

12-226

TO: Clearing Member Firms
FROM: CME Clearing
DATE: May 30, 2012
SUBJECT: **REMINDER: FIA “Rate Identifier” Indicator-Effective June 3, 2012**

In response to requests from clearing firms, and in conjunction with an initiative of the Futures Industry Association (FIA), CME Group is planning to introduce a new field to allow clearing firms to identify on each trade in books, the source of the order which resulted in that trade. This in turn will allow firms to charge appropriately differentiated rates for orders entered directly by customers versus orders phoned into an order desk, as well as other order distinctions a firm may want to recognize for differentiating customer fees and commissions. The launch date is scheduled for June 3, 2012.

The formal name of the new field is the **Execution Source Code**. More typically, it is called the **Rate Identifier**, and it is informally referred to as the **Voice/Director Indicator**. In summary:

- The new field may be submitted on **Globex orders**.
- Submitted values will be provided to clearing firms on all **FIXML trade confirmation messages and allocation messages** generated by CME Clearing. Note that when a trade is given up, the original value submitted with the trade will flow along with the give-up.
- The values will be carried with the trade into the **Give-up Payment System (GPS)**, where they can be used to drive processing at different rates according to the different values.

FIA has defined the following set of values for the indicator:

- A Phone simple
- B Phone complex
- C FCM-provided screen
- D Other-provided screen
- E Client-provided platform controlled by FCM

- F Client-provided platform direct to exchange
- G FCM API or FIX
- H Algo Engine
- J Price at Execution (price added at Initial order entry, trading, middle office or time of give-up)
- W Desk – Electronic
- X Desk – Pit
- Y Client – Electronic
- Z Client – Pit

An existing FIX attribute called the **Customer Order Handling instruction** will be used for this purpose. On iLink messages for CME Globex, this is FIX tag **1031**. In FIXML, the attribute name is **CustOrdHdlInst**. For example: **CustOrdHdlInst="W"**

The new field is expected to be available in CME's "New Release" testing environment for Globex and clearing in the second quarter of 2012, and available in production also in the second quarter (exact dates will be announced soon). FIXML message samples are available at:

<ftp://ftp.cmegroup.com/pub/span/util/RateIdentifierExamples.zip>

For the CME Globex notice, please see:

<http://www.cmegroup.com/tools-information/lookups/advisories/electronic-trading/20120116.html#VOI>

For more information, please contact CME Clearing at 312-207-2525.