

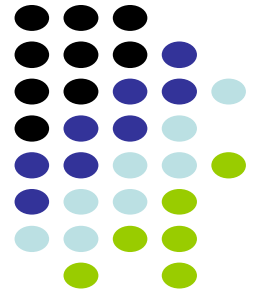
# FIX Global Technical Committee Working Group Support

**FIX** TRADING  
COMMUNITY™  
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**FIX Trading Community EMEA Trading Conference 2019**

**Hanno Klein**, Global Technical Committee co-chair for EMEA

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# Topics

- FIX Business Level Working Groups supported by the GTC
  - MiFID II (Transparency, Reference Data, Best Execution)
  - Brexit
  - REPO
  - SFTR
  - Securities Lending
  - Global Post Trade
  - FIX/FIF Consolidated Audit Trail (CAT)
- GTC Support Activities
- Standard Process for FIX Extensions

# FIX Working Groups: MiFID II and Brexit

- Multiple working groups related to regulatory reporting under MiFID II were created in 2016/2017 by the EMEA Regulatory Subcommittee. The initial work has been completed more than a year ago prior to the introduction of MiFID II. Some of the groups are still on-going to deal with updates from ESMA:
  - The MiFID Transparency Subgroup covers ESMA RTS 1-5. This work is a continuation of work previously discussed by the Trade Data Standardisation Working Group.
  - The MiFID Reference Data Subgroup examines the Technical Standards produced by ESMA in order to determine the impact their reference data will have on market participants, regulators, and the FIX Protocol.
  - The MiFID Best Execution Subgroup covers ESMA RTS 27 and 28.
  - The Execution Venue Working Group seeks to standardize the reporting of the executing venue and create a rules of engagement/best practices document.
- The Brexit working group was created fairly recently to identify and review requests/requirements for potential changes to technical or business practices that may occur because of the changes in regulation or practices due to certain Brexit outcomes.
  - Goal: provide support for changes in regulatory reporting requirements due to Brexit
  - Scope: regulatory reporting to Financial Conduct Authority (FCA) in the UK vs ESMA
  - Deliverables: updates to existing guidelines for MiFID II and possibly additional extensions to FIX (Gap Analysis)



# FIX Working Group: REPO

*The REPO working Group will develop and maintain a standard and a detailed set of guidelines and message specifications for automating the full life cycle of Repos via FIX, including post trade, asset servicing, collateral management, regulatory reporting through the full life cycle and eco system of Brokers, Clients, Custodians and Service Providers.*

- Goals:
  - Develop best practice guideline for Repos
  - Review existing FIX message specifications vs Repo requirements
  - Enhance existing FIX message specifications to support Repo requirements
  - Develop new FIX message specifications supporting Repo requirements
- Scope
  - Data Management: Accounts, Collateral Eligibility, CCP/CSD Information
  - Workflow: Trade Execution, Post-Trade, Collateral, Asset Servicing
  - Transaction Events: Close-Outs, Re-Pricings and Collateral Substitutions
  - Regulatory Reporting
- Deliverables:
  - Repo best practice guideline
  - FIX messages specs supporting full Repo life cycle

# FIX Working Group: SFTR

*The group will assist firms as they meet the challenges posed by the European Commission's introduction of the Securities Financing Transactions Regulation (SFTR).*

- Goals:
  - Identify the data, operational and reporting issues created by the introduction of SFTR, and guide the industry in associated implementation and best practice.
- Scope
  - SFTR will affect any firm that takes short positions and borrows securities before the short positions are closed. It will also affect any other firms that are a counterparty to those activities.
  - Sell-side (prime brokers, repo dealers), Buy-side (asset managers), Venue (limited to Repo trades), Custodian, Central Counterparties, Consultant, Application vendor
- Deliverables:
  - An implementation guideline for reporting to repositories
  - Best Practice guidelines covering changes to Prospectuses and Investor Reports

# FIX Working Group: Securities Lending

*The working group will develop a set of messages to support automated processing of securities lending. The focus will be on cleared securities lending but consideration will be given for extensibility to non-cleared activity. The messages are intended to support loans collateralised by cash and non-cash securities and to support practices by global CCPs that cleared securities lending transactions.*

- Goals:
  - Provide standardized interfaces in FIX (and FIXML) and ISO 20022 to support securities lending
  - Develop a set of messages to support clearing of securities lending
  - Help in developing structured messages for non-cleared activity
- Scope
  - Cleared and non-cleared securities lending
  - Cash and non-cash securities for collateralisation
- Deliverables:
  - A new set of messages specific to Securities Lending, e.g. ContractInitiationReport, ContractTerminationReport



# FIX Working Group: Global Post Trade

*The Global Post Trade Working Group is charged with development and maintenance of a standardised and detailed set of guidelines for a number of different asset classes and workflows.*

- Goals:
  - Define industry practices for common usage of the FIX Protocol for post-trade processing.
- Scope
  - All asset classes
  - Between buy-sides and sell-sides
  - Bi-lateral usage as well as through intermediary facilities.
- Deliverables:
  - Recommended Practices for Post-Trade Processing via FIX (equities incl. options and swaps, futures, FX, fixed income)



# FIX Working Group: Consolidated Audit Trail

*This group will work in collaboration with FIF (Financial Information Forum) to address where FIX coverage is necessary to support the various CAT reporting requirements. The group will review existing FIX tags to understand if they can provide the necessary coverage or if additional tags will need to be created. CAT does not support FIX, i.e. a mapping is required.*

- Goals:
  - Support industry members to re-use as much of their existing FIX messaging infrastructure as possible
- Scope
  - Customer to broker/dealer
  - Broker/dealer to broker/dealer
  - Broker/dealer to execution venue
  - Equities, equity options
- Deliverables:
  - Mapping tables for CAT Industry Member Specification to FIX
  - Gap Analysis proposal for FIX extensions

