



FIX Trading Community MiFID Transparency Working Group

MiFID II/R Trade Reporting Implementation Guidelines

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1.8	9 November 2017	Jim Kaye, Irina Sonich-Bright	Addition of values to trade rptg indicator
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1.6	12 July 2017	Jim Kaye, Irina Sonich-Bright	Correction of OTC trade flag FIX values
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1.4	12 Apr 2017	Jim Kaye, Irina Sonich-Bright	Material on merged orders
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Introduction and scope

This document provides guidance on implementing the requirements for post trade transparency (referred to in this document as ‘trade reporting’, being a generally accepted term). Much of this material is based on “Standards for the Consolidation of Trade Reports and Market Data in Europe” from the FIX EMEA Trade Data Standardisation Working Group, December 2013, with updates made to bring the text in line with the relevant MiFID II level 2 text (also included). Other material has been sourced from a workshop held by the FIX Trading Community in September 2016 which focused on data flow and storage requirements to support trade reporting and other aspects of MiFID II.

This document covers the following main areas:

- How information is to be communicated between investment firms and APAs.
- How information is to be communicated between investment firms and other investment firms to ensure that trade reporting requirements are adhered to.
- Sub-delegation of trade reporting.
- Any related implications for trading venues or their members/participants.

Trade reporting data

Summary of details to be reported

The following is taken from the relevant tables in the annexes to RTS 1 and 2:

Field	Products	Generated by	Comments
Trading date and time	All	Trading venue or executing investment firm	
Instrument identifier	All	Trading venue or executing investment firm	
Instrument identifier type	Non-equities	Trading venue or executing investment firm	
Price	All	Trading venue or executing investment firm	
Price notation	Non-equities	Trading venue or executing investment firm	
Price currency	All	Trading venue or executing investment firm	
Quantity	Non-equities (with some exceptions for deferrals)	Trading venue or executing investment firm	
Quantity notation	Commodity derivatives, emission allowances and their derivatives (with some exceptions for deferrals)	Trading venue or executing investment firm	
Quantity unit	Commodity derivatives, emission allowances and their derivatives (with some exceptions for deferrals)	Trading venue or executing investment firm	

Field	Products	Generated by	Comments
Notional amount	Non-equities (with some exceptions for deferrals)	Trading venue or executing investment firm	
Notional currency	Non-equities (with some exceptions for deferrals)	Trading venue or executing investment firm	
Type	Emission allowances and their derivatives	Trading venue or executing investment firm	
Execution venue (venue segment MIC, "SINT" or "XOFF")	All	Trading venue or executing investment firm	See notes below.
Publication date and time	All	Trading venue, executing investment firm or APA	See below for more details on usage of publication date/time for deferred and/or amended reports. Where derived by an APA, this needs to be passed back to the contributing investment firm.
Publication venue	All	Trading venue or APA	Where derived by an APA, this needs to be passed back to the contributing investment firm. If an APA sends the report to a second APA for publication, then the publication venue will be that second venue (i.e. the APA making the report public).
Transaction identifier	All	Trading venue or APA	For APA reports, this needs to be passed back to the contributing investment firm to be used on subsequent amends/cancels.
Transaction to be cleared flag	Derivatives	Trading venue or APA	
Flags (venue/investment firm)	All	Trading venue, executing investment firm or APA	See notes below. Where derived by an APA, this needs to be passed back to the contributing investment firm.

Transaction identification code

RTS 13 recital 17

To facilitate reliable communication between an APA and the investment firm reporting a trade, particularly in relation to cancellations and amendments of specific transactions, an APA should include in the confirmation messages to reporting investment firms the transaction identification code that has been assigned by the APA when making the information public.

RTS 13 article 10.4

An APA shall confirm the receipt of a trade report to the reporting investment firm, including the transaction identification code assigned by the APA. An APA shall refer to the transaction identification code in any subsequent communication with the reporting firm in relation to a specific trade report.

Every trade report will have a unique transaction identification code (TIC). These will be assigned by trading venues or APAs as appropriate and will be completely unique across venues/APAs within a single trading day. Therefore the combination of TIC and trading date will be completely unique.

An investment firm using an APA will report trades to the APA using its own trade references. The APA will then create a TIC for each trade report which will be provided (to CTP, data vendors etc.) when publishing the data onwards. This TIC will be provided back to the investment firm who will be required to store it. The provision of TIC back to the investment firm fulfils two main functions:

- The investment firm should not consider a trade report as having been successfully delivered to an APA unless it receives an acknowledgement containing a TIC.
- The investment firm will be required to supply the TIC on cancellations or amendments to a trade it has previously reported (see next section).

Timestamps

The 'trading date and time' is the date and time of execution. The 'publication date and time' is the date and time of publication of the report, factoring in any permitted trade report deferral:

- Where a trade report is not eligible for deferral, it will be published by the APA immediately and the date/time of publication will be the time the APA publishes the report.
- Where a trade report is eligible for deferral, it will be published by the APA at the calculated release date/time. The date/time of publication will be the time the APA publishes the report.
- Where a trade report is cancelled or amended, the publication date/time will be the later of:
 - The current time
 - Deferred publication time (if applicable)

The deferral period (and determination of eligibility for deferral) could in theory be calculated either by the investment firm or the APA, though in the latter case it is recommended that the APA provide the derived publication date/time back to the investment firm.

