



# Global Technical Committee and CME Group AllocationInstructionAlertRequest Proposal

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**For Global Technical Committee Governance Internal Use Only**

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## Document History

Revision	Date	Author	Revision Comments
0.1	Sept. 19, 2017	Brook Path Partners, Inc. for CME Group	Initial draft
0.2	Sept. 25, 2017	CME	Sections 1 and 2
0.3	Sept. 26, 2017	CME	Section 4
0.4	Sept. 26, 2017	CME	Updated Section 4
0.5	Sept. 26, 2017	Brook Path Partners, Inc. for CME Group	Additional updates based on discussions of remaining requirements.
0.6	Sept. 27, 2017	CME	In table 5.1 edited the name of tag 1731 from AllocPxGroupID to AvgPxGroupID, changed "an" to "a" as appropriate based on edits.
<u>ASBUILT</u>	<u>Oct. 23, 2017</u>	<u>GTC PMO</u>	<u>Created ASBUILT, pre-assigned new MsgType value.</u>

# 1 Introduction

This proposal includes several enhancements required to support a new average pricing concept for allocated trades called Notional Value Average Price (NVAP). In this model, clients allocate all of their trades to one group, which they do not have to close, but rather keep as a continuously updated record of what they have available to allocate. Enhancements include new values for AllocType (626) and AvPxIndicator (819), as well as extension to the AllocGrp component, the AllocationInstructionAlert (35=J) message, and a new AllocationInstructionAlertRequest (35=~~DU~~) message.

## 1.1 Summary of Proposed Changes

The summary of proposed changes to support the business requirements described in Section 2 are:

- to add an enumeration for Notional Value Average Price to AvgPxIndicator (819),
- to add an enumeration for Notional Value Average Price to AllocType (626),
- to extend the AllocGrp component by adding AllocGroupAmount-(~~2761~~) to contain the notional value an allocation
- to extend the AllocInstructionAlert (35=J) message to include a GroupAmount-(~~2759~~) to show the total notional value of an NVAP group, GroupRemainingAmount-(~~2760~~) to show the notional value not yet allocated from the group, HighPx (332) to indicate the highest price in the group, and LowPx (333) to indicate the lowest price in the group,
- to create a new light-weight AllocationInstructionAlertRequest (35=~~DU~~) message to request an AllocationInstructionAlert (35=J) message showing the current status of an allocation group, which would contain an AllocRequestID-(~~2758~~), AllocGrpID (1730), AvgPxGroupID (1731), and TradeDate (75).

## 2 Business Requirements

### 2.1 Notional Value Average Price Allocations

Clients allocating a trade need a way to indicate that the trade they are marking for allocation should be allocated using the NVAP model. Clients will continue to be able to submit trades for allocation as they have done previously, however, they will now have an additional option of using the NVAP allocation model. In order to determine the client's intention, we need a way for the client to indicate that they would like a trade to be allocated to a NVAP group. This can be accomplished by adding a new enumeration for Notional Value Average Price to AvgPxIndicator (819). A similar enumeration can be added to AllocType (626) to communicate what type of allocation they are receiving information about.

## 2.2 Notification of NVAP Group Creation

When a trade is marked for allocation using NVAP method and a group does not yet exist to which the trade can be added, one must be created. The client must be informed of the new group creation, and the details of the group in its initial state. This can be accomplished by extending the AllocationInstructionAlert (35=J) message with a GroupAmount-(2759tbd) field to indicate the notional value not yet allocated, a GroupRemainingAmount-(2760tbd) field to show the remaining notional that can be allocated, the HighPx (332) field to show the highest price in the group, and the LowPx (333) to show the lowest price in the group.

## 2.3 NVAP Group Status Request

NVAP allocation groups remain open which allows clients to continuously add trades to it and allocated from it, clients may not have, or may not want to keep track of the correct value of the group's NVAP on their own. However, an accurate picture of the state of the group is necessary in order to manage and allocate from it. Consequently, clients must have a way to request the current status of a particular group. This can be accomplished using a new AllocationInstructionAlertRequest (35=DUtbd) message, containing an AllocRequestID-(2758tbd), AllocGrpID (1730), AvgPxGroupID (1731), and TradeDate (75).

