



~~Global Cross Asset Committee~~

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Document History

Revision	Date	Author	Revision Comments
0.1	23/October/2013	Sonali Tandon, Yuval Cohen	Initial revision
0.2	18 November, 2013	Yuval Cohen	Merged feedback from Lisa Taikitsadaporn
0.3	22/October/2013	Yuval Cohen	Updated appendix A, description of EntitlementSubType, per GTC meeting.
ASBUILT	16/January/2014		ASBUILT created

1 Introduction

In 2013 the Global Fixed Income Committee produced a set of best practices documents for entitling in the Fixed Income markets, *Recommended Practices for Party Entitlement –OTC Markets*. These recommended practices focus on the use of FIX 5.0 SP2 for entitlements activities between the banks (Dealers) and D2C (Dealer to Customers) execution venues in the Fixed Income markets and was officially ratified by the FPL community in September 2013.

In 2013, the Global Cross Asset Committee has been creating the *Recommended Practices for Party Entitlement – FX OTC Markets*. These recommended practices focus on the use of FIX 5.0 SP2 for entitlements activities between the banks (Dealers) and D2C (Dealer to Customers) execution venues for Foreign Exchange markets. As a result of documenting the recommended practices some gaps have been identified in the FIX 5.0 SP2 Parties Reference Data and these are presented in this gap analysis proposal to the Global Technical Committee.

1.1 Summary of changes

1.1.1 Extension of Entitlement Status

In the D2C markets it is common for the sell-side, upon receiving a request for entitlements from the buy-side through the venue, to defer or pass the request. This would indicate the sell-side has considered the request but is currently not ready or does not want to temporarily accept or reject the request at this time but possibly in the future. For this purpose, we propose adding a new enumeration EntitlementStatus=Deferred(~~TBD5~~). This is to make a distinction from the case where the sell-side has considered and does not want to do business permanently by rejecting the request, using the enumeration EntitlementStatus=Rejected(2)

1.1.2 Add new field EntitlementSubType(~~TBD2402~~)

In the D2C market some execution venues support the ability to scope entitlements by trading features. A buy-side user may be entitled to all, part or none of the following trading features:

- Entitled to submit single quote request or submit request for streaming quotes for limited period
- Entitle to submit quote to single dealer only on the execution venue or entitle to submit quote to multi dealer on the venue
- Entitle to view indicative prices or view executable prices but not entitled to trade on them
- Entitle to receive constant stream of executable prices and which can be traded on
- Entitle to submit orders which the bank will execute

In order to organize these entitlement types and allow for future flexibility we proposed to add a new EntitlementSubType(~~TBD2402~~) field to be used in conjunction with EntitlementType(1775)

Business Enumeration	EntitlementType(1775)	EntitlementSubType(TBD2402)
Submit quote requests (RFQ)	Submit quote requests	Single Quote
Submit requests for streaming quotes for limited period (RFS)		Streaming Quotes
Single Dealer RFQ		Single Broker quote request
Multi Dealer RFQ		Multi Brokers quote request
Receive indicative prices - but not entitled to trade them	Subscribe to market data (5)	View indicative prices
Receive executable prices - but not entitled to trade them		View executable prices
Receive streaming prices and trade them	Trade (0)	Hit/Lift

(Hit/Lift)		
Trade / Submit an order		Order entry

1.1.3 Add AttachmentGrp to the Email(35=C) message

One of the requirements for entitlement process is to exchange a disclaimer between the sell-side and the buy-side; such a disclaimer is sent in an email message as an attachment. This is only one of the reasons to have AttachmentGrp within the Email(MsgType=C) message.

The AttachmentGrp was added TradeCaptureReport(MsgType=AE) and to XMLnonFIX(MsgType=n) messages in EP167, but currently it is not part of the Email(MsgType=C) message.

Nowadays email communications usually contain multiple attachments. We therefore propose to add the AttachmentGrp component to the Email(MsgType=C) message.

2 Business Workflow

2.1.1 Deferred Entitlement Status

This scenario illustrates the case where the Execution Venue sends a request to the sell-side on behalf of a buy-side client for entitlement which is subsequently deferred.