Venue of execution

Full RTS 1 text is as follows:

- Identification of the venue where the transaction was executed.
- Use the ISO 10383 segment MIC for transactions executed on a trading venue. Where the segment MIC does not exist, use the operating MIC.
- Use MIC code 'XOFF' for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is not executed on a trading venue, systematic internaliser or organised trading platform outside of the Union.
- Use SINT for financial instruments admitted to trading or traded on a trading venue, where the transaction on that financial instrument is executed on a Systematic Internaliser.

Though not explicitly stated in the regulatory text, it is the view of the FIX Transparency WG that the ISO segment MIC be used for non-MiFID trading venues (with or without third country equivalence) as well as MiFID trading venues.

Trade flags

RTS 1 and RTS 2 contain tables of trade flags, noting which flags apply to reports from trading venues and which apply to reports from APAs. Further to this we have noted in the tables below where flags can only be provided by the reporting investment firm/trading venue, where they can only be derived by the APA or where they can come from either. In all cases, APAs should send the entire set of trade flags back to the reporting investment firm (whether they derive them or not) as the investment firm will need these for their own record keeping and transaction reporting purposes. Note these tables omit flags that pertain only to trading venues (e.g. waiver indicators) as these will always originate from the trading venue.

Flag	Description	RTS 1 or 2	Data Source
Trading venue waiver flags			
RFPT	Reference price waiver	1	Trading venue
NLIQ	Negotiated trade in liquid instrument	1	Trading venue
OILQ	Negotiated trade in illiquid instrument	1	Trading venue
PRIC	Negotiated trade subject to conditions other than the current market price	1	Trading venue
General trade information flags			
BENC	Benchmark	1 & 2	Investment firm, trading venue
ACTX	Agency cross	1 & 2	Investment firm
SDIV	Special dividend transaction	1	Investment firm
NPFT	Non-price forming	1 & 2	Investment firm or trading venue
TPAC	Package	2	Investment firm or trading venue
XFPH	Exchange for Physical	2	Investment firm or trading venue
LRGS	Large in Scale	1 & 2	Investment firm, trading venue or APA
ILQD	Illiquid Instrument	1 & 2	Investment firm, trading venue or APA
SIZE	Above Size Specific To Instrument/Standard Market Size	1 & 2	Investment firm, trading venue or APA
RPRI	Received price improvement	1	Investment firm or APA
TNCP	Not contributing to price discovery process	1	Investment firm, trading venue or APA
Supplementary deferral flags			
LMTF	Limited details flag	2	Investment firm or APA
FULF	Full details flag (after limited details)	2	Investment firm or APA
DATF	Daily aggregated transaction flag	2	Investment firm or APA
FULA	Full details flag (after aggregation)	2	Investment firm or APA
VOLO	Volume omission flag	2	Investment firm or APA
FULV	Full details flag (after volume omission)	2	Investment firm or APA
FWAF	Four weeks aggregation flag	2	Investment firm or APA
FULJ	Full details flag (after four weeks aggregation)	2	Investment firm or APA
IDAF	Indefinite aggregation flag	2	Investment firm or APA
VOLW	Volume omission flag	2	Investment firm or APA
COAF	Consecutive aggregation flag (post volume omission for sovereign instruments)	2	Investment firm or APA
Message status flags			
CANC	Cancellations	1 & 2	Investment firm
AMND	Amendments	1 & 2	Investment firm

FIX Fields for Trade flags

In the table below, the "FIX User Defined Details" refers to a set of user defined fields that have been reserved for replicating the various message components identified in the "FIX Standard Details" column. The latter represents the official FIX implementation, with these components being listed in the FIX repository and available on the FIX website. The former is intended for use by firms unable to support this type of message

structure. These user defined fields simply contain a spec-delimited list of the values expected in the full component structure. For example, a trade with the SDIV and TNCP flags would be represented as follows:

FIX Standard form: 1838(NoTradePriceConditions) = 2 1839(TradePriceCondition) = 13
1839(TradePriceCondition) = 16

FIX User Defined form: 8014(TradePriceConditions) = 13 16

Data element	FIX Standard Fields	FIX User Defined Fields
Core Venue Waiver Flags	These are the flags required for MiFID trade and transaction reporting	
RFPT ref price waiver flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 3 (No public price preceding order as public reference price was used for matching orders)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
NLIQ NT flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 0 (No preceding order in book as transaction price set within average spread of a liquid instrument)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
OILQ NT flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 1 (No preceding order in book as transaction price depends on system-set reference price for an illiquid Instrument)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
PRIC NT flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 2 (No preceding order in book as transaction price is subject to conditions other than current market price)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
Additional Venue Waiver Flags	These are not required for MiFID trade or transaction reporting, to be provided on a voluntary basis	
LRGS large in scale flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 9 (No public price and/or size quoted as transaction is "large in scale")	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
OM waiver flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 10 (No public price and/or size quoted due to order being hidden)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component