The new proposed message will allow clients to request the status of the group on a per request basis (i.e. status snapshot).

## 2.4 NVAP Group Status Response

Customers must be able to receive a response to their status request messages. These can be in the form of an AllocatoinInstructionAlert (35=J) message, with the extensions detailed in section 2.2 so that clients know what is available to them to allocate.

## 2.5 Notification of NVAP Group Allocations

Once an allocation has been made from a NVAP group, the client must be informed of the details of how much notional value from the group was actually used on each allocation. This can be accomplished using an AllocationReport (35=AS) message containing multiple instances of the AllocGrp component extended with an AllocGroupAmount-(2761tbd) to contain the notional value per an allocation.

## 3 Issues and Discussion Points

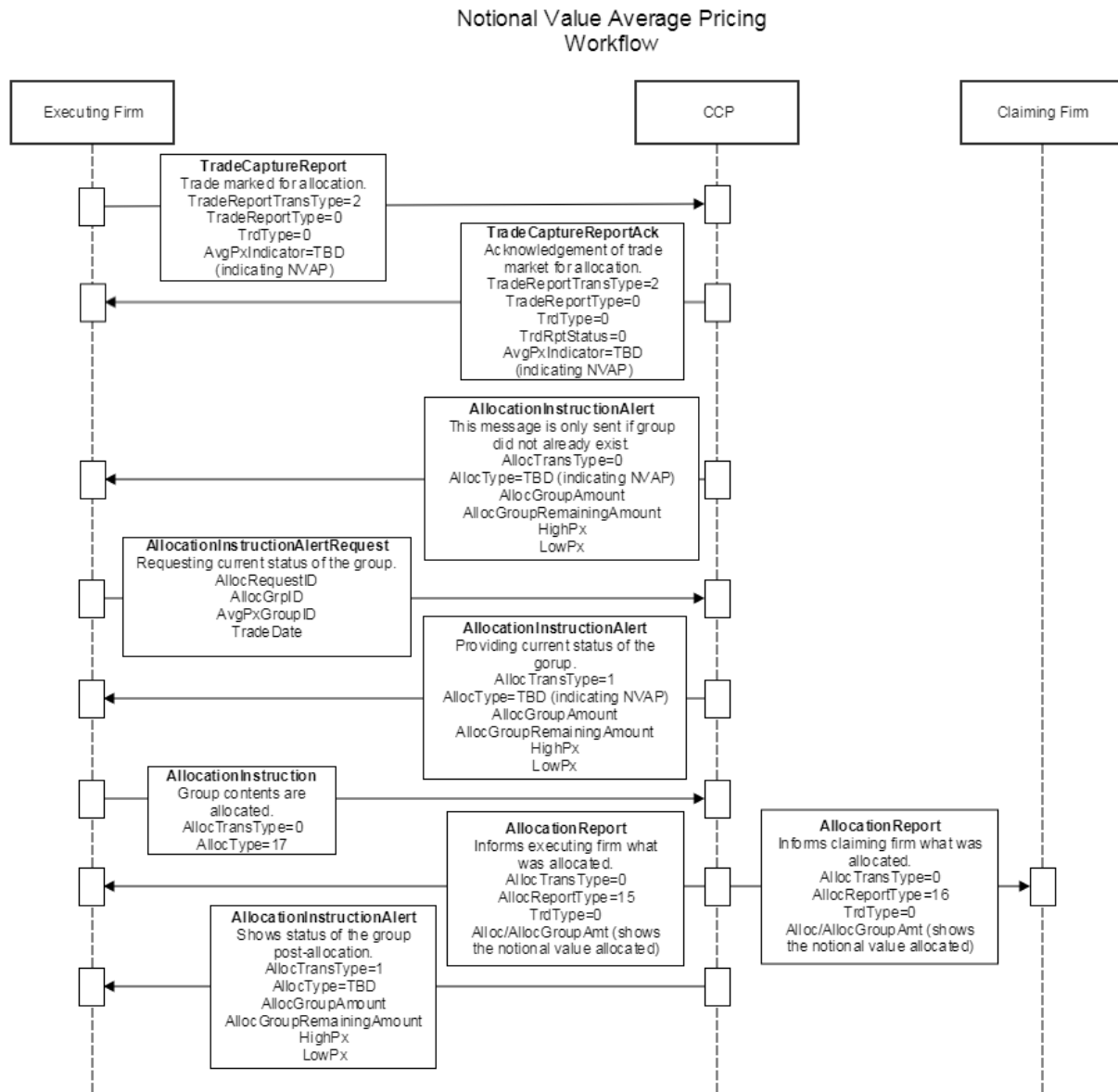
	Issue	Date	Status	Discussion
1				





## 4 Proposed Message Flow

There is no change to the message flow for allocation group method of allocating with the CCP. The diagram below illustrates the typical flow for NVAP group allocation using existing FIX messages.



## 5 FIX Message Tables

### 5.1 AllocationInstructionAlertRequest (35=DUtbd)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	AllocationInstructionAlertRequest
Message Abbreviated Name (for FIXML)	AllocInstrAlertReq
Category	Allocation
Action	<b>X</b> _New      __Change
Message Synopsis	This message is used in a clearinghouse 3-party allocation model to request for AllocationInstructionAlert(35=BM) from the clearinghouse. The request may be used to obtain a one-time notification of the status of an allocation group.
Message Elaboration	[enter the message elaboration here]
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration)	<u>DU</u>
Repository Component ID	<u>157</u>

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
