

FIX MMT Progress report 2017

The MMT committees are committed to achieving a practical and common solution for standards on post-trade data across all asset classes subject to MiFID II. The following provides a progress report for FIX MMT - www.fixtrading.org.

During 2017 the MMT TC and SC focused mainly on the interpretation and implementation of MiFID II. Please find a summary of the most important issues in a nutshell below:

1. Fine tuning of FIX MMT Market model for MiFID II

There have been three releases of the FIX MMT to ensure that the MMT model is conformant to MiFID II as follows; TC released the following MMT versions: 3.04 (latest update 11/2017), version 3.03 (5/2017), version 3.02 (3/2017). The purpose of these rather minor releases was to make sure that FIX MMT data model would support all trade flag combinations possible under RTS 1 and RTS 2 (including limitations raised in the Q&A documentation).

2. Successful interaction with the ESMA Q&A process on transparency topics

FIX MMT submitted various inputs to the ESMA Q&A process in an ongoing fashion, both written and in direct contact. The discussions with the European regulator were very constructive. The three Q&A inputs submitted by FIX MMT had a positive outcome with ESMA introducing the proposed solutions in the Q&A document on transparency topics (ESMA70-872942901-35 issued on April 3rd, 2017 with an update on Nov. 15th 2017 as follows

1. Freedom of choice of data format in efficient (binary) data feeds (see ESMA70-872942901-35 / Question 2 (c), p. 18) compared to the mandatory ISO 20022 as otherwise required by RTS 1 and RTS 2 of MiFID II;
2. Clarification for trade flag use only in case of effective publication deferral (see ESMA70-872942901-35 / Question 2 (b), p. 14);
3. Mutual exclusivity of negotiated trades flags (see ESMA70-872942901-35 / Question 2 (b),p. 14);
4. Representation of pending price flag "PNDG":

The clarification about the freedom of choice on data format use (binary instead of text format) is of paramount importance for the overall industry and as such we consider this to be a major achievement of the MMT group. This achievement goes far beyond the achievement realized as regards the other issues mentioned above. It is also highly relevant for the efficient processing of timestamps, an issue which had been dealt with within the FIX MiFID Transparency Group.

3. Continued cooperation with FIX MiFID Transparency Group

FIX MMT had regular interaction with the FIX MiFID Transparency Group. The MMT Technical Committee dedicated several sessions for the review of the trade reporting workflow trees for RTS 1 and RTS 2 produced by the FIX MiFID Transparency Group.

4. Further update of documentation

The quality of documentation is key to ensure to the industry achieve coherent and consistent implementation of the FIX MMT standard. FIX MMT data model was enlarged with a precise description of all FIX tags to be applied according to EP216. Detailed description of display options available to vendors was added as well. The power point presentation on the FIX MMT initiative has been fully updated.

5. MMT adoption

There has been continued adoption of MMT and the following trading venues will apply the MMT standard from MiFID/MiFIR:

Aquis Exchange, Bulgarian Stock Exchange, BME, CBOE European Equities (ex BATS), Deutsche Börse, Euronext, German Regional exchanges, Irish Stock Exchange, Malta Stock Exchange, Nasdaq Baltic, Nasdaq Nordic, SIX Swiss Exchange, Tradegate, Zagreb Stock Exchange

6. Next steps

a. Continued adoption of MMT

One of the major objectives for 2018 is ensure the continued adoption of MMT standards across the industry. Marketing and awareness is key to achieve this goal.

b. Fine tuning MiFID II requirements

Once MiFID II is implemented there will be fine tuning and assessment of usage of the flags. These will be reviewed, communicated and implemented as required.

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