

MiFID II: Client LEI relationship scenarios

 Recommended Practice

 24 April 2018

 Version 0.1

Proposal Status: Public Comment

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#  Document History

| **Revision** | **Date** | **Author/Editor** | **Revision Comments** |
| --- | --- | --- | --- |
| 0.1 | 24 April 2018 | MiFID II Order Data and Record Keeping Working Group | First draft for approval |
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The above document history section, including date, author, and comments, is required to track editing changes to the document. List revisions in **ascending order**. Please insert additional rows in the table as needed.

Template version information:

r2: 2010-11-13 Revised to support abbreviations, inlined component references

r2.1: 2011-10-01 Revised to add usage clarification

# Executive Summary

The purpose of this document is to outline the various approaches that FIX offers to identify the legal parties associated with placing an order. It looks at the possible relationships of a broker and their clients and how FIX can be used to identify the specific client in various scenarios. It is primarily aimed at creating a standard for MIFID II client identification through the use of LEI(Legal Entity Identify) codes.

# Objective

To provide a standard approach for passing recording keeping information from firm to firm for meeting the MiFID II Record Keeping and Transaction Reporting requirements with regards to client identification.

# Scope

The scope of this documents covers:

* Possible client set ups. CDD vs Distributed models.
* Potential implementation effort to adopt the variations of the above models.
* Specific relationship scenarios and FIX values to use for each.

# Target Audience

This document is initially produced for the FIX MiFID II Order Record Keeping working group. It also has implications for FIX MiFID II Transaction Reporting working group where the use of LEI’s in transaction reports will mirror their use in the record keeping requirements. It is aimed at MiFID II Investment Firms rather that Trading and Execution Venues. It addresses the different scenarios for how legal entities might send order over FIX and how these firms can communicate their identity via FIX.

**Note:** *For investment firms that don’t have the multiple scenarios involving different order givers there might be no requirement to explicitly identify this on an order by order basis. This document will not apply to them. These scenarios are for complex flows down single FIX sessions involving multiple ‘order givers’ and ‘order receivers’ and how these can be identified.*

# Authors

MiFID II Order Data and Record Keeping Working Group

# Client LEI relationship scenarios

## Client LEI identification

There are two main scenarios for per order LEI identification. These scenarios are:

1. Separate Desks
2. Central dealing desk

It is also worth noting there are different participants in the order submission these can be defined as:

The ‘Order Originator’ – The LEI that made the decision to trade
The ‘Order Giver’ – The LEI that is onboarded and legally responsible for the trade and the counterparty in the transaction report.

For Riskless Principal (DEAL) trading under MiFID II, the transaction reports will mirror the booking process. Therefore the LEI’s associated with the bookings would have to reflect the transactional work flows. The next section looks at the two main scenarios and the variations those scenarios have.

The use of different LEI’s could have implications in the following areas for brokers:

1. They would need to know each LEI, to ensure they know who each client is from a KYC on-boarding process perspective, at an LEI level.
2. They might need to apply client preferences and have client contacts for any issues for each LEI.
3. They might be limited on how brokers can aggregate orders pre executions across LEIs.
4. Brokers might not be able to net/aggregate[[1]](#footnote-1) different client orders across LEI’s without this being considered Matched Principal Trading.
5. Brokers might not be able to provide different clients an average price allocations across all their orders. A client cannot post-trade allocate to specific accounts associate with flows other than their own.
6. Any transaction report of end-of-day aggregate positions brokers passed back to that client to allow post-trade allocation (potentially sometimes to swap or give-up) would need to be reflective of the different LEI relationships.

### Separate Desks

In this scenario clients have separate desks sending orders and one desk does not necessarily have visibility on what the other desk is doing.

This flow can be represented in the two ways detailed below.

####  Separate Desks with sub-delegation

In this scenario one client is onboarded and set up with an LEI. The other clients are then trading on a delegated access level for the entity onboarded to the broker. This flow is a form of access delegation. E.g. DEA sub-delegation in the case of DEA access. The LEI associated with Desk B would be the ‘Order Giver’. The ‘Order Originator’ could be either A, B or C.

Client

Broker

Market

RM/MTF

EU entity

Desk A

Desk B

Parent LEI

Desk C

If Desk B entity is onboarded to the broker, the transaction is between the LEI of the EU broker and LEI of Desk B, the ‘Order Giver’. The broker would send this LEI identifying the client on the orders it sends to trading venues. It would also be part of the broker records and used for the brokers transaction reports at the parent order/block level.

Desk B can submit or facilitate the sending of orders on behalf of other desks or ‘Order Originators’, but under this model Desk B would remain responsible for those orders and all the broker onboarding and preferences apply to orders as if they are from Desk B. Desk B's LEI would be used for these orders as well. This is seen as “**sub delegated access”**

#### Implementation

The only impact for this flow for clients is to indicate for DEA orders where they are offering sub-delegation so the broker can distinguish DEA orders from the direct client to DEA orders from the indirect clients of our client. i.e. how does the broker identify orders from the separate internal desks. For sub delegated DEA the broker needs something that will tie the order in with an existing desk/internal structure such as a trader ID or for the client to send the DEA-delegated client ID. In FIX this is conveyed in the Parties component with PartyRole(452)=3 (Client ID) or, in the case of earlier versions of FIX, in PartyIDClientID(20003).

***For High touch clients there is no DEA trading so there would be no extra information the client would need to send the broker.***

####  Separate Desks with separate relationships

If the client(s) view their orders as coming from separate entities, then each of these entities will be the ‘Order Givers’ with separate LEIs. The broker will potentially need to treat these clients separately for the 6 items identified in Section 6.1.1. They essentially view the relationships as below:

Client

LEI 3

LEI 2

LEI 1

Broker

Market

RM/MTF

EU Entity

Desk A

Desk B

Parent LEI

Desk C

##### Implementation effort

In this scenario the broker needs to be able to identify the different orders flows as this could potentially be over the same FIX session.

The broker systems need to then have these different flows set up as separate clients. Brokers would need to on-board (including KYC) these entities. The would also not be able to provide aggregate performance from orders across these different entities.

### Central dealing desk

The second style of client identification is the concept of a Central Dealing Desk(CDD). In this scenario clients are sending orders via some form of CDD that might or might not be aggregating the orders.

####  Sub-delegation via the CDD

The broker see the orders as potentially EOD allocated orders legally tied to the submitting entity. The CDD is the ‘Order Giver’ and the LEI’s associated with the fund manager who make the trading decision are the ‘Order Originators’. i.e. in the above diagram the broker would transaction report the blue transactions. The client would be required to report the transactions between the broker and the CDD and the CDD and fund entities where appropriate.

##### Implementation

This is the same implementation as 6.1.1 and requires identification of DEA sub delegation if the Fund LEI’s are automatically placing an order via the CDD. Given the CCD’s role this is unlikely to be happening. If it happens it is suggested brokers and clients send the sub-delegate LEI code the Parties component's PartyID(448) field or in PartyIDClientID(20003), in the case of earlier versions of FIX.

####  Separate clients

In this scenario the Client wants the broker to transaction report against the underlying legal entities associate with the fund. The client considers the Fund LEI as the ‘Order Giver’ and ‘Order Originator’ and sees the transactions as below. The client would want the broker to report the transactions against the fund's LEI where that Fund LEI is in scope for transaction reporting.

##### Implementation effort

For this scenario it most likely to requires internal changes to brokers systems and it also limits how brokers can allocate back to clients.

The implementation effort would be similar to 6.1.1.2, but it is very possible that the client will expect some form of aggregation across different LEI clients if their CDD does not offer this

## US Specific Scenario

The diagram below looks at how US/EU entity is sending orders directly or indirectly to EU firms. It highlights at a high level how the indirect EU flows might book.

US

EU

Client

Broker

n-EU LEI

EU LEI

EU LEI

n-EU LEI

A

B

C

D

Order Flow

US Booking

EU Bookings

There are broadly four ways US clients can interact with EU brokers

1. Client EU LEI (Order Giver) instructs EU Broker LEI to trade, based on a mandate or some other instruction from the US entity. EU Broker books against EU Client entity. EU Broker would not need to know of US client entity
2. Client US LEI instructs US Broker LEI to trade who in turn instructs EU Broker LEI to trade. EU Broker books to US Broker, US Broker books to US Client. EU broker might need to know of US client entity, but it would not be required for MiFID II record keeping or transaction reporting purposes.
3. Client EU LEI (Order Giver) instructs EU Broker LEI to trade, based on their own investment decision or a mandate from the Client US entity or some other instruction from the US entity. EU Broker books against US Parent entity (potentially via non-EU broker). The stocks are delivered to the Client US LEI on behalf of the Client EU LEI.
4. Client US LEI sends orders directly to Broker EU LEI who books directly back again the Client US LEI. (this needs a 10 b 10 exception for US reporting requirements).

