



How MiFIR review impacts the FIX MMT Trade Flag Standard

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Disclaimer

- ESMA has submitted MiFID/MiFIR review recommendations to the EU Commission on December, 16th 2024.
 - 20241216_ESMA74-2134169708-7636_MiFIR_Review_Final_Report_on_Equity_transparency
 - 20241216_ESMA74-2134169708-7775_MiFIR_Review_Final_Report_on_amendment_of_RTS_2_and_RTS_on_RCB
 - 20241216_ESMA74-2134169708-7768_-_MiFIR_review_-_Final_Report_on_CTPs_and_DRSPs
- Trade flag requirements expected to change; FIX MMT v5.0 to reflect these changes.
- The EU Commission is reviewing and may still modify the content of the ESMA recommendations.
- The application dates of some of the ESMA recommendations are still open-ended.
The FIX MMT data standard v5.0 proposals are consequently of provisional nature.
- FIX will finalise the MMT v5.0 as soon as regulatory requirements get validated by the EU Commission, expected early June.

Improving post-trade transparency



- Source: LSEG

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.

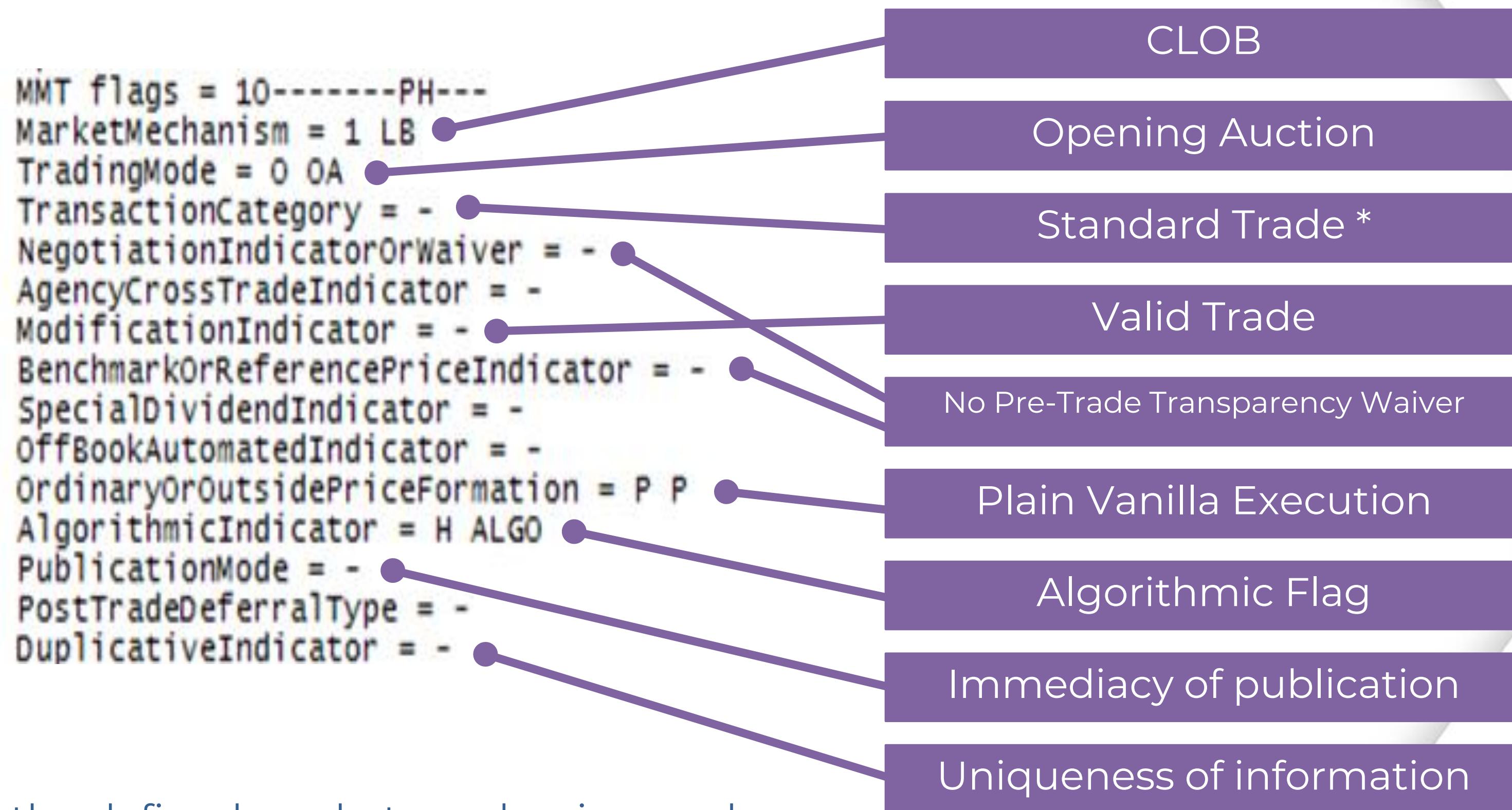
MMT is protocol agnostic.

