# Global Technical Committee and CME Group

# CME Trade Capture Extensions II

**September 15, 2016**

**Revision 0.5**

**Proposal Status: Approved~~Submitted~~**

# <u>DISCLAIMER</u>

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# Document History

| Revision | Date | Author | Revision Comments |
|---|---|---|---|
| 0.1 | September 5, 2016 | Dean Kauffman for CME Group | • Initial draft |
| 0.2 | September 6, 2016 | Dean Kauffman for CME Group | • Added LegDifferentialPrice(2492~~tbd~~) |
| 0.3 | September 9, 2016 | Dean Kauffman for CME Group | • Minor update based on CME feedback.<br>• Revised the usage samples. |
| 0.4 | September 9, 2016 | CME Group | • Final review with edits prior to submission. |
| 0.5 | September 15, 2016 | Dean Kauffman for CME Group | • Updated based on GTC submission review<br>• Moved PartyDetailGrp component to just after Parties in TrdCapRptSide.<br>• Added Usage Comment to PartyDetailGrp.<br>• Further minor updates from feedback. |
| | September 20, 2016 | GTC Technical Support | Generated ASBUILT and pre-assigned IDs. |
| | February 5, 2017 | GTC PMO | Added elaboration for new PartyRole value. |

# 1 Introduction

## 1.1 Reporting Complex Account Structure

In a clearing organization such as CME a clearing firm's trading account structure can be quite complex:

- A clearing account can have multiple trading accounts
- Each trading account can in turn have multiple trading accounts belonging to different trading firms.

The trading firms will register the relationships at the clearing organization so that account relationships are known. When reporting trades, the account relationships need to be identified so that clearing firm confirmations can be routed to the appropriate trading firms.

Given the structure outlined in Figure 1 below if a trade applies to Trading A/C 11 then confirmations should identify not only Trading AC 11 but also Trading A/C 1 and Clearing A/C 1. Today the confirmation can only identify Clearing A/C 1 in PartyRole(452)=24 (Customer Account).

**Figure 1: US Clearing Firm Trading Accounts**
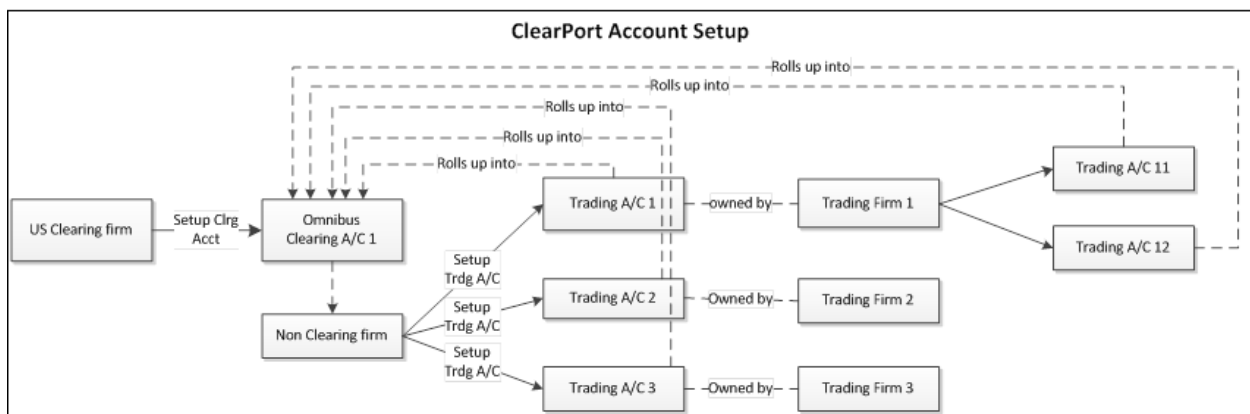


## 1.2 Trade at Settlement and Trade at Marker Spread Price

Trade at Settlement (TAS) and Trade at Marker (TAM) contracts are negotiated at a plus-or-minus currency spread to the settlement or time marker price of the commodity. Reporting of single trades identifies them through TrdSubType(829)=41 (Trade at Settlement) or 43 (Trade at Marker), where the spread price is reported in DifferentialPrice(1522) and final calculated price in LastPx(31).

The industry now supports trading a group of TAS or TAM contracts as an atomic unit, thus the negotiated spread and final price of each individual contract in the trade need to be reported in the leg instance. The business has determined that multileg TAS or TAM trades can only contain contracts of the same type, i.e. TAS and TAM cannot be intermingled and neither can be traded with other kinds of assets. Thus TrdSubType(829) will continue to serve to identify these trades even when they are multileg trades.