Data element	FIX Standard Fields	FIX User Defined Fields
Off-Venue Trade Flags		
BENC flag	SecondaryTrdType(855) - existing field from 4.4, being added to execution reports 64 -> Benchmark	As FIX Standard details
SDIV flag	TradePriceConditionGrp component - existing from 4.4, being added to execution reports TradePriceCondition(1839) = 13 (Special dividend)	8014 TradePriceConditions - flattened version of TradePriceConditionGrp component
NPFT flag	TradePriceConditionGrp component - existing from 4.4, being added to execution reports TradePriceCondition(1839) = 15 (Non price forming trade)	8014 TradePriceConditions - flattened version of TradePriceConditionGrp component
TNCP flag	TradePriceConditionGrp component - existing from 4.4, being added to execution reports TradePriceCondition(1839) = 16 (Trade exempted from trading obligation)	8014 TradePriceConditions - flattened version of TradePriceConditionGrp component
ACTX flag	TrdSubType(829) - existing field from 4.4, being added to execution reports 37 -> Crossed trade	As FIX Standard details
RPRI SI flag	TradePriceConditionGrp component - existing from 4.4, being added to execution reports TradePriceCondition(1839) = 14 (Price improvement)	8014 TradePriceConditions - flattened version of TradePriceConditionGrp component
ILQD SI flag (as per RTS 1)	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 4 (No public price quoted as order size is above standard market size")	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
ILQD deferral flag (as per RTS 2)	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 1 (Post-trade deferral) TrdRegPublicationReason(2670) = 7 (Deferral due to "Illiquid instrument")	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
SIZE SI flag (as per RTS 1)	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 0 (Pre-trade transparency waiver) TrdRegPublicationReason(2670) = 5 (No public price quoted as order is above standard market size)	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
SIZE deferral flag (as per RTS 2)	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 1 (Post-trade deferral) TrdRegPublicationReason(2670) = 8 (Deferral due to "Size specific")	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component

Data element	FIX Standard Fields	FIX User Defined Fields
TPAC flag	TrdType(828) - existing field from 4.4 65 -> Package trade	As FIX Standard details
XFPH flag	TrdType(828) - existing field from 4.4 2 -> Exchange for physical	As FIX Standard details
LRGS deferral flag	New TrdRegPublicationGrp component with fields TrdRegPublicationType(2669) = 1 (Post-trade deferral) TrdRegPublicationReason(2670) = 6 (Deferral due to "Large in scale")	8013 TrdRegPublicationReasons - flattened version of TradeRegPublicationGrp component
Deferral Flags		
LMTF deferral flag	RegulatoryReportType(1934)=11 (Limited details trade)	As FIX Standard details
FULF deferral flag	RegulatoryReportType(1934)=17 (Full Details of Earlier "Limited Details Trade")	As FIX Standard details
DATF deferral flag	RegulatoryReportType(1934)=12 (Daily aggregated trade)	As FIX Standard details
FULA deferral flag	RegulatoryReportType(1934)=18 (Full Details of Earlier "Daily Aggregated Trade")	As FIX Standard details
VOLO deferral flag	RegulatoryReportType(1934)=13 (Volume omission trade)	As FIX Standard details
FULV deferral flag	RegulatoryReportType(1934)=19 (Full Details of Earlier "Volume Omission Trade")	As FIX Standard details
FWAF deferral flag	RegulatoryReportType(1934)=14 (Four weeks aggregation trade)	As FIX Standard details
FULJ deferral flag	RegulatoryReportType(1934)=20 (Full Details of Earlier "Four weeks aggregation Trade")	As FIX Standard details
IDAF deferral flag	RegulatoryReportType(1934)=15 (Indefinite aggregation trade)	As FIX Standard details
VOLW deferral flag	RegulatoryReportType(1934)=16 (Volume Omission Trade, Eligible for Subsequent Enrichment in Aggregated Form)	As FIX Standard details
COAF deferral flag	RegulatoryReportType(1934)=21 (Full Details in Aggregated Form of Earlier "Volume Omission Trade, Eligible for Subsequent Enrichment in Aggregated Form")	As FIX Standard details

Trade reporting message flows

Cancel and amend messaging

RTS 1 Article 12 (and equivalent text in RTS 2 Article 7)

2. Where a previously published trade report is cancelled, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make public a new trade report which contains all the details of the original trade report and the cancellation flag as specified in Table 4 of Annex I.

3. Where a previously published trade report is amended, investment firms trading outside a trading venue and market operators and investment firms operating a trading venue shall make the following information public:

(a) a new trade report that contains all the details of the original trade report and the cancellation flag as specified in Table 4 of Annex I;

(b) a new trade report that contains all the details of the original trade report with all necessary details corrected and the amendment flag as specified in Table 4 of Annex I.

The above text describes how trade report cancellations and amendments are to be made public. How the underlying messaging between investment firms and APAs works can in theory differ provided the APA is always able to provide public data in the manner described above. For example, an APA may permit cancel/replace messaging of trade reports from investment firms and would need to break this into a cancel message followed by an amend message for the purposes of publication.

It is also noted that the level 2 text permits APAs to modify or cancel trade reports on request by an investment firm:

RTS 13 Article 10

7. In exceptional circumstances APAs and CTPs shall delete and amend information in a trade report on request from the entity providing the information when that entity cannot delete or amend its own information for technical reasons.

An amendment to a trade report should not result in the creation of a new TIC unless the instrument identifier is being changed. If the TIC is not changing, then the trade report change will appear as a CANC followed by an AMND, both referencing the same TIC. If the TIC is changing, then there will be a CANC followed by an entirely new trade report with a new TIC:

Scenario	Messaging to APA	Appearance to the public
Investment firm amends a trade report, making any change other than to the instrument identifier	<i>Either</i> Single cancel/replace referencing the original trade report's TIC <i>OR</i> Cancel message referencing the original trade report's TIC followed by a New message, also referencing the original trade report's TIC	CANC followed by AMND, both referencing the original trade report's TIC
Investment firm amends a trade report, changing the instrument identifier	Cancel message referencing the original trade report's TIC followed by a New message with a new TIC	CANC referencing the original trade report's TIC followed by a new message referencing the new TIC