Components of post-trade transparency

<pre>MessageName = Trade Type = TR Version = 100 Subtopic = PostTrade,Auction Topic=768 Package = 5 Flags = Delta,Single SendTime = 20171026-07:00:38.034374</pre>	
<pre>Isin = CH0005795668 Currency = CHF Exchange = XSWX</pre>	security
<pre>ExecutionTime = 20171026-07:00:38.000015 TradeId = 00031D6UH1P0001T PublishTime = 20171026-07:00:38.000015 PublicationVenue = XSWX</pre>	transaction identification code
<pre>Price = 0.920000 PriceNotation = M Size = 614 NotionalAmount = 0.000000 NostroCross = 0 TradeToBeCleared = SpecialPrice = 0</pre>	price & size
<pre>MMT flags = 10-----PH--- MarketMechanism = 1 LB TradingMode = 0 OA TransactionCategory = - NegotiationIndicatorOrWaiver = - AgencyCrossTradeIndicator = - ModificationIndicator = - BenchmarkOrReferencePriceIndicator = - SpecialDividendIndicator = - OffBookAutomatedIndicator = - OrdinaryOrOutsidePriceFormation = P P AlgorithmicIndicator = H ALGO PublicationMode = - PostTradeDeferralType = - DuplicativeIndicator = -</pre>	MMT information block
	publication & execution time

Source: SIX Swiss Exchange (MDDX)

MMT Components



* for the defined market mechanism and trading mode

Source: SIX Swiss Exchange (MDDX)

ESMA Comments on MMT / ISO 20022 Compatibility

- ESMA Final Report on Equity Transparency (RTS 1 and CDR 2017/567), p. 71, and
- Question #26, p.115

4.3.1.2.3 ESMA's assessment and next steps

153. ESMA considered the feedback received on the new fields and aligned its approach with FIX MMT to the extent possible while maintaining the ISO 20022 compatibility. Furthermore, as explained in the CP, the reference to the CTP is removed from the table as integrated in the dedicated input / output RTS.

154. Last but not least, the new field flag should be reported either as one field with all the applicable flags separated by a comma or over multiple levels as per FIX MMT structure.

155. The new Table 3 is proposed below, in red the changes already proposed in the CP while the changes introduced with this FR are in red highlighted in yellow.

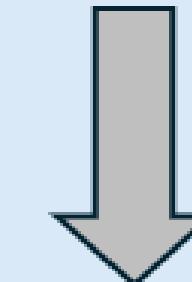
- All FIX MMT display flags will be converted into four digit alphanumeric codes in the v5.0 to conform with the ISO 20022 guidelines

FIX MMT v5.0 elements will populate the requested field #14 on Table 3

Table 3 / Field #14 "Flags"				
14	Flags	<p>One or multiple fields should be populated with the applicable flags as described in Table 4 of Annex 1.</p> <p>This field should be populated with the list of all applicable flags as described in Table 4 of Annex 1.</p> <p>Where none of the specified circumstances apply, the transaction should be published without a flag.</p> <p>Where a combination of flags is possible and reported in one field, the flags should be reported separated by commas.</p>	RM, MTF, APA, CTP	As per Table 4 of Annex 1