Scenario B and C are always transactions against the Broker’s US LEI as the order giver, so there is no regulatory requirement for the Broker’s EU LEI to know the client LEI’s separately. The Client LEI’s might be stored in the connectivity systems but not needed in the EU Broker's MiFID II transaction reports. The LEI back to the client if required would always be Broker’s US LEI.

For Scenario C even if the order is back to backed to the US to settle against the parent custodian the broker would need to indicate that the order giver was still Client EU LEI, and the settlement against the US LEI would be seen as a custodian for the order given by the EU LEI. I.e. no post trade aggregation of performance for the US LEI(B) and EU LEI’s(A) orders if they are sent independently. The next section explores these scenarios in more detail.

## Specific Scenarios

Below details the various different interactions of clients and brokers for entities that are in and out of scope of EU MiFID II requirements. It looks at the different permutations of participants in each trade. The key describing the role the different participant and the flow of information is as follows:

The ‘Order Originator’ is the entity who made the initial investment decision to buy or sell a security.

Legal Flow of order

Order Giver

Physical Flow of order

Booking Flow of order

Settlement Counterparty

Order Originator

The ‘Order Giver’ is the entity that is onboarded to the broker and legally responsible for the trade and the counterparty in the transaction report.

The ‘Settlement Counterparty’ is the entity that the stock is delivered to by the broker on behalf of the Order Giver.

The ‘Physical Flow of order’ shows the transfer of information between the entities, whether via FIX or another medium such as phone.

The ‘Legal Flow of order’ shows the transactions and transfer of ownership.

The ‘Booking Flow of order’ shows the entities involved in booking and settlement of an order.

***Note****: When the Booking flow differs to the Legal flow the stock is given to the Settlement Counterparty in the name of the Order Giver under the instruction of the Order Giver. i.e. they act as a custodian of the Order Giver. If this stock is then legally transferred to the custodian, this is a separated transaction between the Order Giver and the Custodian or Settlement Counterparty.*

Booking will always be back to the Order Giver, or the Custodian of the Order Giver. Use of FIX tags to reflect the Order Giver/Originator would only be a reflection of how the broker would already classify the flows via another means such as FIX sessions or any existing client identification methodology.

***Note****: References to 200XX tags in the diagrams below are interchangeable with the fully formed Parties component fields, but the short form custom field implementations are used for brevity*

Client identification can be done by the various existing means such as FIX SenderCompId, OnBehalfOfCompID and SenderSubID. If these existing ID’s have a one to one mapping to a client LEI code and there is no requirement for clients to send LEI’s on an order by order basis. If however a client has a mix of scenarios where the standard methods are not sufficient the suggested tags below should be used for client identification.

The Broker LEI where required would be set in tag 20001 or PartyRole(452)=1 (Executing Firm) with PartyID(448) and would be set on each execution of the final fill/DFD depending on the client transaction reporting requirements. As per Client identification ‘Broker LEI’ identification can also be done on stand FIX header fields.

If used the specific LEI sent should be pre agreed between both the client and the broker.

Note for FIX 4.4 and above implementations, in the diagrams below the references to the custom fields are equivalents to Parties component's PartyRole(452) as follows:

* 20001 is equivalent to PartyRole(452)=1 (Executing firm)
* 20003 is equivalent to PartyRole(452)=3 (Client ID)
* 20013 is equivalent to PartyRole(452)=13 (Order origination firm)
* 20122 is equivalent to PartyRole(452)=122 (Investment decision maker)

### EU Client direct to EU Broker

Majority of EU flows

Non EU

EU

Client

Broker

n-EU LEI

EU LEI

EU LEI

n-EU LEI

Could use 20013 to identify client EU entity

LastCapacity(29) values follows EU standard

If required EU broker LEI in 20001 on fills/confirms

*Pros*: Simple and transparent for ORK and transaction reports

*Cons*: Clients need to be set up as EU entities and meet MiFID II requirements

### Non EU Client Trading EU Markets Via non EU Broker entity

Non EU

EU

Client

Broker

n-EU LEI

EU LEI

n-EU LEI

Could use 20003 to identify sub delegate entity for US client (for DEA only)

LastCapacity(29) values follows non-EU standard
No broker LEI required on fills/confirms

Common case for US entities trading into Europe.

