

FIX TRADING COMMUNITY

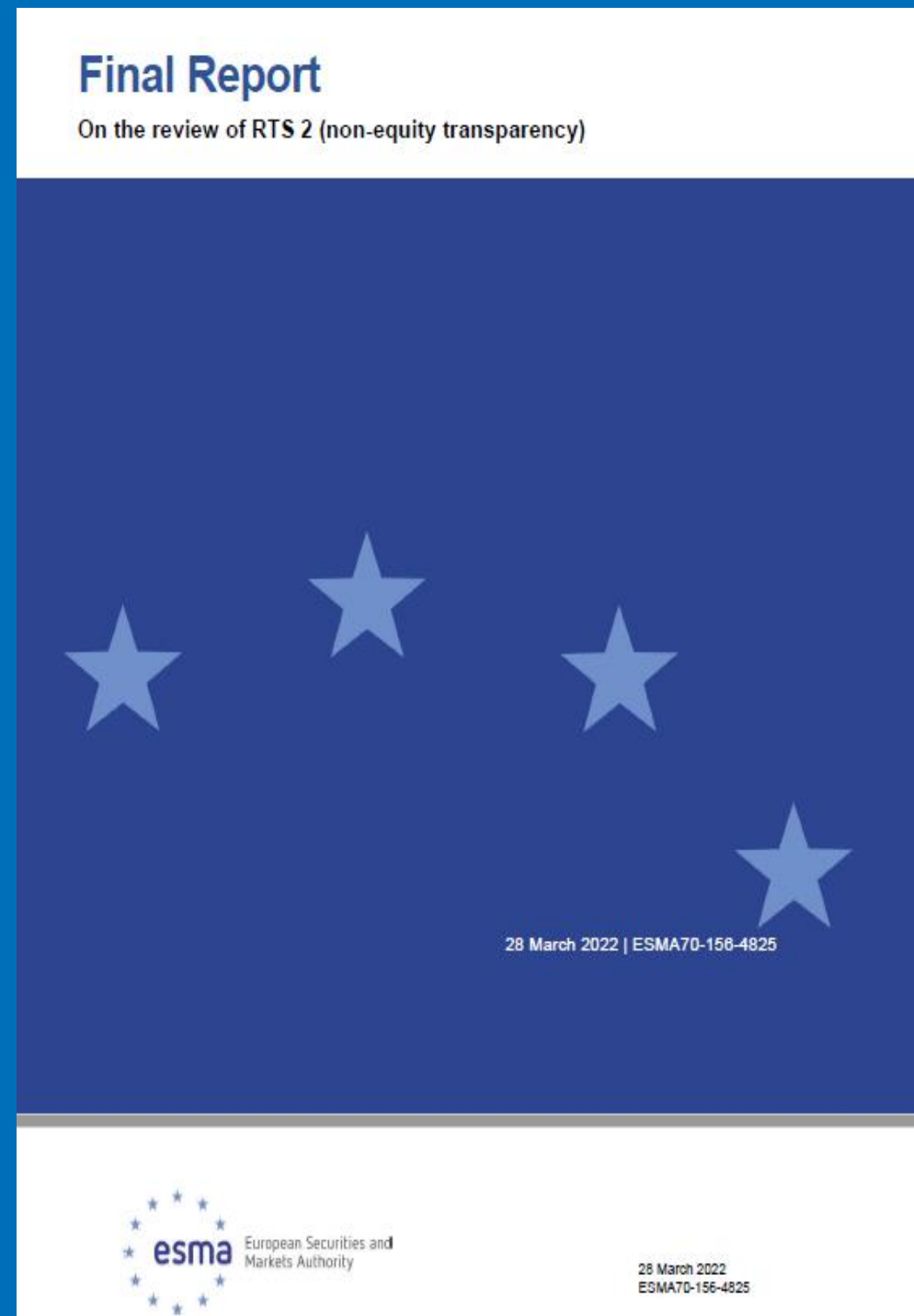
Market Model Typology (MMT) v4.0

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Trade Flagging modifications driven by regulation



Amended EU RTS 1 and RTS 2 provisions for MMT v4.0

- New Market Mechanism “Hybrid System” (RTS 1 and RTS 2)
- ‘CONT’ flag to be added (RTS 1)
- ‘PORT’ flag to be added (RTS and RTS 2)
- Combinations of ‘PRIC’, ‘CONT’, ‘PORT’ permitted
- Combination with ‘NPFT’ is excluded
- Amend “NPFT” definition (RTS 1 and RTS 2)
- ‘TNCP” flag to be deprecated (RTS 1)

See ESMA70-156-4944

Amended FIX Recommended practices

- 'IGRP' new flag for Intra-Group transactions executed for administrative or position management purposes
- 'GIVE' new flag for RFMD give-ups transactions
- 'XBDT' new flag for trades reported more than once due to overlapping regulatory reporting rules in different jurisdictions

Main features of FIX MMT v4.0 data model

- Enlargement of data model beyond v3.04 data structure
- Decoupling of display and efficient encoding data structures
- Efficient Encoding data structure keeps the existing 14 positions of the MMT string

New Matrix for v4.0 Efficient encoding

(see excel file, [Tab «Efficient encoding» on FIX website](#))

- The efficient encoding for MMT v4.0 is backwards compatible with the efficient encoding for the preceeding version, MMT v3.04.

Position	Value	Applicable to MMT v3.04	Applicable to MMT v4.0	total number of display codes	Level 1	Level 2	Level 3.1	Level 3.2	Level 3.3	Level 3.4	Level 3.5	Level 3.6	Level 3.7	Level 3.8	Level 3.9	Level 3.10	Level 3.11	Level 3.12	Level 3.13	Level 4.1	Level 4.2	Level 4.3	Level 4.4	Level 5.1	Level 5.2	Level 5.3	
4	7	Y	Y	1				NTLS																			
5	X	Y	Y	1				ACTX																			
5	-	Y	Y	0																							
6	C	Y	Y	1					CANC																		
6	A	Y	Y	1					AMND																		
6	-	Y	Y	0																							
7	B	Y	Y	1						BENC																	
7	S	Y	Y	1						RFPT																	
7	-	Y	Y	0																							
7	P	N	Y	1													PORT										
7	C	N	Y	1														CONT									
7	Y	N	Y	2						BENC							PORT										
7	M	N	Y	2						BENC									CONT								
7	N	N	Y	2													PORT	CONT									
7	O	N	Y	3						BENC							PORT	CONT									

Regulatory Initiatives in Progress

- On 17th January, EC adopted proposed amendments on post trade transparency for equities (RTS 1) and non-equities (RTS 2). Triggering the start of a 3-month period for further scrutiny by the European Parliament and the Council → hence, MMT version 4.0 preliminary until mid April 2023
- ESMA plans a second wave of trade flagging requirements amendments within the next two years → out of scope for v4.0
- FCA has plans to review trade flagging requirements as well but has not communicated any timeline → out of scope for v4.0