



Guidelines for the simplified FIA Execution Source Code Schema – Summary Version

Executive Summary

- At time of writing, the FIA¹ Execution Code Schema is supported by CME Group, Intercontinental Exchange and Eurex Group.
- The simplified FIA Execution Source Code Schema aims to clearly identify the execution method used for Exchange Traded Derivative trades at point of origin, allowing executing and clearing brokers to easily reference the appropriate brokerage rate for the execution method.
- The simplified schema aims to reflect common industry practice regarding different types of execution, providing both a simple model that differentiates between “high touch” and “low touch” execution, and a more complex model that allows for greater granularity regarding different types of electronic (“low touch”) execution.
- “High touch” execution reflects intermediation by an executing broker’s desk and may be identified through the desk’s use of the executing broker’s own order routing systems, their use of third-party software provider’s systems, or the use of an exchange’s own trading interface. In all cases the Execution Source Code would be “W”.
- “Low touch” execution reflects the client’s use of systems to facilitate self-execution of trades *without* manual intervention by an executing broker. In the simple model, all client self-executed order flow would use Execution Source Code value “Y”.
- Self-execution can be further split into the following categories (with suggested Execution Source Codes values), allowing greater granularity for the more complex model proposed:
 1. All client self-executed order flow using a premium algorithmic trading provider, Execution Source Code value = “H”;
 2. All client self-executed order flow using a third-party software provider, Execution Source Code value = “C”;
 3. All client self-executed order flow using sponsored access, Execution Source Code value = “G”;

For any other client self-executed order flow use Execution Source Code value = “Y” (for example using the executing broker’s infrastructure).

For further details please refer to the more comprehensive document ***Guidelines for the simplified FIA Execution Source Code Schema***.

¹ FIA is the leading global trade organization for the futures, options and centrally cleared derivatives markets, with offices in Brussels, London, Singapore and Washington, D.C. FIA’s membership includes clearing firms, exchanges, clearinghouses, trading firms and commodities specialists from more than 48 countries as well as technology vendors, lawyers and other professionals serving the industry. FIA’s mission is to support open, transparent, and competitive markets; protect and enhance the integrity of the financial system; and promote high standards of professional conduct. As the principal members of derivatives clearinghouses worldwide, FIA’s member firms play a critical role in the reduction of systemic risk in global financial markets. Further information is available at www.fia.org.



TABLE 1: SIMPLIFIED EXECUTION SOURCE CODE VALUES (FOR USE IN FIX TAG 1031)

Value	Description	High/Low Touch	Mandatory?
W	Desk	High	Yes
Y	Electronic (Default)	Low	Yes
C	Vendor-provided Platform billed by Executing Broker	Low	Optional for complex model
G	Sponsored Access via Exchange API or FIX provided by Executing Broker	Low	Optional for complex model
H	Premium Algorithmic Trading Provider billed by Executing Broker	Low	Optional for complex model
D	Other, including Other-provided Screen	Low	Optional, used with discretion

FIGURE 1. EXECUTION SOURCE CODE DETERMINATION

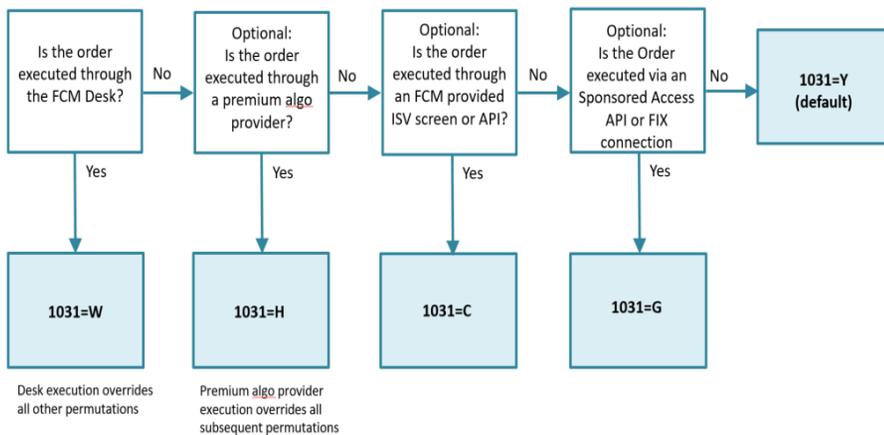


FIGURE 2. SIMPLE MODEL - DESK VS. ELECTRONIC

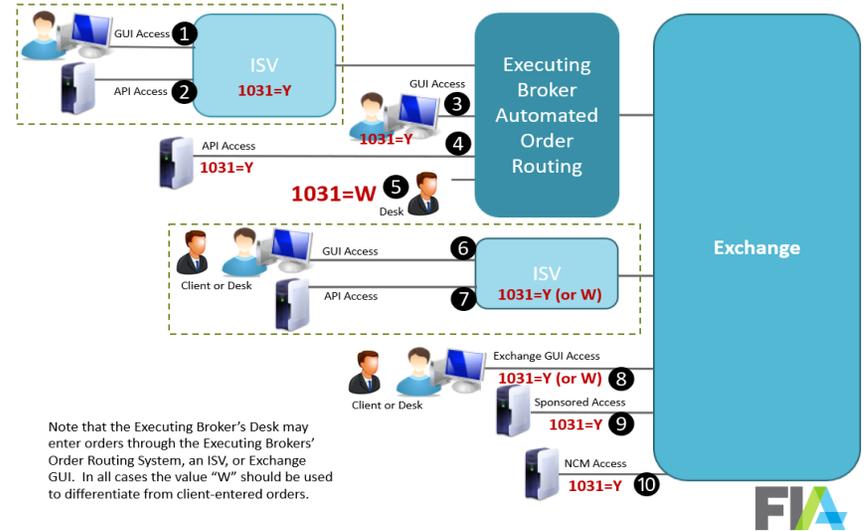


FIGURE 3. COMPLEX MODEL - DESK VS. MULTIPLE ELECTRONIC FLOWS

