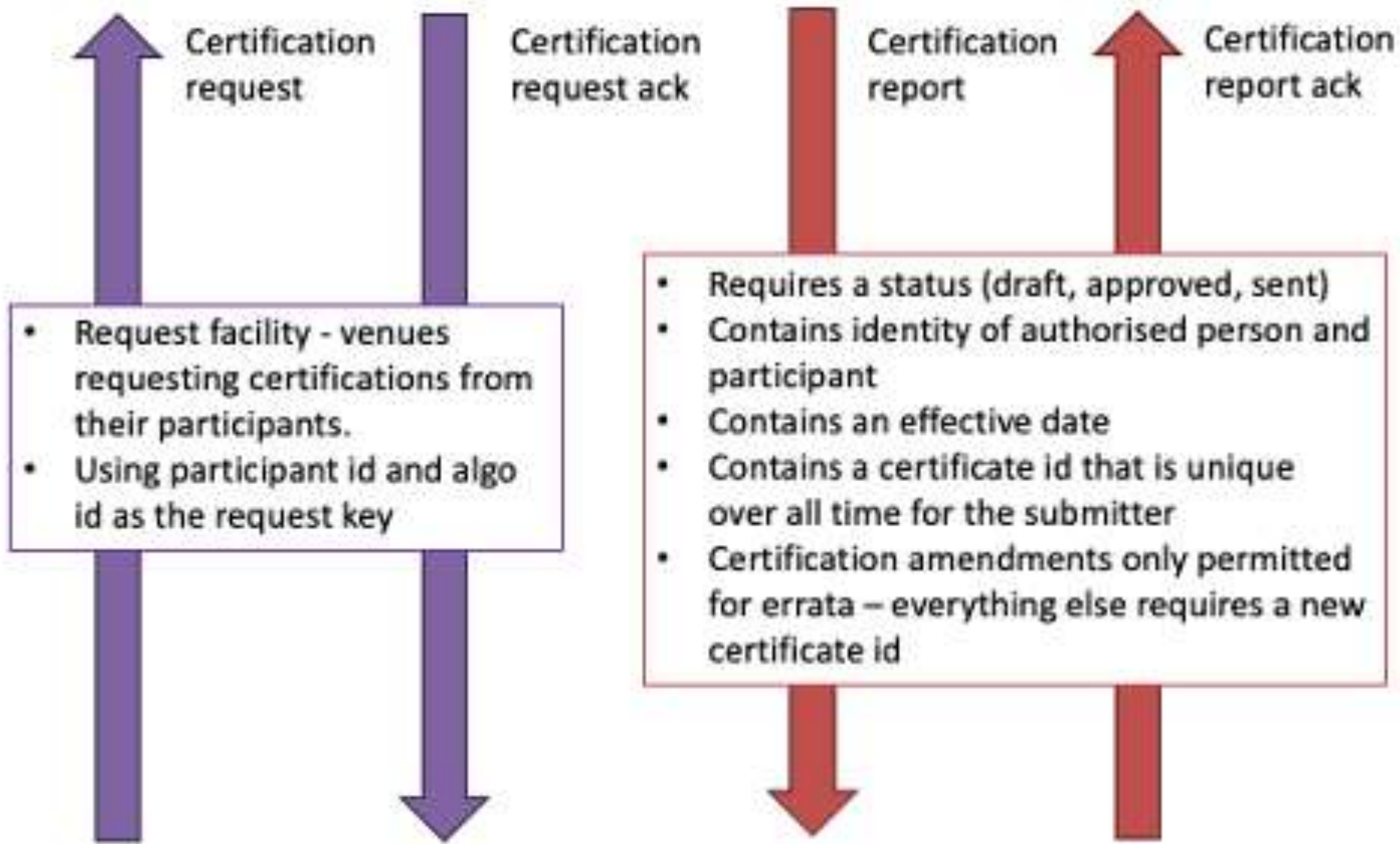Senior Standards Advisor, FIXdom

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

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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.
  - 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.