Scenario	Messaging to APA	Appearance to the public
Investment firm cancels an execution and replaces it with a new execution for the same instrument	Cancel message referencing the original trade report's TIC followed by a New message, also referencing the original trade report's TIC	CANC followed by AMND, both referencing the original trade report's TIC
Investment firm cancels an execution and replaces it with a new execution with a different instrument identifier	Cancel message referencing the original trade report's TIC followed by a New message with a new TIC	CANC referencing the original trade report's TIC followed by a new message referencing the new TIC
APA modifies a trade report on request from investment firm without changing the instrument identifier	n/a	CANC followed by AMND, both referencing the original trade report's TIC
APA modifies a trade report on request from investment firm, changing the instrument identifier	n/a	CANC referencing the original trade report's TIC followed by a new message referencing the new TIC
APA cancels a trade report on request from investment firm	n/a	CANC referencing the original trade report's TIC
APA creates a trade report on request from investment firm	n/a	New message referencing a new TIC

Acknowledgement messaging

Some elements of a trade report are derived by the APA, not the contributing investment firm. It is therefore required that when an APA accepts a trade report as sent from an investment firm, or creates one at the request of an investment firm, that it be able to send full details of the report to the investment firm.

Trade rejections and system failures

If an APA rejects a trade report (e.g. due to a validation error), then the investment firm will receive a reject message with no TIC. Similarly, if the APA becomes unavailable then the investment firm will either receive a reject message or nothing at all (depending on the type of failure and the nature of the messaging protocol being used). Either way, the investment firm should consider the trade report not to be published and will need to take steps to ensure the trade is reported (e.g. using a different APA).

If a CTP becomes unavailable and cannot receive trade reports from APAs, then the APAs should resend the reports when the CTP becomes available. If a CTP rejects a trade report (due to validation reasons or similar), then the CTP will need to liaise with the APA to establish the cause of the issue.

Duplicate messaging

The MiFID post trade transparency requirements permit trade reports to be sent to multiple APAs, but with one flagged as the 'original' and others as 'duplicates'¹. Duplicates can be identified in FIX messaging by using the PreviouslyReported flag (tag 570), taking value Y.

¹ From ESMA Q&A 20170403- mifid_ii_mifir_qa_on_transparency_topics.pdf: Flag related to reporting to APAs: 'DUPL'. In accordance with Article 16(2) of RTS 13 10 APAs should require reporting firms that intend to make public the transaction via more than one APA to flag the original report for publication with 'ORGN', and all consecutive duplicative reports concerning the same transaction sent to other APAs as 'DUPL'. The flag 'ORGN' is only used for the communication between the investment firm and the APA that receives the original report. APAs are not expected to use 'ORGN' when making a transaction public. However, in accordance with Article 16(1) of RTS 1 APAs should always use the flag 'DUPL' where the published trade is a duplicate, that is the transaction was flagged as 'DUPL' when the reporting firm sent it to the APA for publication.

Trade reporting on merged orders

With reference to the 'who reports' logic (see later section of this document), it is possible to produce a scenario whereby standard FIX execution report messaging does not provide sufficient information to produce a trade report. For example:

- A client sends three orders to their broker, e.g. for 20, 30 and 50 shares respectively. The client is liable for trade reporting (e.g. SI seller).
- The broker aggregates these into one order for 100 shares and fills this with an SI. The executions going back to the client are split back out to the original orders, so the client sees executions of 20, 30 and 50 shares.
- This should all be reported as a single trade of 100 as SINT.
- The client is responsible for the report but doesn't see a single execution of 100 shares.

It is the view of the transparency working group that, rather than try to re-engineer the execution report messages, there are two remaining options for supporting this scenario:

- Use an assisted trade reporting model (see later in this document).
- Have the broker send a trade capture report message to the client containing the details of the required trade report (i.e. send the client the same message as they would otherwise have sent to their APA).

Deferred publication

Requesting deferral

MiFID II permits, at the discretion of competent authorities, certain trades to be reported on a deferred basis. Investment firms should flag those trades that they wish to be published on a deferred basis with a 'defer request' indicator.

The FIX implementation for this is to use TradePublishIndicator(1390) which takes values:

0 = do not publish

1 = publish trade (immediately)

2 = deferred publication

The investment firm may also choose to calculate the deferral period (and hence publication time themselves), or the APA may do this, or both. If the APA does their own calculation and uses it (overriding anything the investment firm may have sent) then the APA's derived publication data/time should be communicated back to the investment firm.

Early release of deferred trade reports

There are circumstances where a trade report eligible for deferred publication may be published immediately (for example where a broker has unwound the underlying risk position).

- If the trade report had not already been sent to the APA, then this would simply involve flagging the trade report for immediate publication (by omitting the 'defer request' indicator).

- If the trade report had been sent to the APA, then this would require the investment firm amending the trade report to flag the report to be released immediately.

The FIX implementation for this is to set TradeReportTransType(487) to 3 (release)

The APA would then publish the trade report immediately, responding back to the investment firm with the usual acknowledgement containing the updated publication date/time. There would be no change in TIC for such a change.

Deferred vs. delayed trade reports

Where a trade report is eligible for deferral and deferral is requested, it will be reported to the public with ESMA flag 'LRGS'. Where MMT is being used, this will correspond to MMT level 4 code 'non-immediate publication'.

It is also possible that a trade may be reported or published late due to technical reasons, for example an infrastructure or software fault at the investment firm, APA or CTP. No specific flag is required for such trades, noting that detection of late reports will be possible by comparing the execution and publication times with reference to the presence or absence of the LRGS flag on the report.