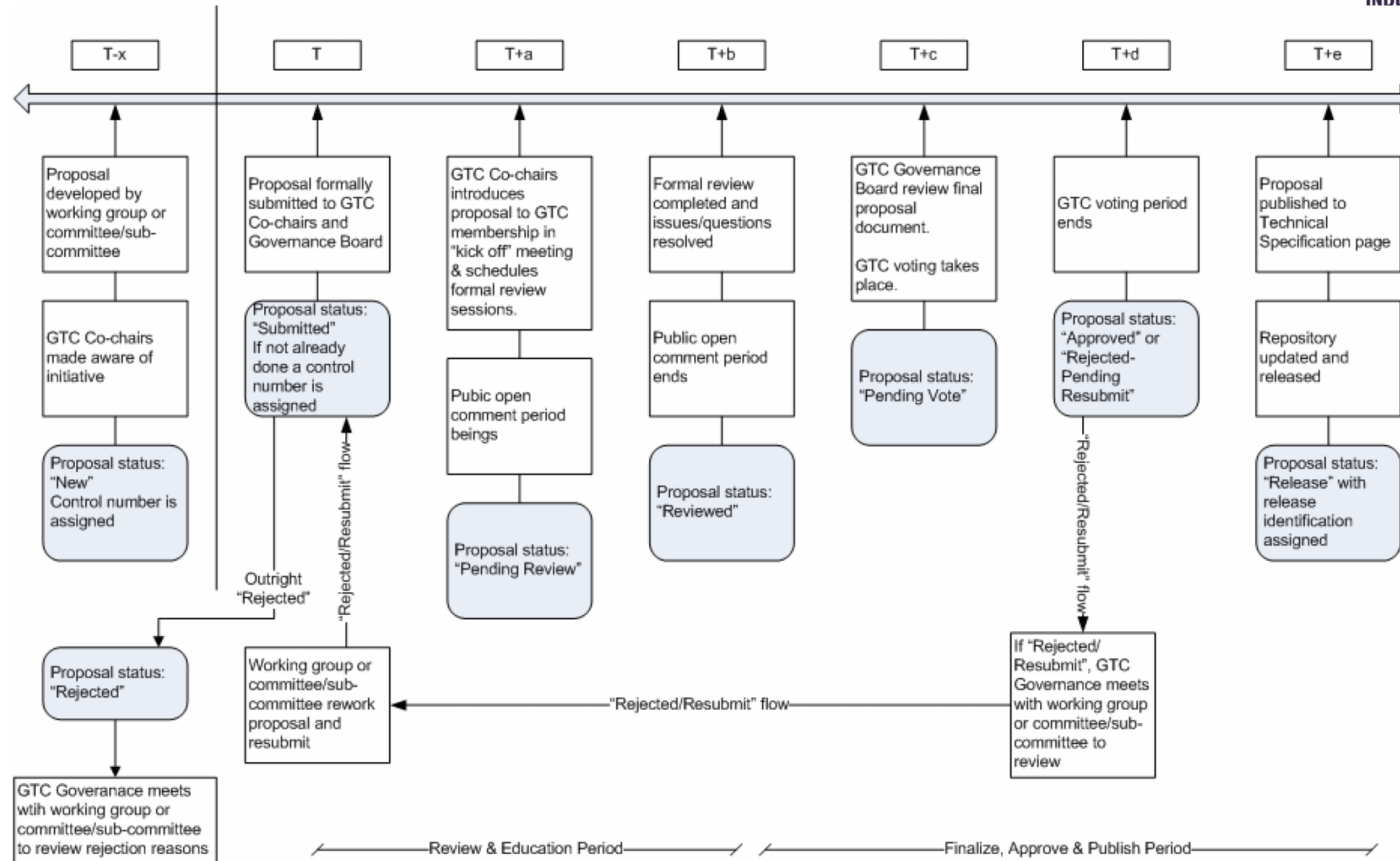


# GTC Support Activities

- Join working group meetings (conference calls)
  - Support identification of business requirements vs implementation proposals
  - Explain FIX concepts / paradigms / semantics
  - Translate (local) business requirements to standard FIX semantics and terminology
  - Discuss potential gaps and existing options
  - Advise on FIX extensions for actual gaps
  - Coordinate similar or overlapping extensions across working groups
- Support working groups in compiling Gap Analysis proposals for GTC submission.
  - Provide template documents
  - Advise on standard process for extensions
  - Coordinate presentation to GTC and subsequent modifications (if needed)
  - Inform working group on proposal status and Extension Pack implementation/publication

# Standard Process for FIX Extensions

- Any extension of the FIX application layer (messages, components, fields and valid values) must be submitted to the GTC, following a standard process (see <https://www.fixtrading.org/fix-processes-and-templates/>).
- Proposals are typically initiated by working groups, sub-groups, committees or sub-committees. The GTC should either be directly involved or given advance notice of the initiative.
- Proposals must be submitted by using a standard template (Microsoft Word document) called *Gap Analysis* (aka GA) with predefined chapters to cover the following.
  - Background information (context)
  - Business requirements
  - Message flows and examples
  - Proposed additions and changes to messages, components and fields
- The submitter presents the proposal during a GTC call where it is reviewed, discussed and preliminarily approved for a public comment period of at least 2 weeks. The comments and their resolution are then incorporated into the GA.
- Finally, a formal vote of the GTC Governance Board allows to implement the GA and create an *Extension Pack* (aka EP).



### FIX Protocol Gap Analysis Proposal Process

# Please get involved in the working groups...

- MiFID II (Transparency, Reference Data, Best Execution)
- Brexit
- REPO
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- ...

## Time for Q&A

