



# **FIX Execution Venue Working Group Last Liquidity Indicator Amendment**

**March 20, 2023**

**Revision #3**

**Proposal Status: Approved**

---

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

Submission Date	March 23, 2023	Control Number	EP278
Submission Status	Approved	Ratified Date	May 11, 2023
Primary Contact Person	Maria Netley, FIX	Release Identifier	FIX.Latest

## **DISCLAIMER**

THE INFORMATION CONTAINED HEREIN AND THE FINANCIAL INFORMATION EXCHANGE PROTOCOL (COLLECTIVELY, THE "FIX PROTOCOL") ARE PROVIDED "AS IS" AND NO PERSON OR ENTITY ASSOCIATED WITH THE FIX PROTOCOL MAKES ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE FIX PROTOCOL (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF) OR ANY OTHER MATTER AND EACH SUCH PERSON AND ENTITY SPECIFICALLY DISCLAIMS ANY WARRANTY OF ORIGINALITY, ACCURACY, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. SUCH PERSONS AND ENTITIES DO NOT WARRANT THAT THE FIX PROTOCOL WILL CONFORM TO ANY DESCRIPTION THEREOF OR BE FREE OF ERRORS. THE ENTIRE RISK OF ANY USE OF THE FIX PROTOCOL IS ASSUMED BY THE USER.

NO PERSON OR ENTITY ASSOCIATED WITH THE FIX PROTOCOL SHALL HAVE ANY LIABILITY FOR DAMAGES OF ANY KIND ARISING IN ANY MANNER OUT OF OR IN CONNECTION WITH ANY USER'S USE OF (OR ANY INABILITY TO USE) THE FIX PROTOCOL, WHETHER DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL (INCLUDING, WITHOUT LIMITATION, LOSS OF DATA, LOSS OF USE, CLAIMS OF THIRD PARTIES OR LOST PROFITS OR REVENUES OR OTHER ECONOMIC LOSS), WHETHER IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), CONTRACT OR OTHERWISE, WHETHER OR NOT ANY SUCH PERSON OR ENTITY HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF, SUCH DAMAGES.

**DRAFT OR NOT RATIFIED PROPOSALS** (REFER TO PROPOSAL STATUS AND/OR SUBMISSION STATUS ON COVER PAGE) ARE PROVIDED "AS IS" TO INTERESTED PARTIES FOR DISCUSSION ONLY. PARTIES THAT CHOOSE TO IMPLEMENT THIS DRAFT PROPOSAL DO SO AT THEIR OWN RISK. IT IS A DRAFT DOCUMENT AND MAY BE UPDATED, REPLACED, OR MADE OBSOLETE BY OTHER DOCUMENTS AT ANY TIME. THE FPL GLOBAL TECHNICAL COMMITTEE WILL NOT ALLOW EARLY IMPLEMENTATION TO CONSTRAIN ITS ABILITY TO MAKE CHANGES TO THIS SPECIFICATION PRIOR TO FINAL RELEASE. IT IS INAPPROPRIATE TO USE FPL WORKING DRAFTS AS REFERENCE MATERIAL OR TO CITE THEM AS OTHER THAN "WORKS IN PROGRESS". THE FPL GLOBAL TECHNICAL COMMITTEE WILL ISSUE, UPON COMPLETION OF REVIEW AND RATIFICATION, AN OFFICIAL STATUS ("APPROVED") OF/FOR THE PROPOSAL AND A RELEASE NUMBER.



This work is licensed under a [Creative Commons Attribution-NonCommercial 4.0 International License](https://creativecommons.org/licenses/by-nc/4.0/).

No proprietary or ownership interest of any kind is granted with respect to the FIX Protocol (or any rights therein).

Copyright 2003-2023 FIX Protocol Limited, all rights reserved.

## Table of Contents

Document History .....	5
1 Introduction .....	6
2 Business Requirements.....	6
3 Issues and Discussion Points.....	7
4 Proposed Message Flow .....	7
5 FIX Message Tables.....	7
6 FIX Component Blocks .....	7
7 Category Changes .....	7
8 FIX Specification Errata .....	8
Appendix A - Data Dictionary.....	9
Appendix B - Glossary Entries .....	10
Appendix C - Abbreviations.....	10
Appendix D - Usage Examples.....	10
Appendix E – Disposition of Public Comments .....	10
E.1. Public comments from [forum user] on [date of post] .....	10
E.2. Public comments from [forum user] on [date of post] .....	10

## Table of Figures

## Document History

Revision	Date	Author	Revision Comments
#1	Feb 7, 2023	Maria Netley, FIX	Initial Draft
#2	Mar 20, 2023	Hanno Klein, GTC	Review and update of wording and layout.
#3	May 3, 2023	Hanno Klein, GTC	Enhanced elaboration of value 0 to include generic use case.
	May 12 , 2023	GTC Tech Admin	Generated ASBUILT

## 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.

Jira Item	Affected EP/Version	Synopsis of change.
-----------	---------------------	---------------------



## Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
851	LastLiquidityIndicator	CHANGE	int	<p>Indicator to identify whether this fill was a result of a liquidity provider providing or liquidity taker taking the liquidity.</p> <p>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 "add" or "remove" liquidity.]</p> <p>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).]</p> <p>10=Unknown                      [Elaboration: The liquidity indicator of the execution cannot be determined or was not provided upon execution.]</p> <p>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).]</p>	@LastLqdyInd	



## 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

[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: