

IT – INET Nordic – Revised technical solution for New Liquidity Flags Representation in OUCH (73/18)

Based on member feedback Nasdaq Nordic has decided to revise the technical solution for New Liquidity Flag representation in OUCH, previously announced in [IT-Notice 63/18](#).

With the revised solution for OUCH, the Liquidity Flag field will remain as an Alpha-Numeric with a reduced number of values to represent Lit Continues Trading-, Auction- and AOD trades. A new bitmask field, Liquidity Attributes, will be added to the end of the Execution Report Message in OUCH. This field will contain additional trade information, such as Added/Removed Liquidity, Internalized-, Top-Of-Book- and STP trade information, to cover all trading scenarios.

This revised solution for OUCH will not have any impact on previously announced FIX protocol changes described in the “Liquidity Flag Enhancement Protocol changes” document.

Summary of the revised Liquidity Flag representation in OUCH:

- The Liquidity Flag field will remain an Alpha-Numeric field with a reduction of current liquidity values
- A new bitmask field, Liquidity Attributes, will be added to the end of the “Executed Order Message”. This field will include supplementary trade information.

The changes will be MANDATORY for Members using the Liquidity Flags in the FIX “Execution report” and OUCH “Executed Order Message”.

Background

Liquidity Flags are typically used by the Member to follow up on Billing, and as baseline for Best Execution Calculation and Transaction Reporting. Currently the Liquidity Flag includes a number of values to represent how the trade was executed. E.g. if the trade was a passive execution (Added Liquidity) or an aggressive execution (Removed Liquidity).

The current Liquidity Flag representation has not been complete, and there are trading scenarios that have not been covered in an optimal way. E.g. Internalized trades have never been separated into Added/Removed Liquidity. These shortcomings have caused concerns among Members.

The New Liquidity Flags Representation is based on a reduction on the current Liquidity values, combined with new fields and values in order to cover all trading scenarios at Nasdaq Nordic. The details can be found in the updated Liquidity Flag Enhancement Protocol changes version 2.0 document available at the Nasdaq Nordic Technical Information website, under [INET Nordic Protocol Specifications](#).

Protocol specifications

There are mandatory updates to INET Nordic OUCH and FIX Order Entry, and their respective FIX DROP, protocols due to this change.

Until the OUCH and FIX protocol specifications are available, an updated "Liquidity Flag Enhancement Protocol changes" document is available at the Nasdaq Nordic Technical Information website, under [INET Nordic Protocol Specifications](#).

Time schedule

- INET Test (NTF) – December 1, 2018
- INET Test (NTF) – **December 5, 2018 (OUCH v2)**
- INET Production – March 1, 2019

Legal and Market Model

There will be no updates to the INET Nordic Market Model based on these changes.

Questions and feedback

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Best regards,
Nasdaq Nordic

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