



# APAC Market Structure and Regulatory Sub-committee Korea Short Selling Registration Number

March 13, 2025

Revision 0.2

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## For Global Technical Committee Governance Internal Use Only

|                        |                                      |                    |                       |
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## Table of Contents

|  |    |
|--|----|
| Document History .....   | 5  |
| 1 Introduction .....   | 6  |
| 2 Business Requirements.....                                   | 6  |
| 2.1 Summary of changes .....                                   | 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 .....                            | 11 |
| Appendix C - Abbreviations.....                                | 11 |
| Appendix D - Usage Examples.....                               | 11 |
| Appendix E – Disposition of Public Comments .....              | 11 |
| E.1. Public comments from [forum user] on [date of post] ..... | 11 |
| E.2. Public comments from [forum user] on [date of post] ..... | 11 |

## Table of Figures

## Document History

| Revision | Date  | Author   | Revision Comments   |
|----------|---|--|---|
| 0.1      | Feb. 13, 2025   | L. Taikitsadaporn for APAC Market Structure and Regulatory Sub-committee | Initial draft based on Feb. 5, 2025, APAC Market Structure and Regulatory Sub-committee call  |
| 0.2      | Mar. 1, 2025<br><br>Mar. 5, 2025<br><br>Mar. 13, 2025 |  | Revised based on initial feedback from key sub-committee members<br><br>Minor update based on Mar. 5, 2025, call. Clarified the difference between existing PartyIDSource(447)=1 (Korean investor ID) and proposed new code value.<br><br>Minor editorial edits based on additional email feedback. Changed title to reflect official naming of the regulatory requirement. |
|          | <u>Mar 22, 2025</u>                                   | <u>GTC Tech Admin</u>  | <u>Generated ASBUILT and assigned IDs</u>   |
|          |   |  |   |
|          |   |  |   |
|          |   |  |   |

# 1 Introduction

The APAC Market Structure and Regulatory Sub-committee convened on February 5, 2025, to discuss a new regulatory requirement from the Korean market. This meeting was also in response to a FIX Forum post "Korea Short Seller ID FIX tag" <sup>1</sup>.

The "Short Sale Reform Measures" <sup>2</sup> published by the Financial Services Commission (FSC) details the regulatory changes to prevent naked short sale activities. In order for the FSC to be able to conduct market surveillance, institutional and corporate investors conducting short sale activities are required to identify themselves at an aggregate level by using a short selling institution identifier assigned by the Financial Supervisory Service (FSS). This identifier is formally referred to as "Short Selling Registration Number".

This gap analysis seeks to address the requirement with a new PartyIDSource(447) code value, as well as a custom tag in the 8000 range to be reserved for this purpose that can be used by implementations which uses versions of FIX that don't support the Parties component.

## 2 Business Requirements

Brokers operating in Korea and interfacing with the Korean Stock Exchange (KRX) must include their client's institutional short sell identifier assigned by the FSS when submitting client's eligible orders to the exchange.

Clients registering their Short Seller Identifiers (SSID) with the regulator are expected to inform their brokers of the issuance of SSID and there is an expectation for the broker to transmit the information, as it is provided, to the exchange on eligible orders.

While the KRX does not support FIX, brokers in the FIX APAC community have indicated that they would like a standardised FIX mechanism to communicate this information under two use cases:

1. firms that utilizes FIX concepts for internal systems data communication
2. clients who wish to provide their Korean short sell identifier with their orders

### 2.1 Summary of changes

The following change is being proposed to the PartyIDSource(447) code set:

- ~~tbid~~V = Korea Short Selling Registration Number

A tag number in the 8000-8499 range reserved for regulatory purpose:

- ~~tbid~~8030 = KRShortSellRegNum

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<sup>1</sup> <https://forum.fixtrading.org/t/korea-short-seller-id-fix-tag/17821>

<sup>2</sup> <https://fsc.go.kr/eng/po110101/82797>

Description: String datatype. Same as PartyIDSource(447)=~~td~~V (Korea Short Selling Registration Number). To be used by implementations that cannot accommodate Parties component in earlier FIX versions.

### 3 Issues and Discussion Points

The Korean market is an "investor ID" based regime, similar to India and Taiwan. The FSS issued investor ID (formally known as the Investor Registration Certificate (IRC)) is also tied into the securities depository for settlement and record keeping. The FIX has an existing PartyIDSource(447) code value "1" for "Korean investor ID" used for this purpose when trading in Korean markets.

The PartyIDSource(447) value of "1" is clarified with an elaboration to avoid confusion with the new value for the Short Selling Registration Number.

On the March 5th, 2025, call there was also discussions regarding use of LEI in certain cases<sup>3</sup>. Sending of LEI is already accommodated by PartyIDSource(447) value of "N" or PartySubIDType(803) value of "84".

### 4 Proposed Message Flow

No changes to existing FIX message flows for FX.

### 5 FIX Message Tables

No changes

### 6 FIX Component Blocks

No changes

### 7 Category Changes

No changes

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<sup>3</sup> <https://www.clearstream.com/clearstream-en/securities-services/market-coverage/asia-pacific/south-korea/investment-regulation-south-korea-1283548>

## 8 FIX Specification Errata

To be used only by GTC Project Management.

| Jira Item | Affected<br>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 |
|--------------------------------|-------------------|--------|----------|---|--------------------|---|
| 447                            | PartyIDSource     | Change | char     | <p>(no change)</p> <p>1 = Korean investor ID<br/> [Elaboration: Also known as the Investor Registration Certificate (IRC) issued by Korea's Financial Supervisory Service (FSS), an identifier tied into the depository for settlement and record keeping.]</p> <p><del>tbid</del>-V = Korea Short Selling Registration Number<br/> [Elaboration: Short <del>seller-selling</del> registration <del>identifier-number</del> assigned by Korea's Financial Supervisory Service (FSS) for institutions placing eligible orders under Korea's Financial Services Commission's "Short Sale Reform Measures".]</p> |                    |   |
| <del>tbid</del><br><u>8030</u> | KRShortSellRegNum | NEW    | String   | <i>(request for a 8000-8499 tag number to be equivalent to the new PartyIDSource)</i>   |                    |   |
|                                |                   |        |          |   |                    |   |
|                                |                   |        |          |   |                    |   |
|                                |                   |        |          |   |                    |   |
|                                |                   |        |          |   |                    |   |
|                                |                   |        |          |   |                    |   |



## 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: