



**FIX Equities Consolidated Tape WG &
MMT Technical Committee**

**Post Trade Transparency for UK Equities
(FCA PS 23/4 & MMT v4.1)**

July 19, 2023

V0.4

Proposal Status: Released

For Global Technical Committee Governance Internal Use Only

Submission Date	July 20, 2023	Control Number	EP283
Submission Status	Approved	Ratified Date	Sep 12, 2023
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Table of Contents

Document History	5
1 Introduction	6
2 Business Requirements	6
2.1 Post-trade flags	6
2.2 Designated Reporter	6
3 Issues and Discussion Points	8
4 Proposed Message Flow	8
5 FIX Message Tables.....	8
6 FIX Component Blocks	8
7 Category Changes	8
Appendix A - Data Dictionary.....	9
Appendix B - Glossary Entries	12
Appendix C - Abbreviations	12
Appendix D - Usage Examples	12
Appendix E – Disposition of Public Comments	12

Table of Figures

Document History

Revision	Date	Author	Revision Comments
v0.1	22 May 2023	Jim Kaye, FIX	Initial draft
v0.2	5 July 2023	Jim Kaye, FIX	Post comments from equities CT WG meeting
v0.3	19 July 2023	Hanno Klein, GTC	Updated based on CT WG review
v0.4	24 July 2023	Hanno Klein, GTC	Updated based on GTC review
	30 July, 2023	GTC Technical Admin	Generated ASBUILT and assigned IDs.

1 Introduction

This Gap Analysis covers requirements for equities post-trade transparency as laid out in the UK FCA’s policy statement PS 23/4 of May 2023, section 3 (<https://www.fca.org.uk/publication/policy/ps23-4.pdf>). These changes are scheduled to be implemented by the FCA in April 2024 and cover two areas:

- New post-trade transparency flags (“trade flags”).
- Introduction of ‘designated reporters’ and associated changes to logic determining who a) is responsible for reporting a trade and b) who actually reports it.

These topics are also covered under EU regulation and there is some divergence both in terms of content and timing. These differences are not covered by this gap analysis and no references to them are requested in the FIX Protocol; instead they will be documented in Recommended Practices documentation.

2 Business Requirements

2.1 Post-trade flags

FCA PS 23/4 has resulted in the need for two post-trade flags¹:

Flag	FCA Name	Applies to	Description	Working Group Comments
CLSE	Market closing price flag	Venues (off-book trades) IFs	Benchmark transactions executed at the market closing price	Can be used in combination with all other trade flags EXCEPT BENC and RFPT
NETW	Negotiated transaction flag	Venues (off-book trades)	Negotiated transaction making use of a pre-trade transparency waiver	Can be used in combination with all other trade flags EXCEPT NLIQ, OILQ, and PRIC

It is proposed to add a new value to the field TrdType(828) for trade and market data reporting of CLSE and a new value to the field TrdRegPublicationReason(2670) for trade and market data reporting of NETW, to be used with TrdRegPublicationType(2669)=0 (Pre-trade transparency waiver). The fields SecondaryTrdType(855) and TertiaryTrdType(2896) share the values with TrdType(828) and do not need to be extended.

2.2 Designated Reporter

The equities consolidated tape working group has analysed the FCA’s proposals (as well as, at the time of writing, current proposals in EU regulation). FCA policy replaces the SI based reporting regime defined by ESMA with a designated reporter (DR) regime that is based on an entity-level. This allows decoupling reporting obligations from the SI (systematic internaliser) status. The SI based regime requires

¹ PS 23/4 also introduces a ‘PORT’ flag for portfolio transactions, though this has already been added to the FIX Protocol and MMT as a result of ESMA’s RTS 1 and RTS 2 transparency changes of 2022.

identifying the obligated party implicitly by reference to the specific instrument being traded. The DR regime takes an explicit approach by identifying the party that is obligated to report.

The *identification* of the reporting party is already covered in the FIX Protocol with the Parties component. There are two different options and the one to use depends on the parties identified on the trade.

- Use PartyID(448) with PartyRole(452) = 116 (Reporting entity) to identify the DR.
- Use PtysSubGrp with PartySubID(523)="Y" and PartySubIDType(803)=49 (Reporting entity indicator) to flag a specific party as being the DR, e.g. the order originating firm having PartyRole(452) = 13, the executing firm having PartyRole(452) = 1 or an SI having PartyRole(452) = 63.

