

IT – INET Nordic – Updates to Nasdaq Nordic and Nasdaq Baltic FIX order entry protocol in preparation for MIFID II (22/17)

As previously communicated in IT-Notice [52/16](#), Nasdaq Nordic and Nasdaq Baltic will make changes to the INET Nordic Order Entry protocols in order to prepare for MiFID II order record keeping requirements for trading venues. MiFID II requires venues to store data on the parties involved in the order and, upon request, report those to relevant supervisory authorities.

Changes include additional fields to OUCH and FIX order entry and drop protocols related to identifying the Parties of the Order, Liquidity Provision and Algo identification. The protocols will also include new MiFID II required fields in outbound messages for the purpose of post-trade transparency, utilizing Market Model Typology (MMT) standard trade flags.

On March 1, 2017, Nasdaq Nordic and Nasdaq Baltic announced updates to the Order Entry protocol specifications due to introduction of Auction On Demand (AOD) currently available in INET Test (NTF); see IT-Notice [15/17 for further information](#). In addition to this, Nasdaq Nordic and Nasdaq Baltic have decided to further update the Nasdaq Nordic FIX Order Entry protocol specification due to a recent released FIX extension pack, EP222.

This extension pack, initiated by the FIX EMEA Regulatory Subcommittee and the Global Technical Committee, extends the FIX Protocol to meet the requirements of MiFID II and MiFIR. This extension pack covers an initial set of critical data requirements identified by the sub-working groups on transparency, and order data and record keeping.

Changes announced with this IT-Notice will be available in INET Test (NTF) on April 3 and in the new INET MiFID II (M2) test environment from April 24, 2017. INET MiFID II Test (M2) will have MiFID II functionality activated from day one. Production launch date is June 7, 2017 (fields are initially optional).

FIX Order Entry updates (FIX Order Entry, FIX Drop and FIX Drop for OUCH)

- FIX Tag [447] – PartyIDSource updated to use P (Short Code Identifier) instead of D
- Investor ID (the Investment Decision Maker) updated from enum value 5 to 122 in PartRole [452]
- DEA activity indicator BasisOfTrade [7559] replaced with OrderOriginator [1724], 5 = “Order received from a direct access or sponsored access customer”
- Liquidity provision indicator LiqProvOnly [9215] replaced with OrderAttributeGrp component block - NoOrderAttributes [2593], OrderAttributeType [2594] and OrderAttributeValue [2595]

The current OUCH 4.01 protocol in INET Test (NTF) is not affected by the updates described above.

Protocol specifications

Latest INET Nordic protocol specifications are available at the Nasdaq Nordic Technical Information website, under [INET Nordic Protocol Specifications](#).

The protocols are subject to further changes throughout the MiFID II implementation project.

Time schedule

- INET Test (NTF) – April 3, 2017
- INET MiFID II Test (M2) – April 24, 2017
- INET Production – June 7, 2017 (previous launch date April 24, 2017)

Migration plan

OUCH v4.01, FIX Drop for OUCH v1.33 and FIX Order Entry & Drop v1.35 are available for testing in INET Test (NTF). INET Test (NTF) will be upgraded to the latest protocols announced in this IT-Notice by April 3, 2017. The new fields are optional (i.e. no validation is done) in INET Test (NTF) and INET Production until November 20, 2017 from when the new fields become mandatory and need to be populated according to the protocol specification format. MiFID II functionality will be activated in INET Test (NTF) and INET Production by January 3, 2018 when MiFID II comes into force.

Testing of MiFID II functionality, including the new fields, will initially be available in a new INET MiFID II (M2) Test environment available from April 24, 2017. MiFID II functionality will be rolled out in the INET MiFID II (M2) Test environment in a staged approach during 2017. More information about INET MiFID II Test (M2) will be communicated early April.

Trading applications will need to be conformance tested prior to the use of the new fields in INET Production (from when MiFID II fields are mandatory November 20, 2017). Information about conformance testing will be announced in due time.

Testing of the above functionality via Nordic Workstation will be announced separately.

Documentation

INET Nordic Market Model: Possible changes will be reflected in INET Nordic Market Model, published on [Rules and Regulations for the Nordic 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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