



Technical Notice 11-022

TO: MX Participants, Vendors and ISVs
FROM: Participant Connectivity Coordinator
SUBJECT: Committed Order Requirements
DATE: November 14, 2011

This notice is to inform all clients that subject to compliance with the conditions set forth in the self-certification process as established in the Derivatives Act (R.S.Q. chapter I-14.01) and pursuant to obtaining the consent of regulatory authorities, the Montréal Exchange Inc. (MX) will implement the Committed Order Functionality (COF) on Monday, January 16, 2012.

Overview

The Committed Order Functionality (COF) provides a facility for executing those prearranged transactions (between two Approved Participants) and cross transactions (by one Approved Participant against itself) that may be executed with a zero-second time delay between the input of two opposing orders in accordance with the Rules and Procedures of the Exchange.

A Committed Order must contain, in addition to all other relevant parameters, the SOLA system-configured code of the intended counterparty of the transaction. The central system keeps the order in a dedicated private archive until the matching opposite side Committed Order is entered by the counterparty or until the end of the trading session, whichever comes first.

Committed orders are not subject to a time priority matching algorithm and will only trade if a matching opposite side committed order is received by the system. In order to match, Committed Orders must have the exact same price and quantity. Existing committed orders cannot be modified.

In accordance with the Procedures for the Execution of Cross Transactions and the Execution of Prearranged Transactions Committed Orders must meet an Exchange-configured minimum order quantity, and both sides of the Committed Order transaction must be priced inside the bid and ask posted at the time of order entry. Committed Orders that do not meet these requirements will be rejected by the system.

Table with 2 columns: ELIGIBLE PRODUCTS FOR COMMITTED ORDER TRANSACTIONS and MINIMUM QUANTITY THRESHOLD. Rows include Futures Contracts on S&P/TSX Indices (100 contracts), Options on Three-Month Canadian Bankers Acceptance Futures Contracts (250 contracts), Options on Ten-Year Government of Canada Bond Futures Contracts (250 contracts), Equity, ETF and Currency Options (100 contracts), Index Options (50 contracts), and Share Futures on Individual Canadian Stocks (100 contracts).

For additional product information, please refer to the MX website: http://www.m-x.ca/accueil\_en.php#.

Committed orders are not displayed in the market order book, rather they are disseminated directly as executed contracts, indicating their type through the appropriate message type in the field “**price indicator marker**” of the contract. The committed trade does update the last price and price statistics disseminated to the market.

Note: Participants who do not wish to use this new feature do not have to make any changes.

## Technical Details

### 1. Committed Order Functionality

#### 1.1. Modified messages related to Committed Order

Protocol	Impacted Message Types	Impacted Field Types/Tags/Names
SAIL	OE - Order Entry	Field <b>Price Type</b> has the new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul> Field <b>Executing Participant*</b> has the new value: <ul style="list-style-type: none"> <li>Opposite Firm ID</li> </ul> *This field is mandatory with a committed price type. <b>Modifications are prohibited.</b>
	ER - Error Notice	Field <b>Error Code</b> has the new value: <ul style="list-style-type: none"> <li>0113 (this value's text has been modified)</li> <li>0114 (new)</li> <li>0119 (new)</li> <li>0120 (new)</li> <li>0510 (new)</li> </ul>
	KE - Order Acknowledgement	Field <b>Price Type</b> has the new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul>
	NT - Execution Notice	Field <b>Special Trade Indicator</b> has the new value: <ul style="list-style-type: none"> <li>Committed ('T')</li> <li>Crossed ('D')</li> </ul>
	NX - Execution Cancellation Notice	Field <b>Price Type</b> has the new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul>
FIX	D - New Order Single	Tag 40 - <b>OrdType</b> has the following new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul> Tag 337 - <b>ContraTrader*</b> has the following new value: <ul style="list-style-type: none"> <li>Opposite Firm ID</li> </ul> *This field is mandatory with a committed order type. <b>Modifications are prohibited.</b>
	8 - Execution Report	Tag 40 - <b>OrdType</b> has the following new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul> Tag 337 - <b>ContraTrader*</b> has the following new value: <ul style="list-style-type: none"> <li>Opposite Firm ID</li> </ul> Tag 58 - <b>Text</b> <ul style="list-style-type: none"> <li>0113 (this value's text has been modified)</li> <li>0114 (new)</li> <li>0119 (new)</li> <li>0120 (new)</li> <li>0510 (new)</li> </ul> *This field is mandatory with a committed order type.
HSVF	C - Option Trade	Field <b>Price Indicator Marker</b> has the new value: <ul style="list-style-type: none"> <li>Committed ('T')</li> <li>Crossed ('D')</li> </ul> *Connect to the new protocol version (D3) to support committed orders. *New HSVF RS message: 000000001RS0000000000YYYYN0D3000
	CB - Future Options Trade	
	CF - Futures Trade	
	CS - Strategy Trade	
	I - Option Trade Cancellation	
	IB - Future Options Trade Cancellation	
	IF - Futures Trade Cancellation	
Clearing API	Trade Report	Tag 40 - <b>OrdType</b> has the following new value: <ul style="list-style-type: none"> <li>Committed ('G')</li> </ul>

		Tag 7900 - TradeMarker has the following new value <ul style="list-style-type: none"> <li>Committed ('T')</li> <li>Crossed ('D')</li> </ul>
TMS		Trade Marker has the following new value: <ul style="list-style-type: none"> <li>Committed ('T')</li> <li>Crossed ('D')</li> </ul> Order Type has the following new value: <ul style="list-style-type: none"> <li>Committed ('C')</li> </ul> *A new version is available to accept the new markers.

