IT – INET Nordic – Protocol and time schedule updates for Nasdaq Nordic and Nasdaq Baltic new On-Exchange Trade Reporting protocol in preparation for MIFID II (20/17)

As previously communicated in IT-Notice 57/16, Nasdaq Nordic and Nasdaq Baltic are introducing a new FIX 5.0 Trade Reporting protocol for reporting of manual on-exchange trades after MiFID II is implemented. The new protocol runs in parallel with the current FIX 4.2 Trade Entry protocol for on-exchange reported trades until further noticed. The FIX 5.0 On-Exchange Trade Reporting protocol has been updated this week.

This change has no impact to order entry protocols used by Nasdaq Nordic and Nasdaq Baltic.

Nasdaq Nordic and Nasdaq Baltic will replace the current Trade Reporting protocols with a new one. This is done in order to prepare for MiFID II post trade transparency requirements for trading venues. MiFID II requires post trade publication to include fields currently not included in current Trade Entry. The protocol revision is done in order to align it with the FIX standard and Market Model Typology (MMT) standard.

The new Trade Reporting protocol will initially support manual on-exchange trade reporting in all instruments in INET Nordic. When MiFID II comes into effect the same ports used for the new On-Exchange Trade Reporting can be used for Approved Publication Arrangement (APA) Trade Publication as well. A separate FIX 5.0 APA Trade Publication protocol will be made available at a later time. Details relating to future Nasdaq Nordic APA will be communicated separately. Current OTC trade reporting is still to be done via the existing FIX 4.2 Trade Entry protocol until further noticed.

What is updated

The FIX 5.0 Trade Reporting and FIXT1.1 protocols have been updated as of March 13, 2017 and are available in INET Test (NTF). Due to the changes, the time schedule for launch in INET Production has therefore been updated, see below.

A summary of the protocol updates:

- TrdRegTimestamp [769] will be used instead of SideTrdRegTimestamp [1012] as agreement time. Therefore FIX Tags [1016], [1012], [1013] are replaced with [768], [769], [770]
- VenueType [1430] and MatchType [574] have been added
- TradeType [20202] enum values have been updated, correlating to NLS values
- Correction of FIX Tag number of the Reject Reason field "Text", [58]
- Explaining when MMT FIX tags are set based on TradeType by Nasdaq

Protocol Specifications

The new FIX Trade Reporting protocol utilizes FIX 5.0 SP2 and FIXT1.1 transport layer standards. The protocol is optional until MiFID II functionality is activated in respective environment according to the Migration plan below. The protocols were updated on March 13, 2017, and are subject to further changes throughout the MiFID II implementation project.

Latest INET protocol specifications are available at the Nasdaq Nordic Technical Information website, under INET Nordic Protocol Specifications.

Migration plan

The introduction of FIX 5.0 On-Exchange Trade Reporting is planned for INET Nordic production as of April 24, 2017 and testing is available in INET Test (NTF) since December 2016. A separate INET MiFID II test environment will be available from April 24, 2017, for full MiFID II functionality testing (MiFID II functionalities activated as they become available, to be communicated separately).

The new FIX 5.0 Trade Reporting protocol will be available in parallel with the current FIX 4.2 Trade Entry protocol for on-exchange trade reporting until November 20, 2017 (tbd), from when the current FIX 4.2 On-Exchange Trade Reporting will be discontinued. During the transition period, members have a choice to use either the current or the new Trade Reporting protocol for on-exchange trade reporting. Detailed migration plan for FIX 5.0 On-Exchange and OTC/APA Trade Reporting will be communicated in April, 2017.

Existing FIX Trade Reporting and FIX Trade Reporting Drop ports can be reconfigured to use the new protocol version (a per port configuration). The new FIX Trade Reporting drop copy ports may be configured to include all messages, or Trade- and Trade Break Confirmation messages only. Please contact Nasdaq Cash Equity Operations, or use the Nasdaq Member Portal, to request for new ports or reconfiguration of existing trade reporting ports and drops.

Client applications utilizing the new FIX 5.0 Trade Reporting protocol will need to be conformance tested prior to the use of the new fields in INET Production. Information about conformance testing will be announced separately.

Nordic Workstation will be adapted to the new Trade Reporting protocol. Information regarding testing in Nordic Workstation will be communicated separately at a later time.

Time schedule

- INET Test (NTF) – December 12, 2016 (updated March 16, 2017)
- INET Production – April 24, 2017
- INET MiFID II Test (M2) – April 24, 2017

Documentation

Possible changes will be reflected in the respective rules of Nasdaq Nordic and Nasdaq Baltic and the rule related documentation, which will be published on Rules and Regulations for the Nordic Markets and Rules and Regulations for the Baltic Markets.

Questions and feedback

For further information and feedback concerning this information, please contact Ronny Thellman, +46 8 405 6313, ronny.thellman@nasdaq.com.

Support

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Best regards,

Nasdaq Nordic and Nasdaq Baltic

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