Additionally, the FIX Protocol supports TradeReportingIndicator(2524) conveying the report status with the following values:

0 = Trade has not (yet) been reported

1 = Trade has or will be reported by a trading venue as an "on-book" trade

2 = Trade has or will be reported as a "systematic internaliser" seller trade

3 = Trade has or will be reported as a "systematic internaliser" buyer trade

4 = Trade has or will be reported as a "non-systematic internaliser" seller trade

5 = Trade has or will be reported under a sub-delegation arrangement by an investment firm to a reporting facility (e.g. APA) on behalf of another investment firm

6 = Trade has been or will be reported [Elaboration: Depending on the regulatory regime the recipient is not responsible for reporting.]

7 = Trade has been or will be reported as a "non-Systematic Internaliser" buyer trade

8 = Trade has been or will be reported by a trading venue as an "off-book" trade

9 = Trade is not reportable

The working group has concluded that this field is suitable for use with designated reporter regime defined by the FCA but requires changes to allow it to apply to jurisdictions other than ESMA, which is focused on whether an entity is a systematic internaliser or not. The term "systematic internaliser" is currently used by FIX to designate the authorised reporter for a given trade. It is proposed to change this term to "authorised reporter" and to use the field elaboration to provide the specific terms used by ESMA and FCA as follows:

Elaboration: The term "authorised reporter" represents the appropriate reporting firm under applicable regulation. In the context of ESMA reporting, this is the Systematic Internaliser. In the context of FCA reporting, this is the Designated Reporter.

Specific usage guidance under different regulatory regimes will be covered in a separate Recommended Practices document.

Field values will remain unchanged and it is proposed to change the description of some values to be as follows:

2 = Trade has or will be reported as a seller trade by the authorised reporter

3 = Trade has or will be reported as buyer trade by the authorised reporter

4 = Trade has or will be reported as a seller trade by an entity other than the authorised reporter

7 = Trade has been or will be reported as a buyer trade by an entity other than the authorised reporter

3 Issues and Discussion Points

None

4 Proposed Message Flow

None

5 FIX Message Tables

NONE

6 FIX Component Blocks

NONE

7 Category Changes

NONE

Appendix A - Data Dictionary

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
2524	TradeReportingIndicator	CHANGE	Int	<p>Used between parties to convey trade reporting status. [Elaboration: In the context of regulatory reporting, this field may be used by the reporting party (e.g. party obligated to report to regulators) to inform their trading counterparty or other interested parties the trade reporting status.</p> <p>The term "authorised reporter" represents the appropriate reporting firm under applicable regulation. In the context of ESMA reporting, this is the "Systematic Internaliser". In the context of FCA reporting, this is the "Designated Reporter".]</p> <p>Supported values: 2 = Trade has or will be reported as a "systematic internaliser" seller trade by the authorised reporter 3 = Trade has or will be reported as "systematic internaliser" a buyer trade by the authorised reporter</p>		

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
				<p>4 = Trade has or will be reported as a "non-systematic internaliser" seller trade by an entity other than the authorised reporter</p> <p>7 = Trade has been or will be reported as a "non-systematic internaliser" buyer trade by an entity other than the authorised reporter</p>		
2670	TrdRegPublicationReason	CHANGE	Int	<p>Additional reason for trade publication type specified in TrdRegPublicationType(2669). Reasons may be specific to regulatory trade publication rules.</p> <p>Supported values: 1=No preceding order in book as transaction price depends on system-set reference price for an illiquid instrument [Elaboration: ... For ESMA RTS 1, RTS 6 and RTS 22 this is the OILQ flag.]</p> <p>17=No public price quoted due to usage of a pre-trade transparency waiver [SymbolicName NoPublicPxDueToPreTradeWaiver] [Elaboration: Per FCA policy statement PS23/4, this is the "NETW" flag for negotiated trades in accordance to MiFIR Article 4(1)(b).]</p>		

Tag	FieldName	Action	Datatype	Description	FIXML Abbreviation	Add to / Deprecate from Message type or Component block
828	TrdType	CHANGE	Int	<p>Type of trade assigned to a trade.</p> <p>Supported values: 56=Opening trade [Elaboration: Identifies a trade that resulted from the opening of a market. In the context of IIROC, this indicates a trade that occurred at the opening or the first trade of the day for a security.]</p> <p>67=Closing price trade [Elaboration: Identifies a trade that uses the closing price of a market without resulting from the closing of this market. In the context of FCA policy statement PS23/4, this indicates a benchmark transaction executed using the market closing price and is the "CLSE" flag.]</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

[Examples may be entered below this line]

Appendix E – Disposition of Public Comments

NONE