Trade specific information

MMT v5.0 trade flags

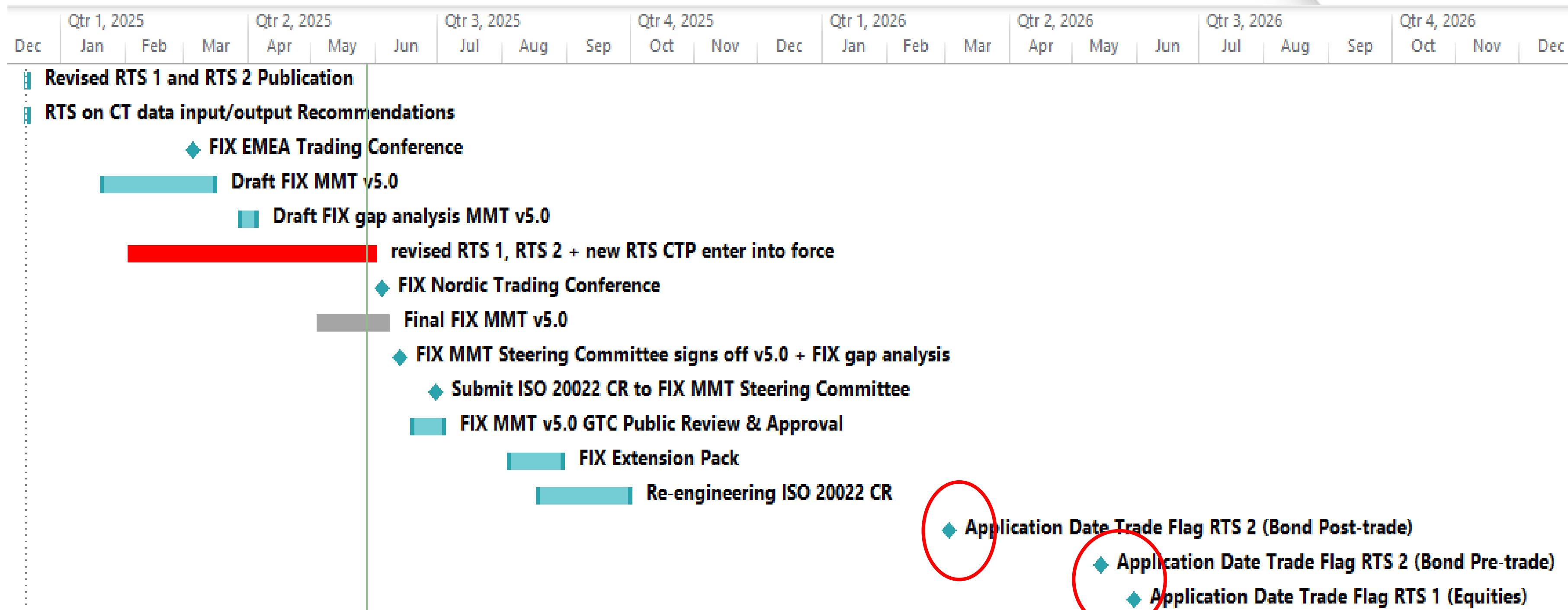


All flags listed on Table 4 (p. 81) are available in the MMT v5.0 data model; Having additional flags is acceptable

Level	Full Name	Display Code v5.0	ESMA (& FCA for RTS 2) Equivalencies or Utilisation				FCA Equivalencies or Utilisation		Relevance (FIX CT WGs)	
			Trade Flag	RTS 1 (equity)	RTS 2 (non-equity)	RTS 1 SI Use Only	Trade Flag	RTS 1 (equity)	RTS 1 (equity)	RTS 2 (non-equity)
MARKET MECHANISM										
1	Central Limit Order Book	"LB" "CLOB"	"CLOB"	✓	✓	✗	n/a	✗	✓	✓
	Quote Driven Market	"QB" "QDTS"	"QDTS"	✓	✓	✗	n/a	✗	✓	✓
	Dark Order Book	"DB" "DABO"	"CLOB"	✓	✓	✗	n/a	✗	✓	✓
	Off Book (including Voice or Messaging Trading)	"OB" "VOIC"	"VOIC"	✓	✓	✗	n/a	✗	✓	✓
	Periodic Auction	"PA" "PATS"	"PATS"	✓	✓	✗	n/a	✗	✓	✓
	Request for Quotes	"RQ" "RFQT"	"RFQT"	✓	✓	✗	n/a	✗	✓	✓
	Any Other, Including Hybrid (original ESMA definition in RTSs 1 & 2)	"AH" "AHHY"	N/A	✓	✓	✗	n/a	✗	✓	✓
	Hybrid System (revised ESMA definition, replacing 'Any Other, Including Hybrid')	"HS" "HYBR"	"HYBR"	✓	✓	✗	n/a	✗	✓	✓
	Any Other, Excluding Hybrid (revised ESMA definition, replacing 'Any Other, Including Hybrid')	"AO" "OTRH"	"OTRH"	✓	✓	✗	n/a	✗	✓	✓

MMT Display Codes renamed according to ISO 20022 Guidelines

Indicative FIX MMT draft Roadmap 2025/2026: v5.0



MiFIR Review RTS 1 – Amendments of Flags

Post-trade transparency - Table 4: List of Flags (p. 81)

Flags Deletions for RTS 1:

- 'RPRI' [L3.1]: Trade that has Received Price Improvement on an SI → alignment to FCA (see FCA Policy Statement PS 23/4)
- 'ILQD' [L3.2]: Pre-Trade Transparency Waiver for Illiquid Instrument on an SI (for RTS 1 only) → alignment to FCA
- 'ACTX' [L3.3]: Agency Cross Trades → alignment to FCA
- 'SIZE' [L3.10]: Pre-Trade Transparency Waiver for Above Standard Market Size on an SI (for RTS 1 only) → alignment to FCA
- 'DUPL' [L5.1]: Duplicative Trade Report (reported to more than one APA) → alignment to FCA

Post-trade transparency - Table 4: List of Flags (p. 81)

Flag Naming Changes and New Flags:

1. [L2] Display Code syntax → new four digit alpha codes [alignment to Table 2, p.43, 44]
2. [L2] Continuous Trading → new four digit alpha code «COTR» (FIX) instead of «CONT»(ESMA)
3. [L2] Other → new four digit alpha code «OTSP» (FIX) instead of «OTHR»(ESMA)
4. [L3.2] Negotiated Trade «NTRP»(Current) → new code «NEGO» [alignment to Table 3 Annex II, p. 159-160] applicable for RTS 2 → make it possible on MMT v5.0 for equity (-like) instruments Outside EU/EEA
5. [L3.10] Pre_Trd Transparency Waiver new «NTLS» (currently for FCA purposes only) → modify definition and under only usable as «private» flag for CTP input purposes (for CTP internal calculation purposes)
 - Keep existing «NTLS» flag only for FCA post-trade transparency purposes
 - New flag «LISW» (FIX) for CT internal calculation purposes

MiFIR Review RTS 2 – Amendments of Flags

Post-trade Transparency RTS2 -Table 3: List of Flags (p. 160-162)

New Flags for Bond Deferral Regime:

- 'MLF1' [L4.1]: Non-Immediate Publication: Deferral for "Medium Size Liquid Market"
- 'MIF2' [L4.1]: Non-Immediate Publication: Deferral for "Medium Size Liquid Market"
- 'LLF3' [L4.1]: Non-Immediate Publication: Deferral for "Large Size Liquid Market"
- 'LIF4' [L4.1]: Non-Immediate Publication: Deferral for "Large Size Illiquid Market"
- 'VLF5' [L4.1]: Non-Immediate Publication: Deferral for "Very Large Size Liquid Market"
- 'VIF5' [L4.1]: Non-Immediate Publication: Deferral for "Very Large Size Illiquid Market"
- 'DEFR' [L4.1]: Non-Immediate Publication: Deferral for ETCs, ETNs, SFPs, Emission Allowances

- 'OMIS' [L4.2]: Volume Omission for Sovereign Bonds Trade
- 'AGFW' [L4.2]: Four Weeks Aggregation for Sovereign Bonds Trade
- 'FULO' [L4.2]: Full Details of Earlier "Volume Omission Sovereign Bond Trade (OMIS)"
- 'FULG' [L4.2]: Full Details of Earlier "Aggregated Sovereign Bond Trade (AGFW)"

Post-trade Transparency RTS2 -Table 3: List of Flags (p. 160-162)

Flag Deletions:

1. 'IDAF' [L4.2]: Indefinite Aggregation Trade
2. 'VOLW' [L4.2]: Volume Omission Trade, Eligible for Subsequent Enrichment in Aggregated Form
3. 'COAF' [L4.2]: Full Details in Aggregated Form of Earlier "Volume Omission Trade, Eligible for Subsequent Enrichment in Aggregated Form (VOLW)"

Post-trade Transparency RTS2 -Table 3: List of Flags (p. 160-162)