***Note****: If the ultimate order originator is a client behind the brokers client there can be a scenario that this client of the client is an EU entity. In this scenario the regulation is unclear if LastCapacity should indicate the capacity of the direct relationship or the capacity the final execution was conducted in.*

*To support these two and conflicting use cases it is recommended that the end client or ultimate order originator specify their preference. The Client and the Broker would then set the preference at a session level and then the broker can apply a split preference without having to know who the end client or ultimate order originator is.*

*Pros*: Simple for clients outside of EU to get access to European markets

*Cons*: Brokers need non EU sub’s or separate non EU entities.
Requires back to back transactions for the broker.
Regulator does not have transparency on who the investment decision makers are.
Unclear on post trade transparency flags for clients.

### Non EU Firm trading via their EU entity

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU LEI

n-EU LEI

Could use 20013 to identify client EU entity
 and 20003 to identify sub delegate entity for nonEU client (for DEA only)

LastCapacity(29) values follows EU standard
If required EU broker LEI in 20001 on fills/confirms

**Or**

Non EU LEI would go in 20003 (Sub client ID) and only required for sub delegated DEA. 200013 if set would have the Client EU LEI.

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

Could use 20013 to identify client EU entity
 and 20003 to identify sub delegate entity for nonEU client (for DEA only)

LastCapacity(29) values follows EU standard
If required EU broker LEI in 20001 on fills/confirms

*Pros*: Regulators have better insight into who the decision maker is.
Multiple decisions makers inside and outside of EU can trade via a EU to EU relationship without extra client onboarding requirements.

*Cons*: Clients need EU sub’s or separate entities.
Requires back to back transactions for clients.
Might require extra ORK and Transaction Reporting from EU Client entities.

### EU Firm direct to EU Broker with settlement counterpart outside of EU

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

Could use 20013 to identify client EU entity

LastCapacity(29) values follows EU standard
If required EU broker LEI in 20001 on fills/confirms

Example would be an EU client who makes the trading decision and is onboarded to the EU broker, but uses their non EU parent company as the custodian for the trades it has done.

*Pros*: Regulators have better insight into who the decision maker is.
Multiple decisions makers inside and outside of EU can trade via a EU to EU relationship without extra client onboarding requirements.
No direct back to back client trades.

*Cons*: Clients need EU sub’s or separate entities.
Might require extra ORK and Transaction Reporting from EU Client entities.
Transfer of ownership from Client EU entity to Client non-EU entity outside of a custodian role could require extra EU ORK or transaction reporting for clients.

### EU Firm trading via their non-EU entity

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

Could use 20003 to identify sub delegate entity of US client (for DEA only)

LastCapacity(29) values follows EU standard
If required US broker LEI in 20001 on fills/confirms

Example would be an EU managed fund that trades via their US entity relationships with a broker while sending

*Pros*: Fewer trading relationship with brokers are needed.

*Cons*: More legal transactions to report.
Might require extra ORK and Transaction Reporting from EU Client entities.
Multiple back to backs needed

### EU firm trading Via non EU-Broker

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

Could use 20003 to identify sub delegate entity for EU client (for DEA only)

LastCapacity(29) values follows EU standard
If required EU broker LEI in 20001 on fills/confirms

This set up is unlikely, but it might occur for an EU entity that mostly trades US securities and needs access to EU securities and markets as a secondary concern.

*Pros*: Fewer trading relationship with brokers are needed.

*Cons*: More legal transactions to report
Might require extra ORK and Transaction Reporting from EU Client entities.
Lack of regulatory transparency.

### EU Firm trading Via Non-EU Broker with settlement counterpart outside EU

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

Could use 20003 to identify sub delegate entity for EU client (for DEA only)

LastCapacity(29) values follows EU standard
If requiredEU broker LEI in 20001 on fills/confirms

This is a combination of 6.3.6 and 6.3.4

*Pros*: Fewer trading relationship with brokers are needed.

*Cons*: More legal transactions to report
Might require extra ORK and Transaction Reporting from EU Client entities.
Lack of regulatory transparency.

### Non EU Client to EU Broker

Non EU

EU

Client

B

n-EU LEI

EU

n-EU

Could use 20013 to identify client US entity

LastCapacity(29) values follows Non EU standard

For US flows this cannot happen without US client attesting they don’t need 10(b)10 confirms. If 10(b)10 would not apply the client would be applying 15(a)6 exception.

**Note** *for a client papered in the US, a direct booking from EU Broker back to the US client or Custodian cannot happen when the order giver is US Broker.*

*If the client requires the same entity on the other side of a trade and they have EU and US entities, the EU entity will have to be on-boarded to the US, or trade via their US desk.*

### Non EU client to EU broker back to non EU broker

Non EU

EU

Client

B

n-EU LEI

EU

n-EU

Could use 20013 to identify client US entity

LastCapacity(29) values follows Non EU standard

This scenario would be used if the n-EU client is mostly trading EU securities but occasionally wants access to non EU local securities via same relationship. Unlikely in US because of 10(b)10. Likely for Asian flows

*Pros*: Client afforded MiFID II protections.

*Cons*: More legal transactions to report
Requires extra ORK and Transaction Reporting from EU brokers.

### Non EU client to EU broker back to non EU broker

As above but the non EU broker entity is not in the same geographical region as the non EU client entity. Example would be an APAC client trading via their EU relationship into the US markets.

*Pros*: Client afforded MiFID II protections.
 Gives clients access to all markets

*Cons*: More legal transactions to report.
Post trade transparency around equivalent venues and non-equivalent venues unclear.
Requires extra ORK and Transaction Reporting from EU brokers.

### EU firm trading non EU ID market

Non EU

EU

Client

B

n-EU LEI

EU LEI

EU

n-EU

LastCapacity(29) values follows Non EU standard
If required EU broker LEI in 20001 on fills/confirms

No MiFID II order giver identification required

This is needed for certain Asian markets such as

* + - Taiwan
		- India
		- South Korea
		- Other emerging mkts

*Pros*: Only way to access certain markets
 No EU transaction reporting requirements

*Cons*: Clients need to onboard to multiple entities.
Complexity on who client deals with on a trade by trade basis.
Unclear how this works with certain conflicting rule sets such as US 10b10 restrictions.

### Order Transmission

See [2017/590 Art 4](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0590&from=EN#page=5) for the information to be provided for ‘Order Transmission’.

Any order transmission scenario would have to fall in to one of the above scenarios with the extra information provided by the transmission firm. Outside of the standard FIX tags on an order the extra information for order transmission from the regulation (Paragraph 2) would be the follow values:

(d) the designation and details of the client of the transmitting firm for the purposes of the order;

*Suggestion – OnBehalfOfCompID(115) or PartyIDOrderOriginationFirm (20013)*

***Note*** *Where an entity can act as a client and a transmitting firm the FIX recommendation is to maintain separate session for transmitted orders and direct orders.*

(e) the designation and details of the decision maker for the client where the investment decision is made under a power of representation;

*Suggestion – PartyIDInvestmentDecisionMaker(20122)*

Use 20013 or the 453 Parties group equivalent to identify client entity. Use 20122 or 453 Parties group equivalent to identify the decision maker. E.g. for example 23

[*https://www.esma.europa.eu/sites/default/files/library/2016-1452\_guidelines\_mifid\_ii\_transaction\_reporting.pdf#page=40*](https://www.esma.europa.eu/sites/default/files/library/2016-1452_guidelines_mifid_ii_transaction_reporting.pdf#page=40)

*453=2;452=****13****;448=*E19760227SEAN#MURPH;447=**Q;**2376=24;*452=****122****;448=*IE19511212THOMAMACCO;447=**Q;**2376=24;

Or

*453=2;452=****13****;448=*E19760227SEAN#MURPH;447=**Q;**2376=24;802=3;523=SEAN;803=78;523= MURPHY;803=79;523=19760227;803=80;*452=****122****;448=*IE19511212THOMAMACCO;447=**Q;**2376=**24**;802=3;523=THOMAS;803=78;523= MACCORMACK;803=79;523=19511212;803=80;

For example 24

*453=2;452=****13****;448=*MXMMM23654Z;447=**Q;**2376=24;802=3;523=PEPE;803=78;523= >TORRES, BLANCO;803=79;523=19680520;803=80;*452=****122****;448=*12345678901234567890;447=**N;**2376=**23**;

 (g) a designation to identify a person or algorithm responsible for the investment decision within the transmitting firm;

*Suggestion – PartyIDInvestmentDecisionMaker(20122)*

***Note*** *– This logic is the same as in (e) except the Investment Decision Maker would be a person or LEI (or short code equivalent) that is legally part of the client entity. This pre supposes there is no scenario where you can have both power of representation to make an investment decision and a separate investment decision from the same firm. The capacity for the order will always need to be non DEAL to distinguish between a broker (order receiver) internal Investment Decision and the external client(Order Giver) investment decision.*

*i.e. Transaction Reporting Field 12/21(Buy/Sell DecisionMaker) will not be populated at the same time as 57 Investment decision within firm. This presupposition is backed up by example 70 in the guidelines:*

[*https://www.esma.europa.eu/sites/default/files/library/2016-1452\_guidelines\_mifid\_ii\_transaction\_reporting.pdf#page=124*](https://www.esma.europa.eu/sites/default/files/library/2016-1452_guidelines_mifid_ii_transaction_reporting.pdf#page=124)

(h) country of the branch of the investment firm supervising the person responsible for the investment decision and country of the investment firm's branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client;

*Suggestion - Potentially inferred from the transmitting firm, but if not, it can be transmitted in the PtySubGrp component of the PartyGroup entry associated with the Investment Decision. This would be done using the 523(PartySubID)=XX(Two char ISO country code) and 803(PartySubIDType)=39(ISO country code). If the branch associated with the investment decision is needed 523=XX;803=39; would be added to the PartyID associated with the InvestmentDecisionMaker. If the branch associated with the discretionary mandate decision maker is needed 523=XX;803=39; would be added to the PartyID associated with this.*

***Note –*** *In the case of transmission of an order the only information that should be conveyed over FIX would be the branch associated with the InvestmentDecisionMaker. A decision made under power of representation does not seem to need any branch information transmitted. See example 70*

[*https://www.esma.europa.eu/sites/default/files/library/2016-1452\_guidelines\_mifid\_ii\_transaction\_reporting.pdf#page=124*](https://www.esma.europa.eu/sites/default/files/library/2016-1452_guidelines_mifid_ii_transaction_reporting.pdf#page=124)

 (j) the code identifying the transmitting firm.

*Suggestion – SenderCompID(49) or PartyIDIntermediary (20029)*

**Note** *Short Sale identification should be done with the correct usage of Side(54) FIX tag. Risk reduction orders would also be indicated using standard FIX on the Client Broker interface.*

Non EU

EU

Client

Broker

n-EU LEI

EU LEI

EU LEI

n-EU LEI

LastCapacity(29) values follows EU standard

If required EU broker LEI in 20001 on fills/confirms

Transmitter

EU LEI

# References

**Level 1**

DIRECTIVE 2014/65/EU – Articles 16(7) **MIFID II**

<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32014L0065>

Regulation (EU) No 600/2016 – Articles 25,26 **MIFIR**

<http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32014R0600>

**Level 2 Delegated Acts**

Commission Delegated Regulation (EU) 2017/565 of 25.4.2016 – Section 8 Record-Keeping

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.087.01.0090.01.ENG&toc=OJ:L:2017:087:TOC>

**Level 2: Regulatory Technical Standards (RTS)**

COMMISSION DELEGATED REGULATION (EU) 2017/589 – Article 28 **RTS 6**

<http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2017.087.01.0417.01.ENG&toc=OJ:L:2017:087:TOC>

**Level 3: Q&A’s**

23 March 2018 | ESMA35-43-349 – 4 Record Keeping

<https://www.esma.europa.eu/sites/default/files/library/esma35-43-349_mifid_ii_qas_on_investor_protection_topics.pdf>

**Consultations, Guidelines and Opinions**

10 October 2016 | ESMA/2016/1452

<https://www.esma.europa.eu/sites/default/files/library/2016-1452_guidelines_mifid_ii_transaction_reporting.pdf>

1. Potentially can conduct netting/aggregation across different clients on an MPT(Matched Principal Trading) basis if the transaction is TNCP(Transaction Not Contributing to Price Discovery). i.e. portfolio or benchmark. [↑](#footnote-ref-1)