## 1.3 Summary of Proposed Changes

To enable reporting account relationships, we propose the following:

- Add the PartyDetailGrp component to the TrdCapRptSideGrp component of the TradeCaptureReport (35=AE) message
- Add a new RelatedPartyDetailRole(1565) enumeration value for Trading Subaccount

That would provide for reporting the relationships as shown in Figure 2 and Figure 3 in Appendix D - Usage Examples.

To support Trade at Settlement (TAS) and Trade at Marker (TAM) spread price we propose the following:

- Add a new LegDifferentialPrice(2492tbd) field to the TrdInstrmtLegGrp component
- Enhance the description of DifferentialPrice(1522) to clarify its use in trading single TAS and TAM contracts. Also correct its datatype from Price to PriceOffset

See

Figure 4 and

Figure 5 in Appendix D - Usage Examples.

# 2 Business Requirements

## 2.1 Reporting Complex Account Structure

Each clearing member of a clearing organization serves a network of trading firms and accounts. While clearing members could be tasked with keeping track of the relationships applicable to each trade, having that information submitted for clearing and reported back to the member post-clearing assists in trade reconciliation. Adding the component and enumeration value we propose satisfies that need.

## 2.2 Trade at Settlement and Trade at Marker Spread Price

Trade at Settlement (TAS) and Trade at Marker (TAM) contracts are negotiated at a plus-or-minus currency spread to the settlement or time marker price of the commodity. Both the negotiated spread and the final calculated price must be reported. The industry now supports trading a group of TAS or TAM contracts as an atomic unit, thus the negotiated spread and final price need to be reported in each leg component.

# 3 Issues and Discussion Points

|  | Issue | Date | Status | Discussion |
|---|---|---|---|---|
| 1 | Alternatives to Reporting Complex Account Structure | Dec. 10, 2015 | Closed | Add the entire PartyDetailGrp component, but you'll be duplicating the clearing account as the PartyDetailID/PartyDetailRole, and then use the RelatedPartyDetailGrp within PartyDetailGrp to express that Trading Sub A/C 11 and Trading Sub A/C 2 "clears through" Clearing A/C 1 identified in PartyDetailID. The Parties component would remain same and contain only the |

| | Issue | Date | Status | Discussion |
|---|---|---|---|---|
| | | | | Clearing A/C 1. |
| 2 | Correct the data type for existing DifferentialPrice(1522) field | Sept. 5, 2016 | Closed | The data type for the existing DifferentialPrice(1522) is currently "Price" when it should be "PriceOffset". |

# 4  Proposed Message Flow

*No changes.*

# 5  FIX Message Tables

*No changes.*

# 6  FIX Component Blocks

## 6.1  Component TrdCapRptSideGrp

| To be completed at the time of the proposal – all information provided will be included in the repository | |
|---|---|
| Component Name | TrdCapRptSideGrp |
| Component Abbreviated Name (for FIXML) | RptSide |
| Component Type | _X__ Block Repeating  ___ Block |
| Category | *(no change)* |
| Action | __New              _X_Change |
| Component Synopsis | *(no change)* |
| Component Elaboration | *(no change)* |
| To be finalized by FPL Technical Office | |
| Repository Component ID | 2061 |

Component FIXML Abbreviation: <*RptSide*>

| Tag | | Field Name | Req'd | ICR | Action | Mappings and Usage Comments | FIX Spec Comments |
|---|---|---|---|---|---|---|---|
| 552 | | NoSides | Y | | | | |
| → | 54 | Side | Y | | | | Required when NoSides(552) > 0. |
| → | 2102 | ShortMarkingExemptIndicator | N | | | | |
| → | 1427 | SideExecID | N | | | | |
| → | 1428 | OrderDelay | N | | | | |
| <…truncated…> | | | | | | | |
| → | 1154 | SideCurrency | N | | | | |
| → | 1155 | SideSettlCurrency | N | | | | |
| → | | *<Parties>* component | N | | | | |
| → | | *<PartyDetailGrp> component* | N | | ADD | | PartyDetailID(1619) must reference an existing entry in Parties component or a previous entry in RelatedPartyDetailGrp. The instance must have the same role as the referenced entry. The embedded RelatedPartyDetailID(1563) should introduce a new party identifier not previously reported. |
| → | 1 | Account | N | | | | |
| → | 660 | AccountIDSource | N | | | | |
| → | 581 | AccountType | N | | | | |
| <…truncated…> | | | | | | | |
| </RptSide> | | | | | | | |