Note it is in theory possible that a trade report is eligible for deferral (and hence has the LRGS flag) and is also then published late (i.e. later than the deferral time).

'Assisted' trade reporting

Investment firms have three options as regards MiFID 2 trade reporting:

- They use an APA.
- They ensure that they never need to trade report (i.e. by not being an SI and only trading with SIs or on trading venues).
- They use an "assisted" model whereby the trade report messages are sent by their broker(s) on their behalf. It is important to note that responsibility for trade reporting cannot itself be delegated; this refers simply to usage of a third party's infrastructure to connect to an APA.

It is proposed that FIX trade capture reports provide the ability to identify both the submitter of a trade report and also the underlying executing investment firm.

If an investment firm is using a third party for APA connectivity and messaging, then the investment firm will still need to have access to its trade report data. This can be achieved through the use of screens, file downloads or drop copy messaging provided by the APA. All these mechanisms will need to provide a full copy of the trade report including data derived by the third party and/or the APA itself.

It is further noted that, where this is taking place, that the investment firm generating the report needs to know to which APA to report and also be able to communicate that information to their trading counterparty (on behalf of whom they are sending the trade report message). To this end, we suggest:

- That it be possible to specify, on order messages, that the broker is to invoke assisted trade reporting for any executions which the order submitter has responsibility for

The FIX implementation for this field is to use the OrderAttributeGrp² component as follows:

² Firms who are unable to support repeating groups may use 8015 OrderAttributeTypes = 5 (if multiple values are required in this field they are to be delimited by spaces).

NoOrderAttributes(2593)=1 (or >1 if the order contains other OrderAttributes)

OrderAttributeType(2594)=6 (All executions for the order are to be reported to an APA)

OrderAttributeValue(2595)="Y"

- That it be possible to specify, on order messages, which APA to use for trade reporting.

The FIX implementation for both of these requirements is to use the Parties³ repeating component as follows:

PartyRole(452) = 123 (publishing intermediary)

PartyIDSource(447) = G (MIC)

PartyID(448) = the APA's MIC

- That it be possible to specify which APA has been or will be used for trade reporting on execution messages. Though this requirement was initially noted specifically for assisted reporting, it has been suggested that this is actually a more general requirement and that it should be possible to state on any execution report which APA (including trading venues) was used to report it to aid identification of the trade on the public tape.

The FIX implementation for both of these requirements is to use the Parties repeating component in the same way as above (i.e. party role 123).

'Who trade reports' logic

Introduction

MiFID II trade reporting rules can be summarised as follows:

- If the execution originates from a trading venue, then the trading venue reports. This includes both MiFID II trading venues and venues with 'third country equivalence' where it is believed (subject to confirmation from regulators) that third country equivalent venues' own trade reporting arrangements meet MiFID II post-trade transparency requirements.
- If the execution does not originate from a trading venue, then:
 - If the execution is between an SI and non-SI MiFID investment firm, then the SI reports.
 - If the execution is between two SIs the seller reports.
 - If the execution is between two non-SI MiFID investment firms, the seller reports.
 - If the execution is between two firms, neither of which are MiFID investment firms, neither firm reports.
 - If the execution is between a MiFID investment firm and a firm who isn't a MiFID investment firm, then the MiFID investment firm reports regardless of whether they are buying or selling and whether they are an SI or not.
- Where there has been no change in the economics (as per RTS 1 article 12.6 and its equivalent in RTS 2) a trade must only be reported once, regardless of how many firms the trade passes through.

³ Firms who are unable to support repeating groups may use 20123 PartyIDPublishingIntermediary.

Trade Reporting Indicator

We believe that the 'who reports' rules can be catered for by the creation of a new 'trade reporting indicator' field. This, either on its own, or in conjunction with other FIX fields, needs to allow firms to distinguish between the following:

- The trade has not been reported
- The trade is being reported by a trading venue as an on-book trade
- The trade is being reported by a trading venue as an off-book trade
- The trade is being reported as an SI trade as seller
- The trade is being reported as an SI trade as buyer
- The trade is being reported as a non-SI trade as seller
- The trade is being reported as a non-SI trade as buyer
- The trade is being reported under a sub-delegation arrangement by investment firm X to APA Y on behalf of investment firm Z.

The FIX implementation for this is to use the TradeReportingIndicator field (2524) with 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 trader

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 [Elaboration: The non-equity instrument is not deemed to have been traded on a trading venue.] ~~Trade has or will be reported as a "non-systematic internaliser" buyer trader~~

~~Trade has or will be reported by a trading venue as an off-book trade~~

In order to set this field correctly, investment firms will need to know:

- Whether the execution came from a trading venue, an SI or a broker acting in non-SI capacity. This can be determined by tag 30⁴, provided this is set correctly by the executing entity and passed through the chain without modification. The rules for setting this will be:
 - If the executing entity is a trading venue, use the venue's segment MIC.
 - If the executing entity is an SI, use the SI MIC.
 - Otherwise, use XOFF or the executing broker's MIC. It should be noted that though XOFF is sufficient from a regulatory perspective, existing FIX guidance on the use of tag 30 is that all brokers (whether acting in SI capacity or not) have MICs and our recommendation is to retain this guidance. This does require that investment firms receiving these MICs will need to refer the list of SIs maintained by ESMA to be able to distinguish between SI MICs, broker MICs (i.e. brokers operating outside SI

⁴ Some FIX member firms have also requested that there is an explicit flag to identify an execution as having come from an SI. MatchType(574)=9 can be used for this purpose.

capacity) and trading venue MICs.

