CME Group | Advisory Notice

TO: Clearing Member Firms
FROM: CME Clearing
DATE: October 7, 2019

ADVISORY #: 19-333

SUBJECT: **Clearing Processing for iLink Order Handling Flag "TAG 1031"**

Beginning on Sunday November 17th, effective for trade date Monday November 18, 2019, CME Globex will require that the Order Handling Tag ("Tag 1031") be provided on all submitted orders, with one of six possible values as enumerated below. This is in conjunction with the Futures Industry Association's "Execution Code Schema" initiative and is intended to improve the processing of brokerage charges by standardizing the set of allowable values and mandating that the appropriate value be provided when the order is submitted. FIA refers to this value as the "Execution Source Code" and it is also known as the Customer Order Handling Indicator, the Client Order Handling Indicator, or the Voice/Direct indicator. Previously, providing this value on the iLink order submission message was optional, and with the change, it will be required.

For more information please see:
Globex advisory notice dated February 18, 2019:
https://www.cmegroup.com/notices/electronic-trading/2019/02/20190218.html#ilkmor.
FIA News Release dated December 7, 2018:
https://fia.org/articles/fia-and-fia-tech-release-guidelines-simplified-execution-source-code
FIA Guidelines for the simplified FIA Execution Source Code Schema – Summary version:
https://fia.org/sites/default/files/FIA%20Revised%20Guidelines%20for%20Execution%20Source%20Code%20V1.4.2%20Summary%20-%20final.pdf
FIA Guidelines for the simplified FIA Execution Source Code Schema - White Paper:
https://fia.org/sites/default/files/FIA%20Revised%20Guidelines%20for%20Execution%20Source%20Code%20V1.4.2%20-%20final.pdf

In CME Clearing's FEC+ application, this value is captured when it flows with the trade from Globex into the clearing system and is provided to clearing firms on the FIXML trade confirmation message in the FIXML tag **CustOrdHdlInst** and in subsequent allocation messages. In other words, when a trade is given up, the original value submitted with the trade will flow along with the give-up. The value will then be carried with the trade into Give-up Payment System ("GPS"), where it can be used to drive processing.

Clearing firms will continue to have the ability to modify the submitted value on top day, either via the FEC+ GUI or via FIXML message. Note that at clearing firm request, no validation is applied to such changes. The new FIA-mandated allowable values are:

- W - Desk
- Y - Electronic (Default)
- C - Vendor-provided Platform billed by Executing Broker
- G - Sponsored Access via Exchange API or FIX provided by Executing Broker
- H - Premium Algorithmic Trading Provider billed by Executing Broker
- D - Other, including Other-provided Screen

Testing: The changes are available to test in the New Release (NR) environment. Firms can submit orders on Globex in NR with the mandated values or by requesting CSET team: cset@cmegroup.com to submit orders on their behalf.

For more information please contact CME Clearing at ccs@cmegroup.com or via phone at
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