<b>Standard Header</b>		Y			MsgType=( <del>DU</del> TBD)
<u>2758</u> <del>tbd</del>	AllocRequestID	N	NEW		Unique identifier for this message.
1730	AllocGrpID	N	ADD		
1731	AvgPxGroupID	N	ADD		
75	TradeDate	N	ADD		
<b>Standard Trailer</b>		Y			

## 5.2 AllocationInstructionAlert (35=BM)

To be completed at the time of the proposal – all information provided will be stored in the repository	
Message Name	AllocationInstructionAlert
Message Abbreviated Name (for FIXML)	AllocInstrAlert
Category	(no change)
Action	__New      _X_Change
Message Synopsis	(no change)

Message Elaboration	(no change)
To be finalized by FPL Technical Office	
(MsgType(tag 35) Enumeration)	BM
Repository Component ID	<a href="#">98</a>

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
<b>Standard Header</b>		Y			MsgType=BM
(...truncated...)					
626	AllocType	Y			
<a href="#">2758</a> <a href="#">tbd</a>	AllocRequestID	N	NEW		Identifier of the request this message is responding to when responding to an AllocationInstructionAlertRequest(35= <a href="#">DU</a> <a href="#">tbd</a> ).
793	SecondaryAllocID	N			
(...truncated...)					
1736	AllocGroupQuantity	N	CHANGE	remove redundant field usage text - duplicates data dictionary	Indicates the total quantity of an allocation group. Includes any allocated quantity.
1737	AllocGroupRemainingQuantity	N	CHANGE	remove redundant field usage text - duplicates data dictionary	Indicates the remaining quantity of an allocation group that has not yet been allocated.
<a href="#">2759</a> <a href="#">tbd</a>	GroupAmount	N	NEW		
<a href="#">2760</a> <a href="#">tbd</a>	GroupRemainingAmount	N	NEW		
30	LastMkt	N			
229	TradeOriginationDate	N			
(...truncated...)					
6	AvgPx	N			
860	AvgParPx	N			
<a href="#">332</a>	HighPx	N	ADD		Maybe used to indicate the highest price within the specified allocation group.
<a href="#">333</a>	LowPx	N	ADD		Maybe used to indicate the lowest price within the specified allocation group.

