

Session on FIX and ITCH

Week 8

November 28, 2014
Ayala Board Room, 4 to 5pm



THE PHILIPPINE
STOCK EXCHANGE
INC.

Meeting Agenda

- I. Main Achievements in this Period
- II. Main Activities in the Next Period
- III. Milestone Report
- IV. FIX Issues

Main Achievements in this Period

- I. Submission of the 6th Milestone Report for FIX
- II. Submission of the 4th Milestone Report for ITCH
- III. 6 TPs have established connection to UAT environment of Beta release

Main Activities in the next Period

- Connectivity testing for Brokers with new parallel lines (DLL or Dropwire) to Beta Release
- Availability of the UAT environment by Dec 5
- Submission of the 7th Milestone Report for FIX
- Submission of 5th Milestone Report for ITCH

Milestone Report (FIX) – 6th Submission



Criteria 1 (40%): Application development completed based on FIX Specs

Completion Rate	No. of TP
Below 20%	3
Above 20%	29
Complete %	1
No response	2
Total	35

- Availability of specific functions in the test environment
- Waiting for final testing environment (BETA)

Milestone Report (FIX) – 6th Submission



Criteria 2 (10%): Application was tested successfully against ALPHA 2 environment.

Completion Rate	No. of TP
0%	5
Above 5%	3
Complete 10%	20
No response	7
Total	35

- Due to internal restrictions

Milestone Report (FIX) – 6th Submission



Criteria 3 (10%): Broker infra setup complete as per PSE production connectivity requirement.

Completion Rate	No. of TP
0%	17
Below 5%	6
Above 5%	2
Complete 10%	3
No response	7
Total	35

- 6 TPs already established their connectivity.
- Others: Target Date: Dec. 2014 – Jan. 2015

Milestone Report (ITCH) – 3rd Submission



Milestone Report Criteria:

Criteria	Percent
Application development completed based on ITCH Specs	50%
Application was tested successfully against Alpha 2 environment	10%
Infra setup complete as per PSE production connectivity requirement	10%
Infra was tested successfully with PSE infra	10%
System (application and infra) was tested against Beta environment*	10%
System encountered no error on the last Industry Wide Testing and is ready for Go Live*	10%

*not yet applicable

Milestone Report (ITCH) – 3rd Submission



Criteria 1 (50%): Application development based on ITCH Specs

Completion Rate	Total View	Basic	Index	News
0% - 25%	4	5	6	1
26% - 50%	4	4	2	3
Not Developing	1	0	1	5
No Submission	3	3	3	3

Milestone Report (ITCH) – 3rd Submission



Criteria 2 (10%): Application was tested successfully against ALPHA 2 environment

Completion Rate	Total View	Basic	Index	News
0% - 5%	5	5	6	1
6% - 10%	3	4	2	3
Not Developing	1	0	1	5
No Submission	3	3	3	3

Milestone Report (ITCH) – 3rd Submission



Criteria 3 (10%): Infra setup complete as per PSE production connectivity requirement

Completion Rate	Total View	Basic	Index	News
0% - 5%	4	4	3	3
6% - 10%	4	5	5	1
Not Developing	1	0	1	5
No Submission	3	3	3	3

Milestone Report (ITCH) – 3rd Submission



Criteria 4 (10%): Infra was tested successfully with PSE infra

Completion Rate	Total View	Basic	Index	News
0% - 5%	8	8	7	4
6% - 10%	0	1	1	0
Not Developing	1	0	1	5
No Submission	3	3	3	3

Issue #1: About the Order Cancellation discussed last November 21, 2014, we're cleared that the exchange will no longer send cancellation of orders on start of day and they will not adjust the system to retain that feature. Any fool proof idea how to manage expired orders?

PSE Response:

- Expiration of Day and GT orders will be sent at EOD
- Expiration of orders due to Corporate Actions and Change in Board Lot will be sent at SOD
- Valid orders will be restated at SOD

Issue #2: How can the TP determine the reject reason of the exchange if we're the one cancelling it manually?

PSE Response:

- PSE will send a message thru the trading engine on the expiration of orders
- Exchange message will be sent thru ITCH News
- News Window of Tradexpert will display messages to indicate securities with corporate actions and change in board lot causing the expiration of related orders.

Issue #3: What is the final criteria of exchange that will be used for TPs certification.

PSE Response:

- Criteria will depend on the TP's OMS capability.
- Criteria will include the following but not limited to:
 - Board supported (Normal, oddlot and block sales)
 - Order types
 - Order validation against Static Threshold, Short Selling eligibility, no cancel/modify period, etc.
 - Order handling such as cancellation and modification
 - Risk management such as order limit, order visibility, etc.

Issue #4: How do we execute via FIX protocol to transfer order ownership? What are the required FIX tag values to initiate such an amendment? Do we use the other values for the trader party blocks (i.e. order originating trader, order executing trader, etc.) for this?

PSE Response:

- There is no way to transfer order ownership via FIX. However, the designated supervisor trader can manage orders (amend and cancel) of other traders.
- Further, the broker can request PSE thru Market Control to transfer ownership of orders for suspended traders prior to effectivity