## 6.2  Component TrdInstrmtLegGrp

| To be completed at the time of the proposal – all information provided will be included in the repository | | |
|---|---|---|
| Component Name | TrdInstrmtLegGrp | |
| Component Abbreviated Name (for FIXML) | TrdLeg | |
| Component Type | _X__ Block Repeating ___ Block | |
| Category | *(no change)* | |
| Action | __New      _X_Change | |
| Component Synopsis | *(no change)* | |
| Component Elaboration | *(no change)* | |
| To be finalized by FPL Technical Office | | |
| Repository Component ID | 2063 | |

| Component FIXML Abbreviation: <*TrdLeg*> | | | | | | |
|---|---|---|---|---|---|---|
| Ta g | Field Name | Req'd | ICR | Action | *Mappings and Usage Comments* | FIX Spec Comments |
| 555 | NoLegs | N | | | | |
| → | <InstrumentLeg> component | N | | | | Required if NoLegs(555) > 0. |
| → | <LegFinancingDetails> component | N | | | | |
| → | <LegPositionAmountData> component | N | | | | |
| → | 685 | LegOrderQty | N | | | | Quantity ordered for this leg as provided during order entry. |
| <…truncated…> | | | | | | |
| → | 2360 | LegTotalTradeMultipliedQty | N | | | | |
| → | 2359 | LegTotalGrossTradeAmt | N | | | | |
| → | 2492 tbd | LegDifferentialPrice | N | | ADD | | |
| </*TrdLeg*> | | | | | | |

# 7  Category Changes

*No changes.*

# Appendix A - Data Dictionary

| Tag | FieldName | Action | Datatype | Description | FIXML Abbreviation | Add to / Deprecate from Message type or Component block |
|-----|-----------|--------|----------|-------------|--------------------|--------------------------------------------------------|
| 2492 tbd | LegDifferentialPrice | ADD | PriceOffset | Used in pricing a group of individual Trade at Settlement (TAS) and Trade At Marker (TAM) contracts as an atomic unit. The value is the negotiated currency offset either at settlement (TAS) or at the time specified in the product definition (TAM). The final contract price is reported in LegLastPx(637). | DiffPx | Add to TrdInstrmtLegGrp component |
| 452 | PartyRole | CHANGE | int | Identifies the type or role of the PartyID (448) specified.<br>See "Appendix 6-G - Use of <Parties> Component Block"<br>(see Volume : "Glossary" for value definitions)<br>*Add enumeration:*<br>121<tbd> = Trading sub-account<br>[Elaboration:  Example of sub-accounts include a clearing account that has multiple trading sub-accounts, a trading account that has multiple trading sub-accounts belonging to different trading firms.] | R | |

| 1522 | DifferentialPrice | CHANGE | Change: PriceOffset | Used to specify the differential price when reporting the individual leg of a spread trade. Both leg price and differential price may be provided on such a report. Note that MultiLegReportingType(442) will be set to 2 (Individual leg of a multi-leg security) in this case.<br><br>Add to description:<br>Also used in pricing Trade at Settlement (TAS) and Trade At Marker (TAM) contracts for which the value is the negotiated currency offset either at settlement (TAS) or at time specified in the product definition (TAM). The final contract price is specified in LastPx(31). | DiffPx | |

# Appendix B - Glossary Entries

*No changes.*

# Appendix C - Abbreviations

*No changes.*

# Appendix D - Usage Examples

**Figure 2: Proposed Relationship Reporting – FIXML**

```
<RptSide Side="1" ClOrdID="741" InptSrc="BRKR" InptDev="UI" CustCpcty="4" OrdTyp="Q"
SesID="RTH" SesSub="X" TmBkt="$" AllocInd="2" GrpID2="155F9EAB4410102D37031A"
AllocChngStat="1">
   <Pty ID="CME" R="21"/>
   <Pty ID="NYMEX" R="22"/>
   <Pty ID="999" R="1"/>
   <!-- Role 24 Customer Account -->
   <Pty ID="Clearing A/C 1" R="24">
      <Sub ID="1" Typ="26"/>  <!-- Omnibus Position Account -->
   </Pty>
   <PtyDetl>
      <Pty ID="Clearing A/C 1" R="24"/>
      <!-- Role 121tbd Trading Sub-account -->
      <ReltdPtyDetl ID="Trading A/C 1" R="121tbd">
         <!-- Relationship type of 4 is Trades Through -->
         <Rltnshp Rltnshp="4"/>
      </ReltdPtyDetl>
   </PtyDetl>
   <PtyDetl>
      <Pty ID="Trading A/C 1" R="121tbd"/>
      <!-- Role 121tbd Trading Sub-account -->
      <ReltdPtyDetl ID="Trading A/C 11" R="121tbd">
         <!-- Relationship type of 4 is Trades Through -->
         <Rltnshp Rltnshp="4"/>
      </ReltdPtyDetl>
   </PtyDetl>
   <RegTrdID ID="FECC156021127349287498274" Src="1010000023" Typ="0" Evnt="2"/>
   <TrdRegTS TS="2016-07-19T08:12:00-05:00" Typ="1"/>
</RptSide>
```