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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

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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?
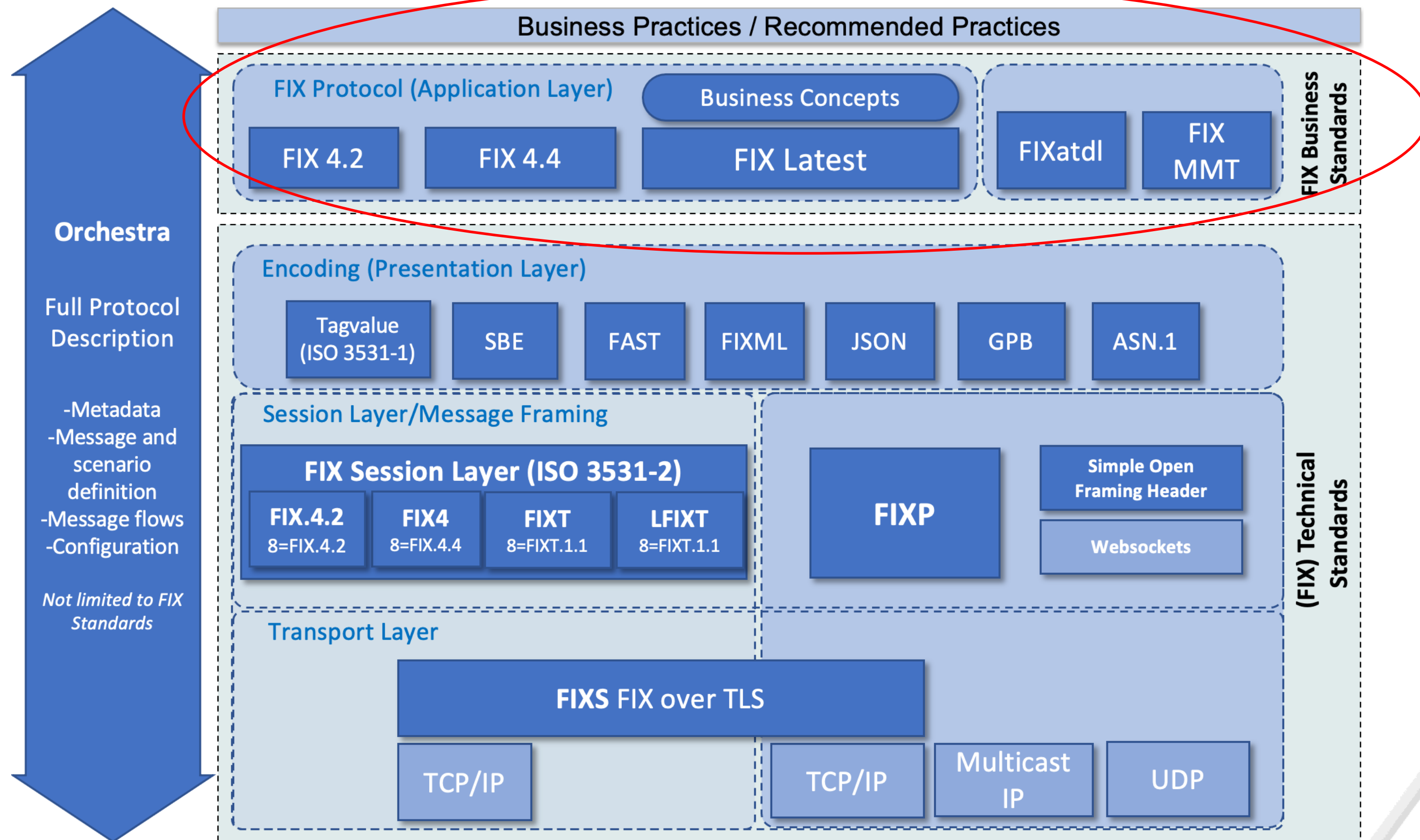## Miscellaneous extensions

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

FIX Standards

Business Practices / Recommended Practices

FIX Business Standards

FIX Protocol (Application Layer)

Business Concepts

FIX 4.2 | FIX 4.4 | FIX Latest

FIXatdl | FIX MMT

Orchestra

Full Protocol Description

-Metadata
-Message and scenario definition
-Message flows
-Configuration

Not limited to FIX Standards

Encoding (Presentation Layer)

Tagvalue (ISO 3531-1) | SBE | FAST | FIXML | JSON | GPB | ASN.1

Session Layer/Message Framing

FIX Session Layer (ISO 3531-2)

| **FIX.4.2** 8=FIX.4.2 | **FIX4** 8=FIX.4.4 | **FIXT** 8=FIXT.1.1 | **LFIXT** 8=FIXT.1.1 |

FIXP

Simple Open Framing Header

Websockets

(FIX) Technical Standards

Transport Layer

FIXS FIX over TLS

TCP/IP

TCP/IP | Multicast IP | UDP

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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