- Whether the order originated from or has passed through an SI.
 - Where an order passes through a mixture of SIs and non-SI firms, then the first SI in the chain in the direction of selling is the one to report and hence needs to set the 'came from SI' indicator. The logic is therefore very simple:
 - When the order arrives, see if it has the 'from SI' flag on it.
 - If it does, and the order is to be passed to another firm for execution, pass it through.
 - If it doesn't, and the order is to be passed to another firm for execution, then set it on the order to the other firm.
 - There are no circumstances where this flag would be removed.

The FIX implementation for this field is to use the OrderAttributeGrp⁵ component as follows:

NoOrderAttributes(2593)=1 (or >1 if the order contains other OrderAttributes)

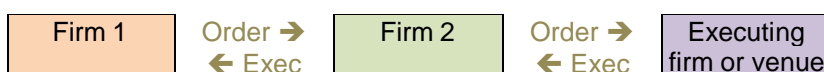
OrderAttributeType(2594)=5 (Systematic internaliser order)

OrderAttributeValue(2595)="Y"

- Whether the order originated from a non-MiFID investment firm. Unlike the 'came from SI' requirement (where an investment firm can be an SI in selected instruments), we believe that it is sufficient for investment firms to know whether their counterparties are MiFID firms or non-MiFID firms based on standing reference data and so no FIX field is proposed for this requirement.
- Whether the order is a buy or a sell ("sell" here including short sells).

Logic

Provided with this information, then the trade reporting indicator will be set as follows:



- If trade reporting indicator is provided on the execution report from the downstream firm/venue then simply pass the same value upstream.
- Otherwise it will need to be derived by reference to the following table:

Firm 2 is...	Firm 1 is...	Order direction	Trade reported by...	Trade reporting indicator (as set by Firm 2)
An SI	An SI	Buy	Firm 2	SI seller
		Sell	Firm 1*	Not reported*
	A non-SI MiFID investment firm	Buy	Firm 2	SI seller
		Sell	Firm 2	SI buyer
	A non-MiFID investment firm	Buy	Firm 2	SI seller
		Sell	Firm 2	SI buyer
Not an SI	An SI	Buy	Firm 1*	Not reported*
		Sell	Firm 1*	Not reported*
	A non-SI MiFID investment firm	Buy	Firm 2	Non-SI seller
		Sell	Firm 1*	Not reported*
	A non-MiFID investment firm	Buy	Firm 2	Non-SI seller
		Sell	Firm 2	Non-SI buyer

* If Firm 1 has an assisted trade reporting arrangement with its APA and Firm 2, then Firm 2 will generate the trade report to the APA and the trade reporting indicator will instead be set (by Firm 2) to 'reported under a

⁵ Firms who are unable to support repeating groups may use 8015 OrderAttributeTypes = 5 (if multiple values are required in this field they are to be delimited by spaces).

sub-delegation arrangement’.

[Note that the generic value 6 \(Trade has been or will be reported\) has been added as an alternative to values 1-5+7-9 for firms who do not require the additional granularity provided by the other values.](#)

Brokers identifying themselves as SIs

A number of FIX members have requested that brokers identify whether they are an SI or not at the point of order receipt.

The FIX implementation for this is to use the Parties⁶ repeating component as follows:

PartyRole(452) = 63 (systematic internaliser)

PartyIDSource(447) = G (MIC)

PartyID(448) = the appropriate SI MIC

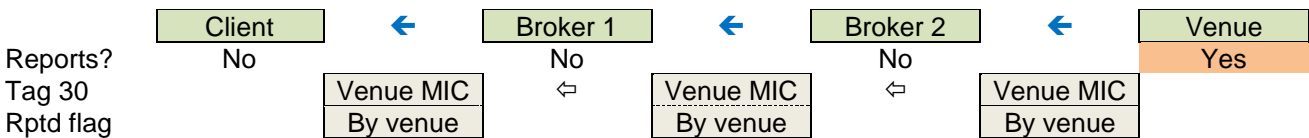
Scenarios

The tables below provide some examples. In all cases, the execution is being passed through (matched principal-style) with no modification in price or similar. Solid arrows ← and → denote direction of travel of shares, e.g. right to left denotes client buying. Unfilled arrows ⇄ indicate the direction of information flow (e.g. FIX message or equivalent communication). 'OTC' is used to denote a firm who is not a systematic internaliser in the instrument being traded.

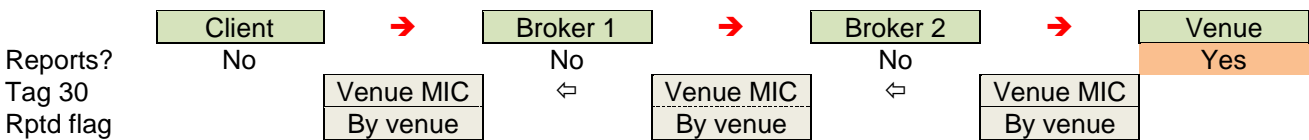
Trading on venues

The first two scenarios involve trading on a MiFID (or third country equivalent) trading venue. The venue always reports regardless of whether this is a buy or a sell, or whether any, all or none of the investment firms involved are SIs (hence the SI capacity of all firms and the 'from SI' order flag have deliberately been omitted from these examples).

