Fix Execution Venue Working Group

Last Liquidity Indicator Amendment

March 20, 2023

Revision #3

Proposal Status: Approved
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<tr>
<td>#1</td>
<td>Feb 7, 2023</td>
<td>Maria Netley, FIX</td>
<td>Initial Draft</td>
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<tr>
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<td>Mar 20, 2023</td>
<td>Hanno Klein, GTC</td>
<td>Review and update of wording and layout.</td>
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<td>#3</td>
<td>May 3, 2023</td>
<td>Hanno Klein, GTC</td>
<td>Enhanced elaboration of value 0 to include generic use case.</td>
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<td></td>
<td>May 12, 2023</td>
<td>GTC Tech Admin</td>
<td>Generated ASBUILT</td>
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1 Introduction

This is a proposal to update one of the enumerations to the definition of the FIX field LastLiquidityInd(851) and to request 2 new values. This field is an indicator to identify whether a fill was a result of a liquidity provider providing liquidity or liquidity taker taking liquidity.

In November 2018 the SEC introduced Regulation NMS Rule 606. One of the requirements of SEC Rule 606 is for broker-dealers to provide additional information to customers relating to the handling of their orders, specifically whether the order a) added, b) removed, or c) neither added nor removed liquidity. In 2020 as a response to Rule 606, the Execution Transparency Working Group introduced extension pack EP252 (Liquidity Indicator Extension) which specifies that LastLiquidityInd(851)=0 shall indicate that an order neither added nor removed liquidity (and no other value applies).

However, since that time value "0" has become used as a ‘catch all’ value and is used by sell-side firms where they do not receive a value from the venue as well as where none of the other values are applicable.

2 Business Requirements

The proposal is in 2 parts and is to

- Amend the enumeration for LastLiquidityInd(851)=0
- Introduce 2 new values

**Amendment to Enumeration for LastLiquidityInd(851)=0**

Value: 0

Description: Neither added nor removed liquidity

Elaboration: Subject to bilateral agreement, this value can only be used if none of the specific values apply.

It is proposed to remove the elaboration and hence the limitation that none of the other values apply. This should rather be covered by a new value (see below).

**Additional values for Tag 851**

- A value 10=Unknown to represent executions where it is not possible to ascertain the last liquidity indicator. For example, where it is not provided by the venue or executing broker.
- A value 11=Other where none of the other values are applicable to this type of execution. For Example, this could be used by Venues when introducing a new order type that does not fit into one of the existing categories.
3 Issues and Discussion Points

The group have discussed several options before agreeing on the changes above

- Changing LastLiquidityInd(851)=0 to become a catch all was rejected due to the ongoing confusion that it would cause to the market generally and the immediate need for venues who were the original users of LastLiquidityInd(851)=0 to change.

- Just adding one additional value was discussed at length, but the working group felt that adding a single value would potentially create issues in the future, should a venue create a new execution type that was important for buy-side users to identify.

- Guidance is also recommended to identify where buy-side users receive the new value for ‘no other indicators are applicable’ that they report this to the FIX Program Office for consideration that a new value may be needed.

4 Proposed Message Flow

No changes are proposed to message flows.

5 FIX Message Tables

NONE

6 FIX Component Blocks

NONE

7 Category Changes

NONE
8  FIX Specification Errata
To be used only by GTC Project Management.

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<tr>
<th>Jira Item</th>
<th>Affected EP/Version</th>
<th>Synopsis of change</th>
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## Appendix A - Data Dictionary

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<thead>
<tr>
<th>Tag</th>
<th>FieldName</th>
<th>Action</th>
<th>Datatype</th>
<th>Description</th>
<th>FIXML Abbreviation</th>
<th>Add to / Deprecate from</th>
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<tbody>
<tr>
<td>851</td>
<td>LastLiquidityIndicator</td>
<td>CHANGE</td>
<td>int</td>
<td>Indicator to identify whether this fill was a result of a liquidity provider providing or liquidity taker taking the liquidity. 0 = Neither added nor removed liquidity [Elaboration: Subject to bilateral agreement, this value can only be used if none of the specific values apply. May be used by venues where market rules do not define &quot;add&quot; or &quot;remove&quot; liquidity. In the context of the SEC amendment of Regulation NMS Rule 606(b), may be used to identify executions that are only reported as part of total shares executed and not as part of shares providing or removing liquidity (see <a href="https://www.sec.gov/rules/final/2018/34-84528.pdf">https://www.sec.gov/rules/final/2018/34-84528.pdf</a> for details).] 10=Unknown [Elaboration: The liquidity indicator of the execution cannot be determined or was not provided upon execution.] 11=Other [Elaboration: None of the existing liquidity indicators are applicable for the execution (e.g. due to a venue's new order type that does not fit existing values).]</td>
<td>@LastLqdtyInd</td>
<td>Message type or Component block</td>
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Appendix B - Glossary Entries

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Field where used</th>
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Appendix C - Abbreviations

<table>
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<tr>
<th>Term</th>
<th>Proposed Abbreviation</th>
<th>Proposed Messages, Components, Fields where used</th>
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Appendix D - Usage Examples

[Examples may be entered below this line]

Appendix E – Disposition of Public Comments

E.1. Public comments from [forum user] on [date of post]

GTC Resolution:

E.2. Public comments from [forum user] on [date of post]

GTC Resolution: