MiFID II Order Record Keeping Venue Subgroup – Short Code Standard

26 July 2017

Short code approach proposal

- As a guiding principle it has been accepted that it would create unnecessary cost and complexity for mutual clients if venues were to diverge in their approach with respect to short codes, particularly when venues trade the same instruments. If individual venues require different values on orders, a translation would have to occur at router level, after the venue had been selected, potentially introducing additional latency. If different values were required, separate and different end of day mapping files would have to be produced for all venues.

- Equally, it has been agreed that for some venues, where latency is less relevant, accepting full format codes as an alternative to short codes will also be supported. However a single standard will be agreed for the form of the short code. N.B. venues can accept other forms of short code – e.g. longer, as long as they accept the agreed format.

Short code format

- 4 byte integers – venues can of course implement larger fields – e.g. 8 bytes – but firms would still be able to submit their standard 4 byte values. It would just leave unused bytes. Using the FIX tag 2376 for role qualifiers, this allows a full range of values for each of:
    - Execution algo
    - Execution individual
    - Investment decision algo
    - Investment decision individual
    - Client legal entity
    - Client individual

Reserved values

- Reserved values - Values would be reserved for MiFID defined values – 0 for 'no client', 1 for 'AGGR', 2 for 'PNAL' to be used in the client ID field and 3 for 'CLIENT' (where client has specified execution) for use in the execution decision field.

- Validity period – Venues may specify a minimum validity period – but the standard will not impose it. Mapping files will include validity period for mapping.

- Separate algo flag - A separate algorithmic trading flag would be set to allow venues to appropriately apply the relevant post trade publication flag without interrogating the short codes in real time. This will also accommodate the possibility that the market data requirement does not overlap completely with the order record keeping requirement – e.g. DEA use of algos

FIX Implementation

Repeating Group *Parties* must occur the number of times specified in *NoPartyIDs* (453)		
448	*PartyID*	The short code representing the client or decision maker represented by this block. Unsigned numerical only. Data corresponding to this short code must have been previously supplied, or will be supplied by the end of the calendar day, per our Rules. For clients, the following values are reserved for applicable use: Applicable to PartyRole value 3: 0 = NONE (No Client for this order) 1 = AGGR (An aggregation of multiple client orders) 2 = PNAL (Clients are pending allocation) Applicable to PartyRole value 12: 3 = CLIENT (Time and venue of the order instructed by the client of the Participant)
447	*PartyIDSource*	Must always be P (Short code identifier)
452	*PartyRole*	Specifies the role of the party to the trade. At this time, only the following values are valid: 3 = Client ID 12 = Executing Trader (Execution within Firm) 122 = Investment Decision Maker
2376	*PartyRoleQualifier*	Provides further qualification of the PartyRole value. Valid values are: 22 = Algorithm (applicable to PartyRole values 12 or 122) 23 = Firm or legal entity (LEI) (applicable to PartyRole value 3) 24 = Natural person (applicable to PartyRole values 3, 12 and 122)

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End of day file

- Venues should support common file format for CSV upload:

Column Name	Data Type	Description
Short Code	Integer	Values between 4 to 4,294,967,296 are permitted. Values 0 to 3 are reserved. Attempting to register a long code against these values will result in the registration failing.
Long Code	String	Algorithm ID, Legal Entity Identifier (LEI) or Natural Person Identifier (PI).
Identifier Type	String	Used to specify which of the six unique ranges the short code is for. Any of the following string values are permitted: Client-Person Client-Entity InvestmentDecisionMaker-Person InvestmentDecisionMaker-Algo ExecutingTrader-Person ExecutingTrader-Algo
Effective Date	ISO Date	Date in the format of YYYY-MM-DD for when this registration is effective from.
End Date	ISO Date	Date in the format of YYYY-MM-DD if an end date for the registration is known, otherwise leave null (empty) if an end date for the registration is not known.