Buying from venue



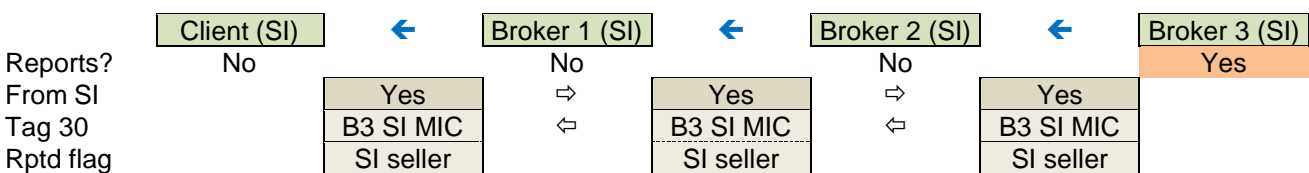
Selling to venue



Off-venue; everybody is an SI

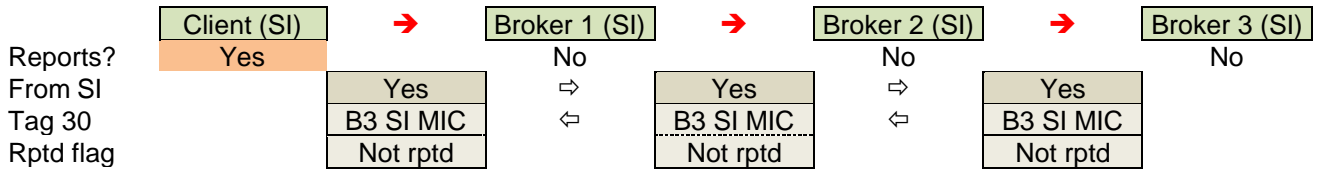
In the next two scenarios, all firms are SIs and so 'seller reports' determines who trade reports.

SI buying from SI



⁶ Firms who are unable to support repeating groups may use 20063 PartyIDSystematicInternaliser.

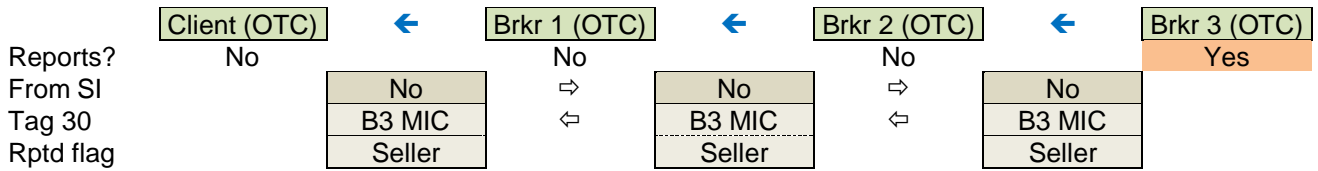
SI selling to SI



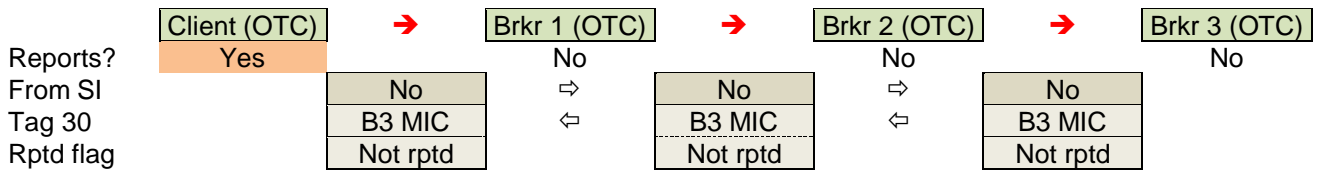
Off-venue; nobody is an SI

Here, none of the firms are SIs and so 'seller reports' determines who trade reports.

Non-SI buying from non-SI



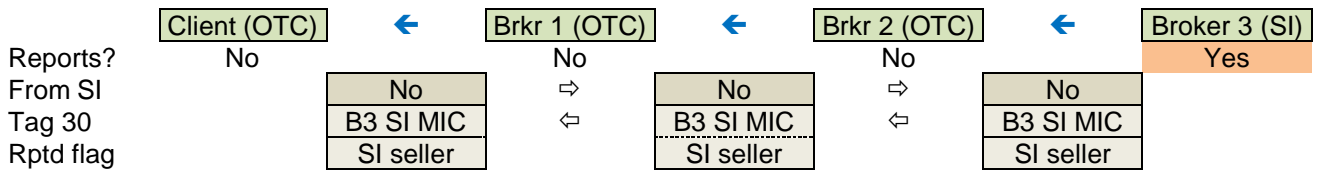
Non-SI selling to non-SI



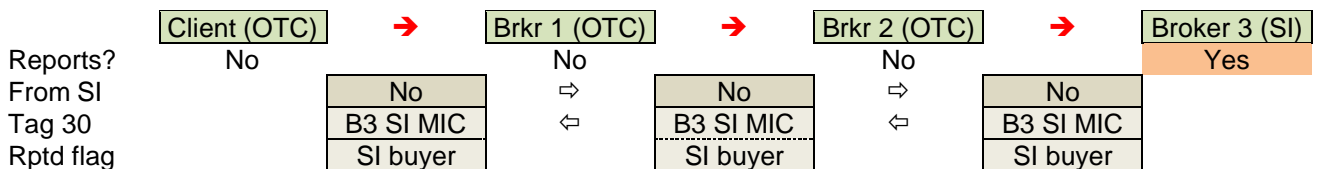
Off-venue; only the executing entity is an SI

Here, none of the firms are SIs and so 'seller reports' determines who trade reports.