Flag deprecated for bonds but kept for derivatives:

1. [L4.1] modify generic Non-Immediate publication to four digit alpha code → 'NIPM'
2. [L3.7] modify Off Book Automated Indicator → 4 digit alpha codes 'MNAU' and 'OFAU' (not a regulatory flag)
3. [L4.3] → modify 'ILQD' definition to «Non-Immediate Publication: Deferral for "Illiquid Instrument" (for RTS 2 Derivatives only, deprecated for bonds)"
4. [L4.4] → modify 'SIZE' definition to «Non-Immediate Publication: Deferral for "Illiquid Instrument" (for RTS 2 Derivatives only, deprecated for bonds)"

View from a leading Vendor - Bloomberg

MMT Display Flags

NOKIAH I2 € **↓ 4.7305 +0.0042** X4.7300/4.7310X 3162x1147
At 10:18 d Vol 988,627 0 4.7080X H 4.7485X L 4.6865X Val 4.677M

NOKIAH I2 Equity EU 1) Actions ▾ 97) Settings Page 16 Trade/Quote Recap

Range 02/25/25 06:30:00 - 02/25/25 17:30:00

2) Trade Recap 3) Quote Recap

Show Ticks All Cond Code Definitions

High 4.7485 Low 4.6865

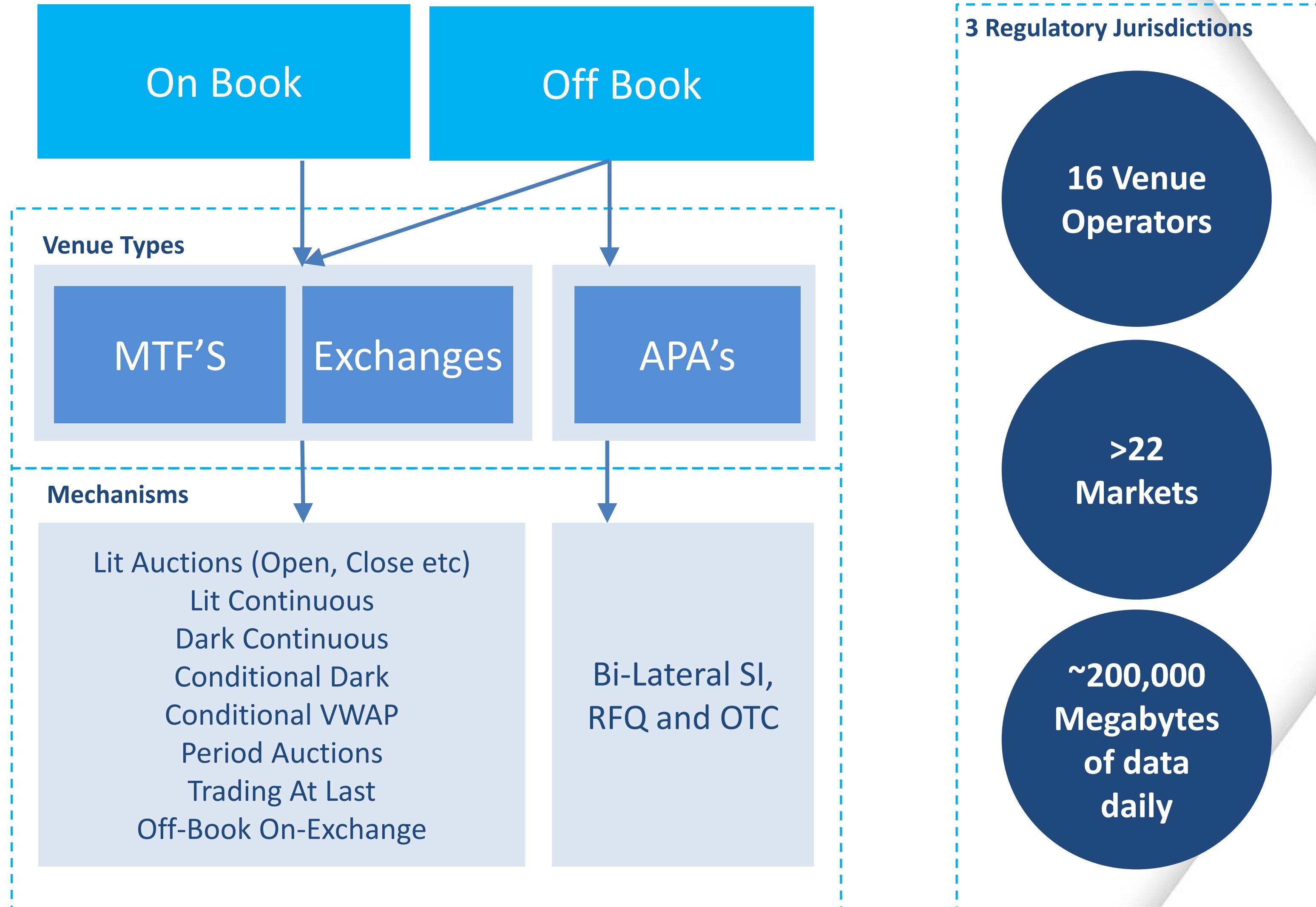
Time	Size	Price	E	MIC	Cond	Trd Date	Trd Time	BSCC	ESMA	MMT	Trd Ag