Sell-side perform internal checks, and if the relationship with the buy-side client is not agreed to or to be processed at a later stage, sell-side defers the request.

The deferred status is temporary, and may later be amended to Accepted or Rejected by the sell-side.

The following diagram illustrates the main business workflow:

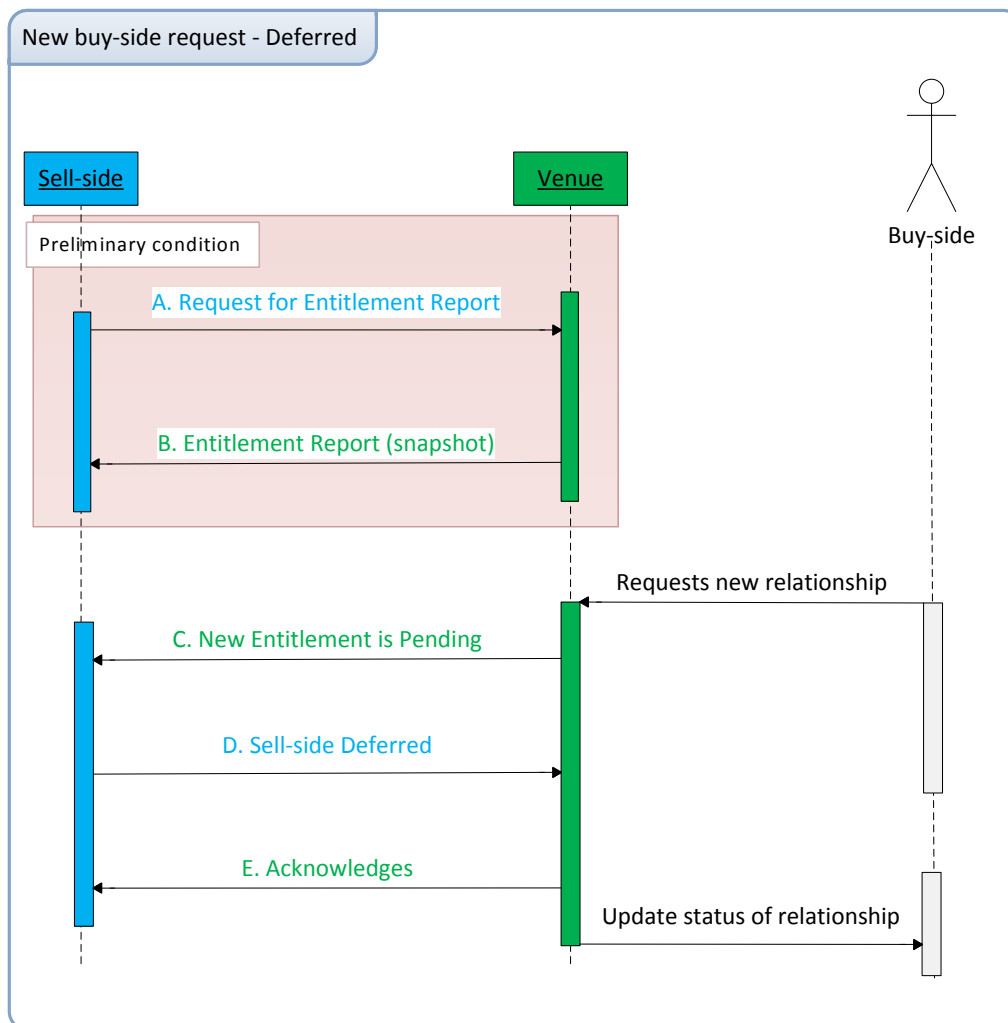


Figure 1: Deferred Entitlement Status - Workflow

2.1.1 Email with attachments

The following diagram illustrates the requirement where the sell-side sends an email message with attachments to the buy-side, routed through the execution venue:

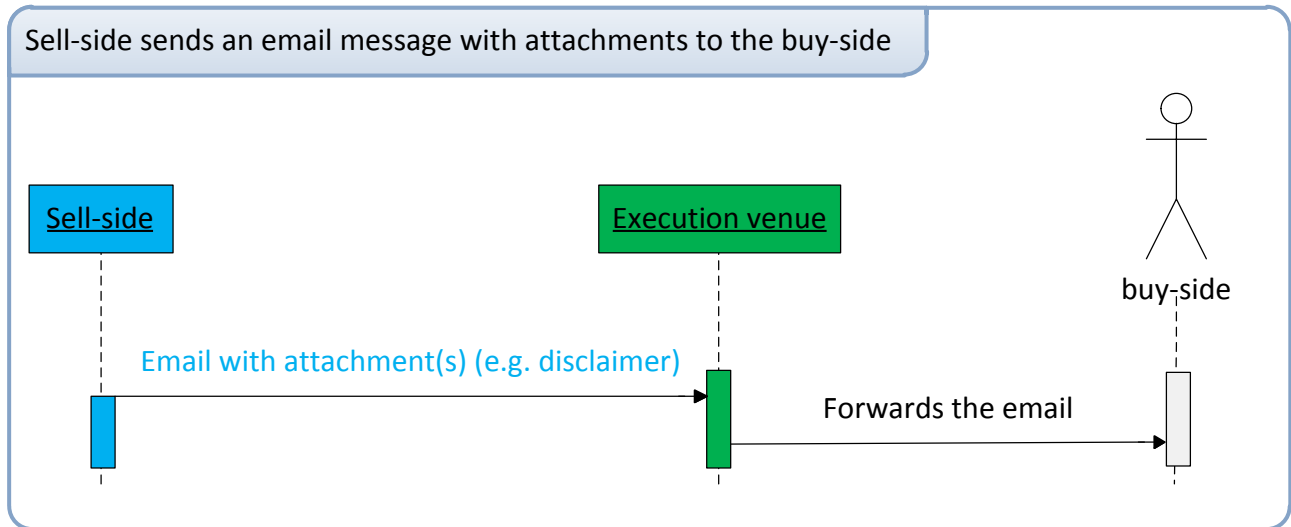


Figure 2: Email with Attachments - Workflow

3 Issues and Discussion Points

3.1.1 *Alternative approach for handling Entitlement Types*

During GExMC and GCAC meetings we considered two approaches to support the numerous entitlements

- We considered extending the existing enumerations in the EntitlementType(1775)
- We considered adding a new field EntitlementSubType(~~TBD~~2402) to be used in conjunction with EntitlementType(1775)

We decided in order to allow for future flexibility on the trading types that may be supported by the venues, to use an EntitlementSubType.

In addition, we considered associating multiple entitlement sub-type with each entitlement. An example may be 'Submit quote request' entitlement which may be associate with *Single Quote* sub-type as well as with *Single Broker quote request* entitlement sub-type. At the moment, we did not find requirements to do so. Moreover, we propose to leave values 100+ of the new EntitlementSubType field reserved for bilaterally agreed values.

4 Proposed Message Flow

4.1.1 *Deferred Entitlement Status*

The following diagram illustrates the FIX messages workflow where the EntitlementStatus(1883) is Deferred(~~TBD~~5).

