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# Market Model Typology (MMT)

## Version 4.0 Overview

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### Background

The FIX Trading Community is pleased to introduce version 4.0 of its Market Model Typology (MMT) standard. MMT describes attributes of trades for reporting purposes and has been adopted by trading venues, investment firms and market data providers throughout Europe.

Version 4.0 of MMT covers changes to EU RTS 1 and RTS 2 that are expected to go live at the start of 2024. It also includes features proposed by the FIX Trading Community's consolidated tape working groups intended to complement the regulatory changes and enhance the quality and transparency of post-trade reported data.

### How MMT Works

For those unfamiliar with MMT, it contains a schema for categorising trades based on:

- The type of market and trading system that produced the trade.
- Various regulatory categorisations (e.g., MiFIR negotiated trade or reference price waiver, benchmark trade indicator)
- Reporting status (new, amended, cancelled)
- Reporting deferral
- Various industry-driven categorisations not mandated in regulation (e.g., off-book automated trade indicator)

The schema defines a number of 'levels', each representing a specific attribute of a trade.

MMT also defines three encoding options:

- A display encoding, which represents MMT values as distinct codes suitable for on-screen displays.
- An efficient encoding, which represents the MMT schema as a fixed-length alphanumeric string and is intended for low latency data transmission.
- A mapping of MMT flags to the FIX Protocol (MMT version 4.0 changes in progress, currently under review).

MMT is governed by the MMT Steering Committee which oversees the MMT Technical Committee, responsible for development of the standard. For more background information, please visit our website at [www.fixtrading.org/mmt](http://www.fixtrading.org/mmt).

## Changes in MMT version 4.0

The main changes to MMT are in the table below. For full details, including efficient encoding logic and some changes to the previous level structure to accommodate new values, please refer to the MMT 4.0 documentation on our website.

Full Name	Display Code	Change Description
<b>Level 1 - MARKET MECHANISM</b>		
Any Other, Including Hybrid (original ESMA definition in RTSs 1 & 2)	"AH"	Amended definition as per EU RTS 1 & 2 changes
Hybrid System (revised ESMA definition, replacing 'Any Other, Including Hybrid')	"HS"	New value as per EU RTS 1 & 2 changes
Any Other, Excluding Hybrid (revised ESMA definition, replacing 'Any Other, Including Hybrid')	"AO"	New value as per EU RTS 1 & 2 changes
<b>Level 2 - TRADING MODE</b>		
On Demand Auction (Frequent Batched Auction)	"OD"	New value as per FIX CT equities WG
<b>Level 3.2 - TRANSACTION TYPE : NEGOTIATION INDICATOR OR PRE-TRADE TRANSPARENCY WAIVER</b>		
OTC Trade Larger Than LIS Brought Onto a Venue	"NTLS"	New value as per FIX CT equities WG: <i>Negotiated trade above large in scale</i>
<b>Level 3.8 - TRANSACTION TYPE : ORDINARY/STANDARD TRADES OR TRADES OUTSIDE PRICE FORMATION/DISCOVERY PROCESS</b>		
Price is Not Applicable	"NOAP"	New value as per EU RTS 1 & 2 changes
<b>Level 3.11 (new) - TRANSACTION TYPE : PORTFOLIO</b>		
Portfolio Trade	"PORT"	New value as per EU RTS 1 & 2 changes
<b>Level 3.12 (new) - TRANSACTION TYPE : CONTINGENT</b>		
Contingent Trade	"CONT"	New value as per EU RTS 1 & 2 changes: <i>Transaction is contingent on the purchase, sale, creation or redemption of a derivative contract or other financial instrument where all the components of the trade are to be executed only as a single lot.</i>
<b>Level 3.13 (new) - TRANSACTION TYPE : GIVE-UP</b>		
RFMD Give-Up Trade	"GIVE"	New value as per FIX CT equities WG: <i>A transaction where following a request for market data, an investment firm passes a trade to, or receives a trade from, another investment firm or third country firm</i>
<b>Level 5.2 (new) - REPORTING CIRCUMSTANCE: DUPLICATIVE ACROSS JURISDICTIONS</b>		
Cross-Border Duplicative Trade Report	"XBDT"	New value as per FIX CT equities WG: <i>Trade eligible for being reported more than once due to overlapping regulatory reporting rules in different jurisdictions</i>
<b>Level 5.3 (new) - REPORTING CIRCUMSTANCE: INTRA-GROUP</b>		
Intra-Group Trade	"IGRP"	New value as per FIX CT equities WG: <i>A transaction between entities within the same group carried out for intra group risk management purposes to transfer risk accumulated as a result of previously executed transactions or where necessary to comply with regulatory requirements</i>

