FIX 5.0 and Latest Development

New FIX Functionality for Exchanges and Regulators
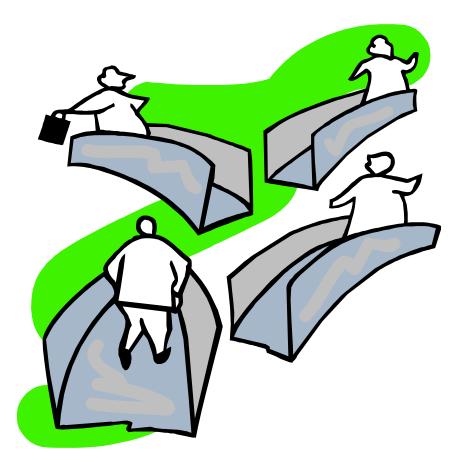
Ryan Pierce

Technical Director, FPL

Overview

- Of course FIX works. But our work in FIX is not done!
- FIX continues to expand in new directions
- Much of this expansion is driven by:
  - Exchanges and Regulators
  - Non-US business requirements
- This presentation will:
  - Discuss FPL's current strategy
  - Highlight changes in recent FIX versions of benefit to Exchanges and Regulators
  - List some ongoing projects

FPL Strategy

- FIX lowers costs for markets and participants

- Standardized usage of FIX lowers costs

- Center-Out Strategy: Focus on Exchanges and Regulators

- New Hires:
  - Ryan Pierce, Technical Director (2008)
  - Edward Mangles, Asia-Pac Regional Director (2009)
  - Stuart Adams, EMEA Regional Director (2009)

- Extension Pack (EP) Releases
  - New functionality can be approved and ready to implement in as little as 2 months
  - EPs are now published on the www.fixprotocol.org website

FIX 5.0 – December, 2006

- FIX 5.0 (Application Layer) separated from FIXT 1.1 (Session Layer)
- Algorithmic Trading enhancements
- Cross Order enhancements
- Clearing, Trade Reporting, and Allocation Reporting
- Market Data Optimizations
- Listed Derivatives Collateral Reporting
- User Defined Spreads
- FX Enhancements
- Order Routing (Reserve, Peg, Triggered)
- Support for China and MiFID

FIX 5.0 SP1 – March, 2008

- Security Definition
- Continuous Quoting, Quote Negotiation
- Market Data Enhancements and Recovery
- Derivatives, Options, Equities, Trading Session Parameters
- Market and Market Segment Definition
- Mass Action Enhancements and Report Messages
- Multileg Order Enhancements
- Contingent Orders
- Application Sequencing
- Performance enhancements for Exchanges

FIX 5.0 SP2 – April, 2009

- Derivates Trade Capture enhancements
- Delta Position Limits
- Energy Products
- FX: Non-Deliverable Forwards
- Credit Default Swaps clearing
- Exotic Options
- London Stock Exchange (LSE) enhancements
- Party and Risk Limits Reference Data

Since FIX 5.0 SP2

- Investment Industry Regulatory Organization of Canada (IIROC) regulatory data feed
- Large Options Position Reports
- Margin messages for derivatives
- More LSE enhancements
- Parties Reference Data enhancements
- Market Data enhancements
- FX matching enhancements
- OTC Trading and Clearing enhancements

Current and Upcoming Projects

- Account Management Working Group:
  - Entitlements
- FIXatdl (algorithms)
- FAST (compressed market data) and Binary FIX (compressed order flow) for High Frequency trading
- Stateless FIX
- Communicating message rate throttling limits
- FIX Inter-Party Latency reporting
- Working with multiple Exchanges and Regulators throughout the Asia-Pac Region