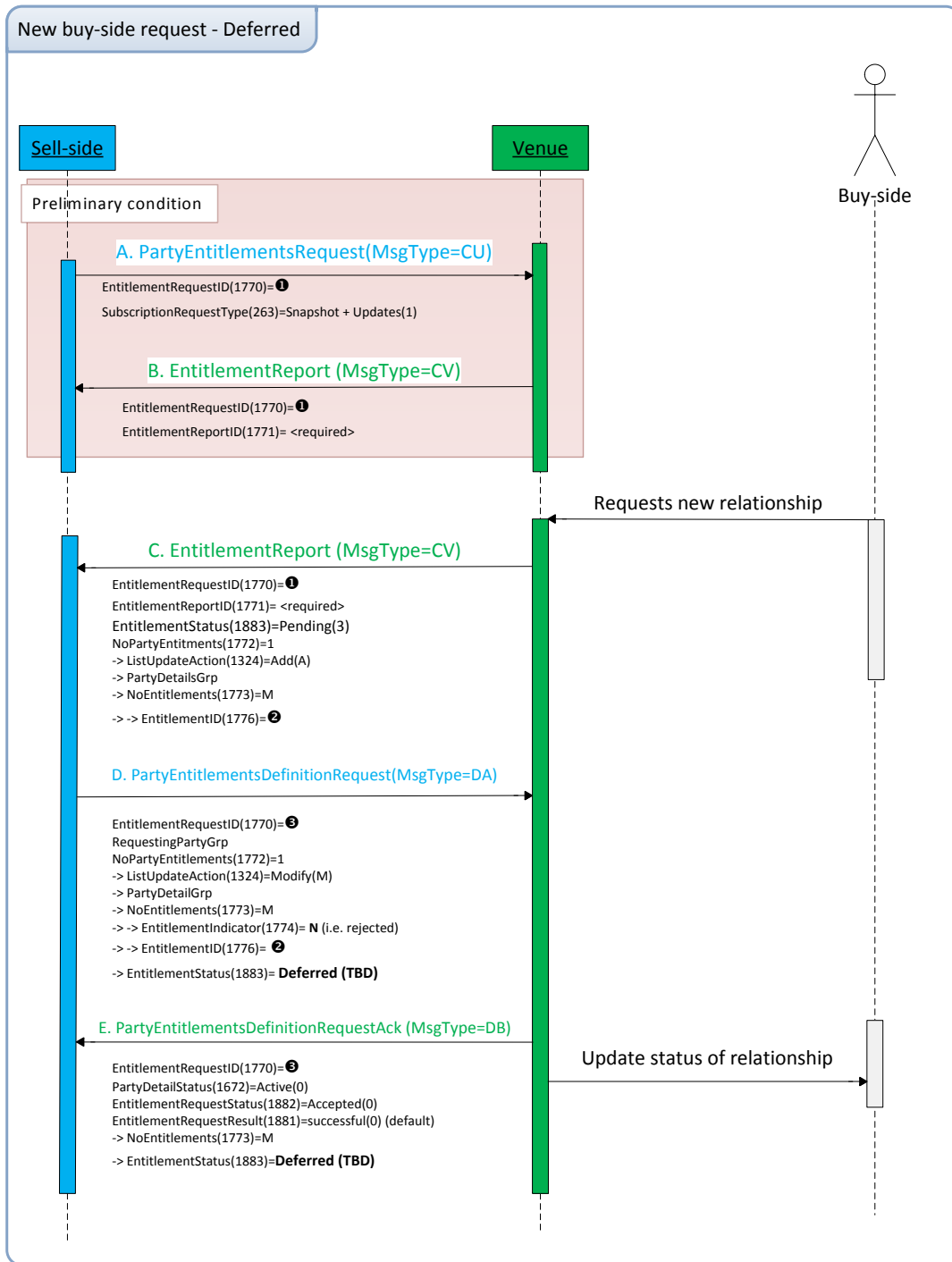


Figure 3: Deferred Entitlement Status - Message Flow

5 FIX Message Tables

5.1 FIX Message Email

Email	
Message Name	Email
Message Abbreviated Name (for FIXML)	Email
Category	EventCommunication
Message Synopsis	The email message is similar to the format and purpose of the News message, however, it is intended for private use between two parties
Message Elaboration	
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration)	<u>C</u>
Repository Component ID	<u>13</u>

Tag	Field Name	Req'd	ICR	Action	Mappings and Usage Comments	FIX Spec Comments
	<i>Standard Header</i>	Y				MsgType =C
164	EmailThreadID	Y				
94	EmailType	Y				
42	OrigTime					
147	Subject	Y				
356	EncodedSubjectLen					
357	EncodedSubject					
	RoutingGrp					
	InstrmtGrp					
	UndInstrmtGrp					
	InstrmtLegGrp					
37	OrderID					
11	ClOrdID					
	LinesOfTextGrp	Y				
95	RawDataLength					
96	RawData					
	AttachmentGrp	N		ADD		
	<i>Standard Trailer</i>	Y				

