

PRESS RELEASE – FIX Trading Community responds to European Commission targeted consultation on development and integration of EU capital markets

FIX Trading Community has submitted its response to the European Commission's targeted consultation on the integration of EU capital markets, under the broader framework of the Savings and Investments Union (SIU) strategy. Representing a global community of >280 members firms across buy-side and sell-side, as well as venues, infrastructure and technology providers, FIX is an advocate for open communication protocols and data standards, transparency, and efficiency in financial markets.

Our response focuses on the need for greater standardisation, interoperability, and openness across EU markets to address persistent fragmentation in trading, clearing, and settlement infrastructure.

Key points from the FIX submission:

- **Standardisation Is Key:** Despite the ubiquity of FIX Protocol for order routing and reporting, inconsistent implementations (such as custom tags, message variants and differing workflows) still exist across platforms and venues. Mandating and encouraging greater use of FIX standards (e.g., MMT for post-trade) would improve efficiency and transparency.
- **Limited Trading Competition and Integration Among European Exchanges:** Trading in the EU remains dominated by local markets, as cross-border listings are limited, and liquidity is concentrated in a few high-profile international stocks
- **Barriers to Full Clearing & Settlement Interoperability Remain:** Open access to CCPs and trading venues remains important, in particular given the fragmented landscape with over 20 CCPs and CSDs in European markets. FIX members noted that hurdles to full open access remain in current markets, as not all CCPs offer full interoperability currently and some only operate a preferred clearing model, which may constrain competition and market participant choice
- **Best Execution and Transparency:** A US-style "Order Protection Rule" would need to be carefully evaluated for its suitability for EU markets due to substantial differences in market structure. Best Execution in the EU is defined more broadly than just price. The wider geographic dispersion of exchange data centres in Europe vs the US would also introduce a significantly higher element of inter-venue latency. We support more robust post-trade transparency, through adherence to FIX reporting standards, as a key enabler and prerequisite for effective best execution outcomes.
- **Dark Trading and Waivers Regime:** Across the EU, dark trading levels have remained stable, showing only minor month-to-month fluctuation. However, to fully quantify the effects of dark trading, further research using the latest set of European data may be required. We recommend aligning the reference price waiver with the consolidated tape's lit market EBBO

and supports allowing trading venues to use the NTW for transactions facilitated by their own systems or protocols. This would encourage healthy competition.

- **Closing Auctions:** Closing auctions typically represent the single biggest liquidity event of the trading day. We have concerns that this creates a higher systematic risk and single point of failure, in particular given the lack of an industry-wide failover mechanisms for the closing price. We recommend the introduction of the CLSE flag in Europe to accurately captures closing auction volumes. Recent work at FIX has looked to automate and standardize communication of outages, status updates, and the execution of failover processes across market participants. Implementing backup solutions, industry coordination, and utilising the FIX Protocol for rapid, consistent communication would help reduce systemic risk from this single point of failure.
- **24-Hour Trading:** Extended trading hours may dilute liquidity, lead to wider quotes and spreads, higher costs, reduced service levels and increase risk without delivering clear benefits. Practical considerations such as no/limited availability of the EU CTP and uncertainty around the availability of clearing/ settlement services remain. We recommend a thorough assessment before any changes are implemented
- **The Role of Multi-Lateral vs. Bi-Lateral Trading:** Competition between multilateral and bilateral venues is positive, but requires enhanced and standardised post-trade transparency, particularly in the accurate flagging and reporting of bilateral trades such as the work being undertaken by FIX Protocol. This will help remove ambiguity and ensure a clearer distinction between multilateral and bilateral activity. Improved transparency will enable market participants and regulators to better assess the quality and addressability of liquidity across both types of execution channels.

The FIX Protocol plays a crucial role in supporting the exchange of data and connectivity between trading venues, infrastructure providers and market participants, thereby helping to reduce barriers to trading across different venues.

Read the full FIX submission [here](#).

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[About FIX Trading Community](#)

FIX Trading Community™ is the non-profit, industry-driven standards body at the heart of global trading.

The organisation is independent and neutral, dedicated to addressing real business and regulatory issues impacting multi-asset trading in global markets through standardisation, delivering operational efficiency, increased transparency, and reduced costs and risks for all market participants.

Central to FIX Trading Community's work is the continuous development and promotion of the [FIX family of standards](#), including the core [FIX Protocol](#) messaging language, which has revolutionised the trading environment and has successfully become the way the world trades.

For more information about the FIX Trading Community visit www.fixtrading.org or email us: fix@fixtrading.org