### 1.2. New and modified error codes

Error code	Error Text	Nature of change
0113	Order price outside price spread	Modification of message text
0114	Opposite Firm must be filled for committed order	New value
0119	Quantity is out of range	New value
0120	Functionality not supported	New value
0510	Order cannot be modified	New value

### 2. New HSVF Protocol Version D3 & HSVF D3 Version Compliance Test.

The dissemination of executions of committed orders in the field “price indicator marker” of the contract will be available through HSVF with a new protocol version (D3). Participants that complete the compliance on the D3 protocol version will be able to receive the execution messages resulting from committed orders.

Protocol	Field Name	L	T	Definition/Validation Rules
HSVF	HSVF Protocol Version	2	X	D2 = to receive the implied price in the market depth message. <u>new value:</u> D3 = to receive the committed order messages

New value in HSVF RS connection message: 000000001RS0000000000YYYYN0D3000

Clients that remain on the D2 Protocol version will not be notified of any committed orders that are executed but will be notified as regular trades.

### 3. Trade Management System (TMS) Upgrade

A new version of the TMS software 8.2.0 is available to Participants using the Montreal Exchange Trade Management Service “TMS” in the production environment. This new version accepts the new committed and crossed order markers. It is highly recommended to use the latest version.

Please contact our technical help desk (THD) at 1-877 588-8489 or by e-mail at [samsupport@m-x.ca](mailto:samsupport@m-x.ca) to receive the new TMS version.

### 4. Timeline

November 14, 2011	MX General Test Environment (GTE) will support the committed orders. Participants and ISVs are asked to test their applications for those who want take advantage of this new function.
December 2, 2011	Contact Mark Bourcier for certification requirements and scheduling.
November 25, 2011	New version of TMS available - Contact our technical help desk (THD).
November 28, 2011	Production Go live - Not activated
January 16, 2012	Production Go live - Activated

## 5. SAIL & FIX, HSVF, and Clearing Access Specifications documents

- SAIL Specification Guide and SAIL Certification Test Cases
- FIX Specification Guide and FIX Certification Test Cases
- Clearing Access Services Message Protocol Guide and Clearing Access Services Certification Test Cases
- HSVF Specifications & HSVF D3 Compliance Test

The **SAIL Specifications Guide** describes the message format for constructing and transmitting the new **committed orders** message using the native SOLA® Access Information Language.

The **FIX, HSVF, and Clearing API Specifications Guide** describe the message format for constructing and transmitting the **committed orders** messages.

Updated SAIL, FIX, HSVF, and Clearing API Specifications Guide and certification test cases will be available at a later date.

## 6. Committed Order Certification Requirements

To take advantage of the Committed Orders in production clients will be required to perform and pass the necessary certification requirements in the MX GTE. This is compulsory before any subscriber uses this feature production. Subscribers can choose to use an Independent Software Vendor (ISV) that has completed the certification requirements.

Clients that want to connect to the HSVF D3 version in production are required to complete the HSVF D3 Version Compliance Test in the MX General Test Environment (GTE).

To obtain the certification test cases and to schedule a certification date, please contact Mark Bourcier by e-mail at [mbourcier@m-x.ca](mailto:mbourcier@m-x.ca).

## 7. GTE Test Environment

The Committed Order Functionality will be available in the MX GTE on November 14, 2011, to allow developers to test and support any of these new features. This will ensure client readiness before release in production. Application testing and support is available Mondays through Fridays, from 8:00 am (EST) to 4:30 pm (EST). After-hours testing is available without support on Mondays through Fridays, from 4:30 pm (EST) to 10:30 pm (EST).

Both the current D2 and new D3 version will be running on the same IP and Port in the GTE environment. Clients receiving the new HSVF version must send an RS message specifying “D3” in the HSVF Protocol Version field at connection time. Please refer to Section 2 for details on connecting to D3.

MX GTE Environment	External Nat Address	VPN Nat Address	Port
New HSVF D3 Version (November 14, 2011)	142.201.223.41	142.201.3.71	12311
HSVF D2 Version	142.201.223.41	142.201.3.71	12311

## 8. Production Environment

Both the current D2 and new D3 version will be running on the same IP and Port in the production environment. Clients receiving the new HSVF version must send an RS message specifying “D3” in the HSVF Protocol Version field at connection time. Please refer to Section 2 for details on connecting to D3.

Production Environment	IP and Port
New HSVF D3 Version (January 16, 2012)	IP 198.235.29.182/192 Port 5250
HSVF D2 Version	IP 198.235.29.182/192 Port 5250

## Contact Information

For any additional information on this notice or if you require technical support, do not hesitate to contact the Technical Help Desk (THD) by telephone at 1-877 588-8489, or by e-mail at: [samsupport@m-x.ca](mailto:samsupport@m-x.ca).

We thank you for your cooperation.

Participant Connectivity Coordinator