6 FIX Component Blocks

6.1 Component EntitlementGrp

EntitlementGrp	
Component Name	EntitlementGrp
Component Abbreviated Name (for FIXML)	@Entlmnt
Component Type	Block - Repeating
Category	PartiesReferenceData
Component Synopsis	Conveys a list of entitlements for one specific party, or relationship between two parties. Each entitlement may be further limited or clarified using optional fields and components.
Component Elaboration	
To be finalized by FPL Technical Office	
Repository Component ID	2196

Component FIXML Abbreviation: <Entlmnt>							
Tag	Field Name		Req'd	ICR	Action	Mappings and Usage Comments	Comments
1773	NoEntitlements						
→	1774	EntitlementIndicator					Required if NoEntitlements(1773) > 0.
→	1775	EntitlementType					Absence of this field indicates the meaning of the entitlement is implicit.
→	TBD2402	EntitlementSubType			NEW		
→	EntitlementAttribGrp						
→	1776	EntitlementID					
→	1784	EntitlementPlatform					
→	InstrumentScopeGrp						
→	MarketSegmentScopeGrp						
→	1782	EntitlementStartDate					
→	1783	EntitlementEndDate					
</Entlmnt>							

6.2 Component EntitlementTypeGrp

EntitlementTypeGrp	
Component Name	EntitlementTypeGrp
Component Abbreviated Name (for FIXML)	@EntlmtTyp
Component Type	Block - Repeating
Category	PartiesReferenceData
Component Synopsis	The EntitlementTypeGrp when added to PartyEntitlementsRequest serves as filter criteria for the results set.
Component Elaboration	Conveys a list of entitlement types.
To be finalized by FPL Technical Office	
Repository Component ID	2244

Component FIXML Abbreviation: <EntlmtTyp>							
Tag	Field Name		Req'd	ICR	Action	Mappings and Usage Comments	Comments
2345	NoEntitlementTypes				Add		Number of Entitlement Types.
→	1775	EntitlementType			Add		Required if NoEntitlementTypes>0
→	TBD 402	EntitlementSubType			NEW		
</EntlmtTyp>							

7 Category Changes

Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
1883	EntitlementStatus	Change	int	Status of entitlement definition for one party. 0=Accepted 1=Accepted with changes 2=Rejected 3=Pending [Elaboration: Entitlement definition request submitted that still requires an action to be taken (e.g. approval or setting up).] 4=Requested [Elaboration: Entitlement definition has been requested.] TDD5=Deferred [Elaboration: Entitlement definition request is being postponed or delayed.]		

<p>TBD 2402</p>	<p>EntitlementSubType</p>	<p>NEW</p>	<p>int</p>	<p>Subtype of an entitlement specified in EntitlementType(1775). Reserved 1000+</p> <p>TBD-1 = Order Entry [Elaboration:Entitle to enter new orders]</p> <p>TBD-2 = Hit/Lift [Elaboration:Entitle to Hit/Lift]</p> <p>TBD-3 = View indicative prices [Elaboration:Entitle to subscribe to indicative prices]</p> <p>TBD-4 = View executable prices [Elaboration:Entitle to subscribe to executable prices]</p> <p>TBD-5 = Single quote [Elaboration:Entitle to submit quote request for a single quote]</p> <p>TBD-6 = Streaming quotes [Elaboration:Entitle to submit quote request for streaming quotes]</p> <p>TBD-7 = Single broker [Elaboration:Entitle to submit quote request for a single broker]</p> <p>TBD-8 = Multi brokers [Elaboration:Entitle to submit quote request for multiple brokers]</p>	<p>@SubTyp</p>	<p>Add to EntitlementGrp EntitlementTypeGrp</p>
<p>AttachmentGrp (Component)</p>	<p>Change</p>				<p>Add to Email(MsgType=C)</p>	

Appendix B - Glossary Entries

Term	Definition	Field where used

Appendix C - Abbreviations

Term	Proposed Abbreviation	Proposed Messages, Components, Fields where used

Appendix D - Usage Examples