Non-SI buying from SI



Non-SI selling to SI



Off-venue; execution from non-SI firm

Here, the execution comes from a non-SI firm but goes through an SI. The first two examples have the orders originating from an SI; the second two come from a non-SI firm.

SI buying from non-SI firm

	Client (SI)	←	Broker 1 (SI)	←	Broker 2 (SI)	←	Brkr 3 (OTC)
Reports?	No		No		Yes		No
From SI	Yes		⇒	Yes	⇒	Yes	
Tag 30	B3 MIC		⇐	B3 MIC	⇐	B3 MIC	
Rptd flag	SI seller			SI seller		Not rptd	

SI selling to non-SI firm

	Client (SI)	→	Broker 1 (SI)	→	Broker 2 (SI)	→	Brkr 3 (OTC)
Reports?	Yes		No		No		No
From SI	Yes		⇒	Yes	⇒	Yes	
Tag 30	B3 MIC		⇐	B3 MIC	⇐	B3 MIC	
Rptd flag	Not rptd			Not rptd		Not rptd	

Non-SI firm buying from non-SI firm with an SI as intermediary

	Client (OTC)	←	Broker 1 (SI)	←	Broker 2 (SI)	←	Brkr 3 (OTC)
Reports?	No		No		Yes		No
From SI	No		⇒	Yes	⇒	Yes	
Tag 30	B3 MIC		⇐	B3 MIC	⇐	B3 MIC	
Rptd flag	SI seller			SI seller		Not rptd	

Non-SI firm selling to non-SI firm with an SI as intermediary

	Client (OTC)	→	Broker 1 (SI)	→	Broker 2 (SI)	→	Brkr 3 (OTC)
Reports?	No		Yes		No		No
From SI	No		⇒	Yes	⇒	Yes	
Tag 30	B3 MIC		⇐	B3 MIC	⇐	B3 MIC	
Rptd flag	SI seller			Not rptd		Not rptd	

Off-venue; execution from SI firm

These are similar to those above, except that the execution comes from an SI.

Non-SI firm buying from SI

	Client (OTC)	←	Broker 1 (SI)	←	Broker 2 (SI)	←	Broker 3 (SI)
Reports?	No		No		No		Yes
From SI	No		⇒	Yes	⇒	Yes	
Tag 30	B3 SI MIC		⇐	B3 SI MIC	⇐	B3 SI MIC	
Rptd flag	SI seller			SI seller		SI seller	

Non-SI firm selling to SI

	Client (OTC)	→	Broker 1 (SI)	→	Broker 2 (SI)	→	Broker 3 (SI)
Reports?	No		Yes		No		No
From SI	No		⇒	Yes	⇒	Yes	
Tag 30	B3 SI MIC		⇐	B3 SI MIC	⇐	B3 SI MIC	
Rptd flag	SI seller			Not rptd		Not rptd	

Buying from an SI with a non-SI intermediary (1)

	Client (OTC)	←	Broker 1 (SI)	←	Brkr 2 (OTC)	←	Broker 3 (SI)
Reports?	No		No		No		Yes
From SI	No		Yes		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		SI seller		SI seller		

Selling to an SI with a non-SI intermediary (1)

	Client (OTC)	→	Broker 1 (SI)	→	Brkr 2 (OTC)	→	Broker 3 (SI)
Reports?	No		Yes		No		No
From SI	No		Yes		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		Not rptd		Not rptd		

Buying from an SI with a non-SI intermediary (2)

	Client (OTC)	←	Brkr 1 (OTC)	←	Broker 2 (SI)	←	Broker 3 (SI)
Reports?	No		No		No		Yes
From SI	No		No		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		SI seller		SI seller		

Selling to an SI with a non-SI intermediary (2)

	Client (OTC)	→	Brkr 1 (OTC)	→	Broker 2 (SI)	→	Broker 3 (SI)
Reports?	No		No		Yes		No
From SI	No		No		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		SI seller		Not rptd		

Off-venue; client is a non-MiFID (NM) firm, execution from SI firm

Non-MiFID firm buying from SI

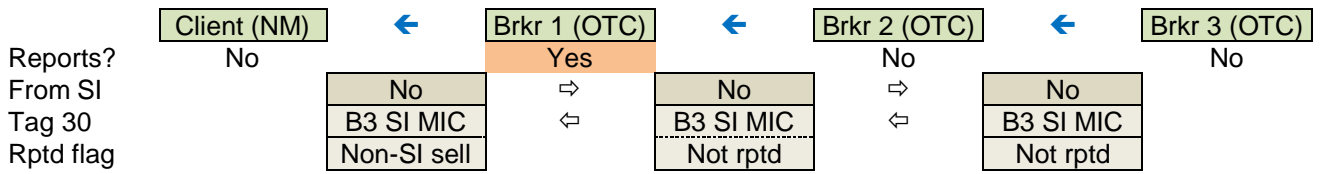
	Client (NM)	←	Broker 1 (SI)	←	Broker 2 (SI)	←	Broker 3 (SI)
Reports?	No		No		No		Yes
From SI	No		Yes		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		SI seller		SI seller		

Non-MiFID firm selling to SI

	Client (NM)	→	Broker 1 (SI)	→	Broker 2 (SI)	→	Broker 3 (SI)
Reports?	No		Yes		No		No
From SI	No		Yes		Yes		
Tag 30	B3 SI MIC		B3 SI MIC		B3 SI MIC		
Rptd flag	SI seller		Not rptd		Not rptd		

Off-venue; client is a non-MiFID (NM) firm, execution from non-SI firm

Non-SI buying from SI



Non-SI selling to SI