10:03:08			N.A.	I2	T			T			
10:03:07			N.A.	I2	T			T			
10:03:06			N.A.	I2	T			T			
10:03:06	300	4.7265	I2		T,IT,IP			T,TA,TA			
10:03:06	199	4.7265	I2		T,IT,IP			T,TA,TA			
10:03:06		N.A.	I2		T			T			
10:03:06	39	4.7265	I2		PA	2/25/25	10:03:06	OD		PA,OD,P	
10:03:06	14	4.7265	I2		PA	2/25/25	10:03:06	OD		PA,OD,P	
10:03:06	53	4.7265	I2		T,IT,IP			T,TA,TA			
10:03:05			N.A.	I2	T			T			
10:03:05			N.A.	I2	T			T			
10:03:05			N.A.	I2	T			T			
10:03:05			N.A.	I2	T			T			
10:03:05	305	4.7265	I2		CD	2/25/25	10:03:05	DT		DB,CT,D,RFPT,P,ALGO	
10:03:05	846	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Dark Order Book (DB)	
10:03:05	489	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Continuous Trading (CT)	
10:03:05	456	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Dark Trade (D)	
10:03:05	456	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Reference Price Trade (RFPT)	
10:03:05	456	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Plain-Vanilla Trade (P)	
10:03:05	336	4.7265	I2			2/25/25	10:03:05	AE		LE Condition Code: Algorithmic Trade (ALGO)	