**Figure 3: Proposed Relationship Reporting – Tag=Value**

| 552 | NoSides | 1 | |
|---|---|---|---|
| 54 | →Side | 1 | Buy |
| | . . . | | |
| 453 | →NoPartyIDs | 2 | others omitted |

| 448 | →→**PartyID** | **999** | |
|---|---|---|---|
| 452 | →→PartyRole | 1 | Executing Firm |
| **448** | →→**PartyID** | **Clearing A/C 1** | |
| 452 | →→PartyRole | 24 | Customer Account |
| 1671 | →NoPartyDetails | 2 | |
| **1691** | →→**PartyDetailID** | **Clearing A/C 1** | |
| 1693 | →→PartyDetailRole | 24 | Customer Account |
| 1562 | →→NoRelatedPartyDetailID | 1 | |
| 1563 | →→→RelatedPartyDetailID | **Trading A/C 1** | |
| 1565 | →→→RelatedPartyDetailRole | 121<tbd> | Trading Sub-account |
| 1514 | →→→NoPartyRelationships | 1 | |
| 1515 | →→→→PartyRelationship | 4 | Trades through |
| **1691** | →→**PartyDetailID** | **Trading A/C 1** | |
| 1693 | →→PartyDetailRole | 121<tbd> | Trading Sub-account |
| 1562 | →→NoRelatedPartyDetailID | 1 | |
| 1563 | →→→RelatedPartyDetailID | **Trading A/C 11** | |
| 1565 | →→→RelatedPartyDetailRole | 121<tbd> | Trading Sub-account |
| 1514 | →→→NoPartyRelationships | 1 | |
| 1515 | →→→→PartyRelationship | 4 | Trades through |
| | . . . | | |

**Figure 4:  TAS Spread Price – FIXML**

```
<TrdCaptRpt TrdTyp="1" TrdSubTyp="41">
  . . .
  <Instrmt ID="CL" Src="H" SecTyp="MLEG"/>
  <TrdLeg Qty="250" LastPx="31.90" DiffPx="0" >
    <Leg SecTyp="FUT" ID="CL" Src="H" MMY="201603" Exch="NYMEX" Side="1"/>
  </TrdLeg>
  <TrdLeg Qty="250" LastPx="31.89" DiffPx="-0.01" >
    <Leg SecTyp="FUT" ID="CL" Src="H" MMY="201604" Exch="NYMEX" Side="2"/>
  </TrdLeg>
  . . .
</TrdCaptRpt>
```

**Figure 5:  TAS Spread Price – Tag=Value**

| | . . . | | |
|---|---|---|---|
| 828 | TrdType | 1 | Block trade |
| 829 | TrdSubType | 41 | Trade at Settlement |
| 55 | Symbol | MLEG | |
| 48 | SecurityID | CL | |
| 22 | SecurityIDSource | H | Clearing organization |
| 167 | SecurityType | MLEG | |
| 555 | NoLegs | 2 | |
| **600** | **LegSymbol** | **N/A** | |
| 602 | LegSecurityID | CL | |
| 603 | LegSecurityIDSource | H | Clearing organization |
| 609 | LegSecurityType | FUT | |

| 610 | LegMaturityMonthYear | 201603 | |
| 616 | LegSecurityExchange | NYMEX | |
| 624 | LegSide | 1 | Buy |
| 687 | LegQty | 250 | |
| 637 | LegLastPx | 31.90 | |
| 2492 tbd | LegDifferentialPrice | 0 | == settlement price |
| **600** | **LegSymbol** | **N/A** | |
| 602 | LegSecurityID | CL | |
| 603 | LegSecurityIDSource | H | Clearing organization |
| 609 | LegSecurityType | FUT | |
| 610 | LegMaturityMonthYear | 201604 | |
| 616 | LegSecurityExchange | NYMEX | |
| 624 | LegSide | 2 | Sell |
| 687 | LegQty | 250 | |
| 637 | LegLastPx | 31.89 | |
| 2492 tbd | LegDifferentialPrice | -0.01 | 1 penny below settlement price |
| | . . . | | |