Tag	Field Name	Req'd	Action	Mappings and Usage Comments	FIX Spec Comments
	<b>SpreadOrBenchmarkCurveData component</b>				
	(...truncated...)				
	<b>Standard Trailer</b>	Y			

## 6 FIX Component Blocks

### 6.1 Component AllocGrp

To be completed at the time of the proposal – all information provided will be included in the repository	
Component Name	AllocGrp
Component Abbreviated Name (for FIXML)	Alloc
Component Type	<u>  </u> X <u>  </u> Block Repeating <u>  </u> Block
Category	[enter the category name here]
Action	<u>  </u> New <u>  </u> X <u>  </u> Change
Component Synopsis	(no change)
Component Elaboration	(no change)
To be finalized by FPL Technical Office	
Repository Component ID	<a href="#">2003</a>

[Other additional text detailing usage of the component may be entered below this line]

Component FIXML Abbreviation: <Alloc>					
Tag	Field Name	Req'd	Action	Mappings and Usage Comments	Comments
78	NoAllocs				
79	AllocAccount				
	(...truncated...)				

2393	AllocRefRiskLimitCheckID Type				
2483	AllocRiskLimitCheckStatus				
<u>2761</u> tbd	AllocGroupAmount	N	NEW		
<b>TradeAllocAmtGrp component</b>					
(...truncated...)					
</Alloc>					

## 7 Category Changes

To be completed at the time of the proposal – all information provided is stored in the repository	
Category Name	[enter the category name here]
Section	__ PreTrade __ Trade __ PostTrade __ Infrastructure
Category Synopsis	[enter the category synopsis here]
Category Elaboration	[enter the category elaboration here]
To be finalized by FPL Technical Office	
Category Filename	

## Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
<del>2758</del> <del>FBD</del>	AllocRequestID	NEW	String	Unique identifier for the request message.	@ReqID	AllocationInstructionAlertRequest AllocationInstructionAlert
<del>2759</del> <del>FBD</del>	GroupAmount	NEW	Amt	Indicates the total notional units or amount of an allocation group. Includes any allocated units or amount.  [Elaboration: Whether notional units or amount is used depends on the type of listed derivative contract and the clearinghouse. A notional unit is (price x quantity) without the derivative's contract value factor.]	@GrpAmt	AllocationInstructionAlert
<del>2760</del> <del>FBD</del>	GroupRemainingAmount	NEW	Amt	Indicates the remaining notional units or amount of an allocation group that has not yet been allocated.  [Elaboration: Whether notional units or amount is used depends on the type of listed derivative contract and the clearinghouse. A notional unit is (price x quantity) without the derivative's contract value factor.]	@GrpRemAmt	AllocationInstructionAlert

<del>2761</del> <del>FBD</del>	AllocGroupAmount	NEW	Amt	<p>Indicates the notional units or amount being allocated.</p> <p>[Elaboration: Whether notional units or amount is used depends on the type of listed derivative contract and the clearinghouse. A notional unit is (price x quantity) without the derivative's contract value factor.]</p>	@GrpAmt	AllocGrp
626	AllocType	CHANGE	int	<p>Describes the specific type of purpose of an Allocation message (i.e. "Buyside Calculated")</p> <p>1 = Calculated (includes MiscFees and NetMoney)</p> <p>...</p> <p>25 = Approve take-up</p> <p><del>26</del> = Notional value average price group allocation</p> <p>[Elaboration: Used when conducting notional value average price (NVAP) group allocation with a clearinghouse.]</p> <p>[Symbolic name: <a href="#">NotionalValueAveragePxGroupAlloc</a>]</p>		

819	AvgPxIndicator	CHANGE	int	<p>Average Pricing Indicator.</p> <p>0 = No average pricing                      1 = Trade is part of an average price group identified by the AvgPxGroupID(1731)                      2 = Last trade of the average price group identified by the AvgPxGroupID(1731)                      3 = Trade is part of a notional value average price (NVAP) group                      [Elaboration: A notional value average price (NVAP) group is effectively closed and available for allocation as long as the NVAP of the group is non-zero.]                      [Symbolic name:                      NotionalValueAveragePxGroupTrade]</p>		
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## 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