Currency EUR

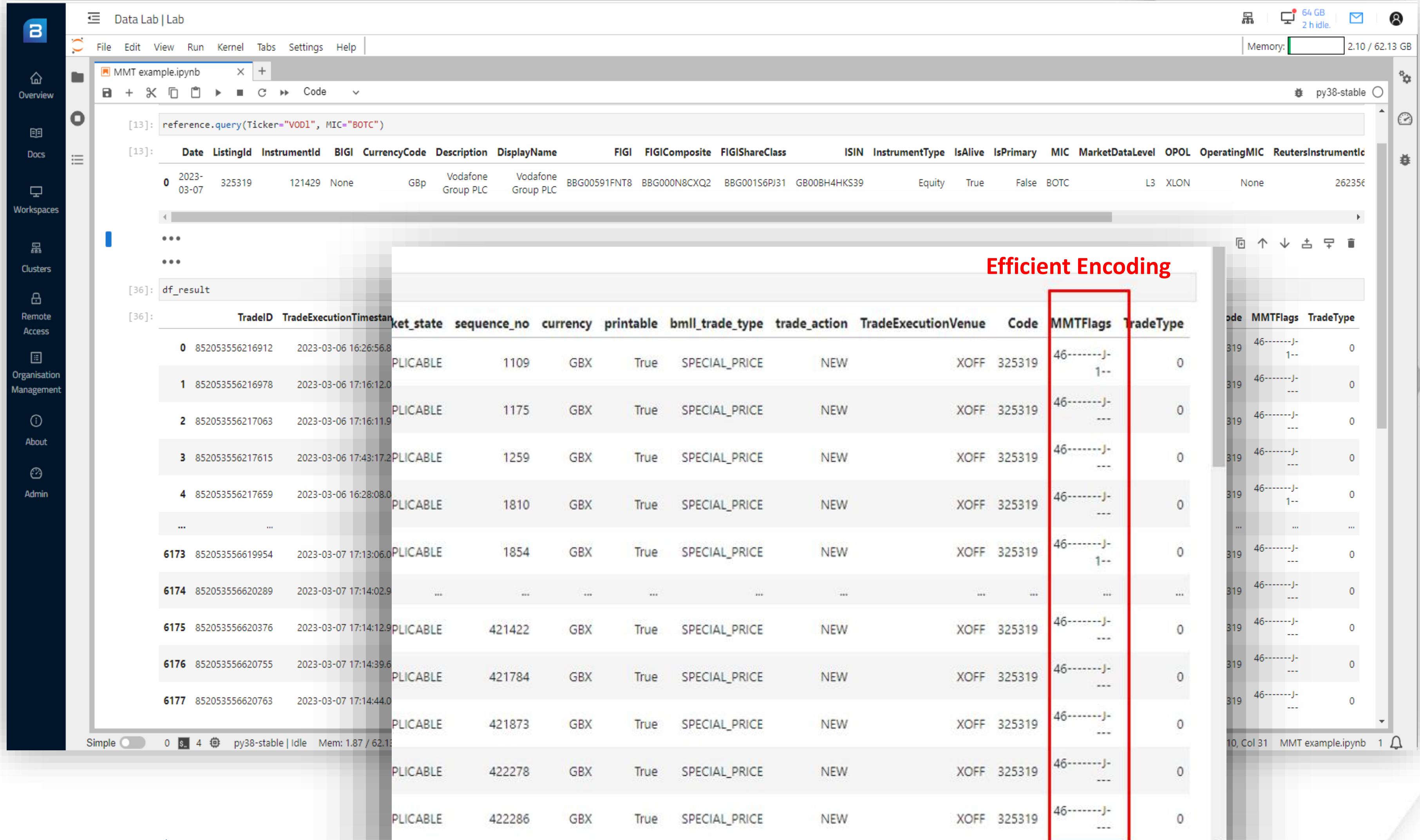
DB,CT,D,RFPT,P,ALGO
LE Condition Code: Dark Order Book (DB)
LE Condition Code: Continuous Trading (CT)
LE Condition Code: Dark Trade (D)
LE Condition Code: Reference Price Trade (RFPT)
LE Condition Code: Plain-Vanilla Trade (P)
LE Condition Code: Algorithmic Trade (ALGO)
Click to display condition code definitions.
Right-click for more options.

**View from a leading Provider of advanced
Analytics - BMLL**

European Market Structure is Complex!