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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.
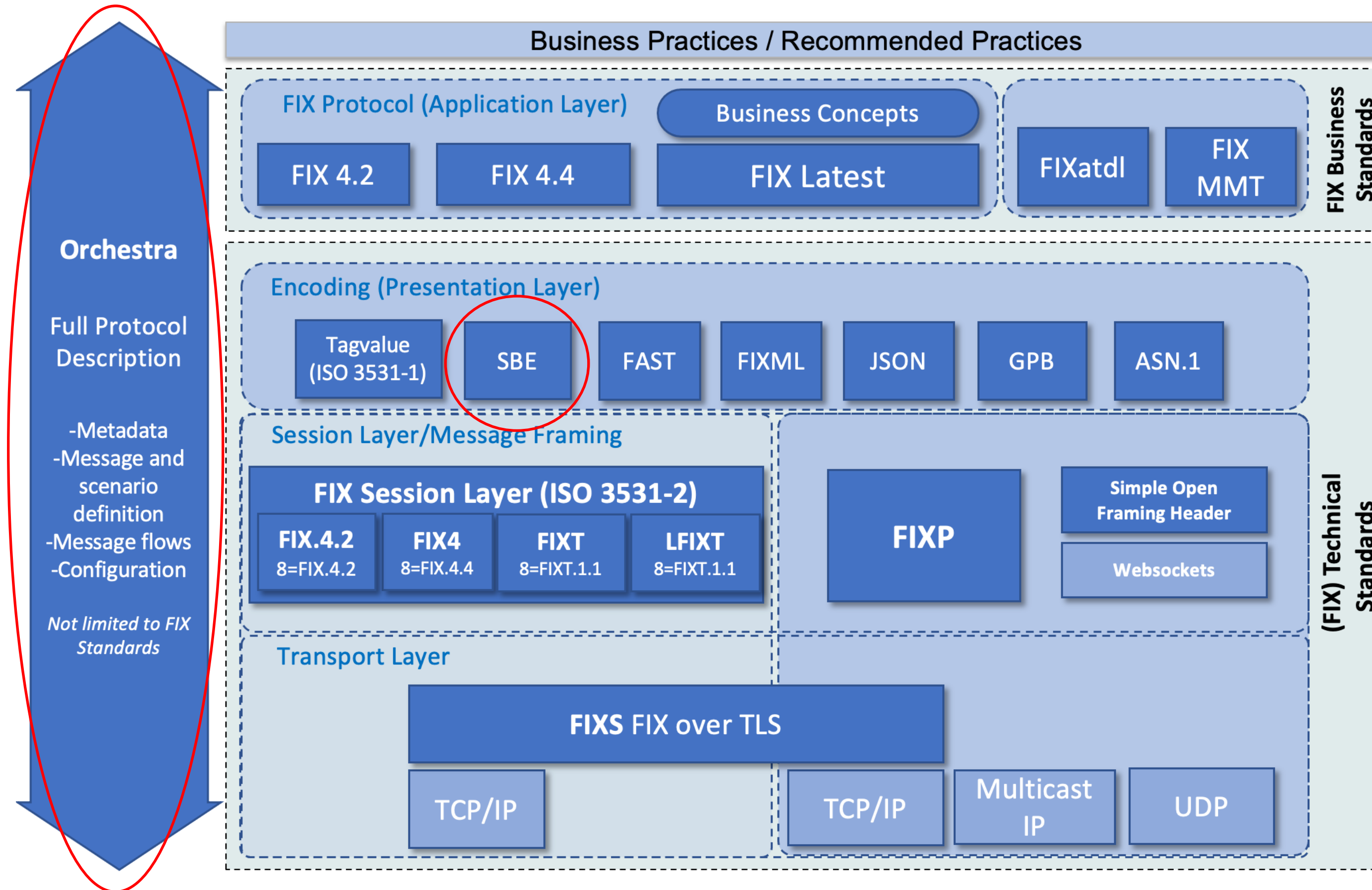
- Vision

    - 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.

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FIX Technical Standards Update

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Business Practices / Recommended Practices

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TCP/IP		TCP/IP	Multicast IP	UDP

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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.

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