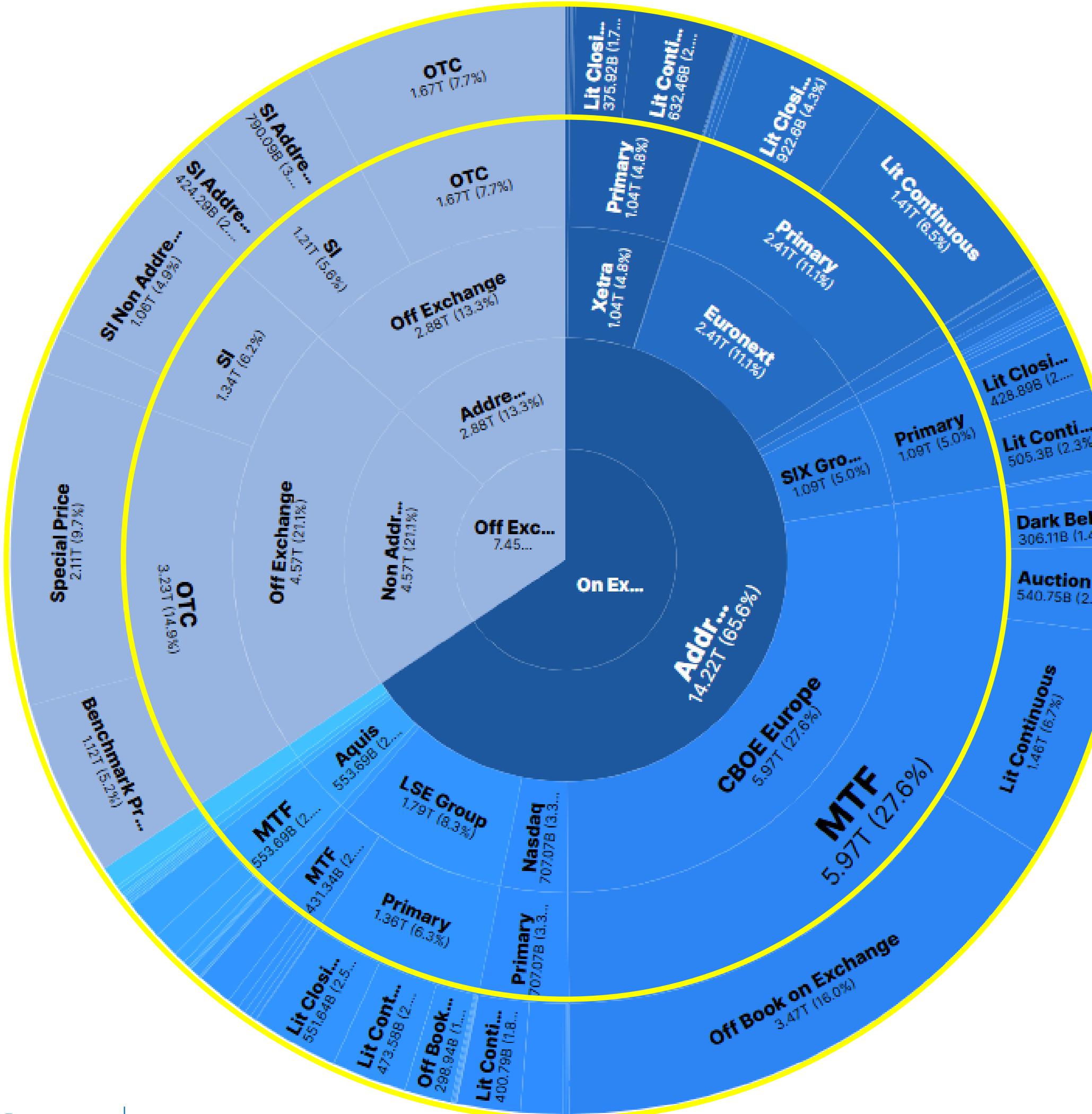
Using MMT: Detailed Trade Characteristics



The screenshot shows a Jupyter Notebook interface with the following details:

- Header:** Data Lab | Lab, File, Edit, View, Run, Kernel, Tabs, Settings, Help, 54 GB, 2 idle, Memory: 2.10 / 62.13 GB.
- Left Sidebar:** Overview, Docs, Workspaces, Clusters, Remote Access, Organisation Management, About, Admin.
- Code Cells:**
 - [13]: `reference.query(Ticker="VOD1", MIC="BOTC")`
 - [36]: `df_result`
- Data Tables:**
 - Result of `reference.query(Ticker="VOD1", MIC="BOTC")` showing a single row of instrument details.
 - Result of `df_result` showing a DataFrame with 17 columns and 17 rows of trade data. The columns are: TradeID, TradeExecutionTimestamp, MarketState, sequence_no, currency, printable, bmll_trade_type, trade_action, TradeExecutionVenue, Code, MMTFlags, TradeType, and several columns with redacted data.
- Annotations:** A red box highlights the `MMTFlags` column in the DataFrame result, and the text "Efficient Encoding" is displayed above the DataFrame.

MMT Underpins Transparency



The Complete View

- Addressable vs Non-Addressable Liquidity
- Lit vs Dark
- Growth in Off-Book On-Exchange, Periodic Auctions, Close Auction
- SI Liquidity
- Alternative Close Price Destinations

Questions?



Speakers



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Refining Liquidity Transparency Through Enhanced MMT Flagging

Nathalie Ruiz – Head of Equity Sales, Global Buyside & Continent – June 2025

European Liquidity is Complex and Fragmented

- **Fragmented Market Landscape:**
 - Large overall liquidity spread across multiple markets and venues
 - Lit vs Dark
 - Growth in Off-Book On-Exchange with SI included, Periodic Auctions, Close Auction
- **Distinguishing Liquidity Types:**
 - **Addressable liquidity** and **Non-addressable liquidity**





The Value of Accurate MMT Flagging for Addressable Liquidity

Benefits

-  **Post-trade transparency** at the source - *how, when, and where*
-  **Seamless STP** from trade execution to analytics
-  **Consistent, Standardized Data**
-  **Elevated Data Quality = Better Execution**
-  **Fuel for Innovation**



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