



SFPA Member Test Guide

Version 1.1

Please respond to:
Market Data
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Introduction

Under the MiFIR (Markets in Financial Instruments and Amending Regulation) pre-trade transparency requirements, Venues are required to make public current bid and offer prices and the depth of trading interests at those prices which are advertised through relevant systems. Throughout 2019 we worked with market participants towards implementing a solution to address pre-trade transparency for the inter-office (telephone) market. In July 2020, the LME confirmed in Notice [20/182](#) that we would implement a “systematic fixed price auction” (SFPA) with a target date of 30 November 2020. Testing will be available in Member Test A (MT-A) from 14 September and must be completed by 13 November 2020.

Further information, as well as an LME information pack can be found at www.lme.com/ptt.

1. Real Time SFPA Publication

Real time data showing auction starts, additional bids/offers and auction close will be made available on the Exchange’s multicast market data platform LMEsource. Publication of the real time auctions messages will be disseminated using the existing News (360) message via a new multicast channel on LMEsource.

Channel Name	Channel ID
EMAPI_Auc_news	82

Further channel IP details for Member Test A and B, for both test and production can be found in the LME System Connectivity Guide document (<https://www.lme.com/Trading/Systems>).

2. 15 Minute Delayed SFPA Publication

Pre-trade transparency data will also be published on a 15 minute delayed basis via xml, which will also include the auction information. For further support on accessing data directly or via data vendors, please contact market.data@lme.com.

3. Sample LMEsource Auction Messages

There are four type of Auction messages:

1. *Auction Start* – Disseminated when an auction is triggered.

```
289|360|EL|PTT Auction Start, TimeUTC:11:06:33.903, AuctionId:200914000097, Action:Start,
StartTime:11:06:33, Contract:ZSD, ContractType:F, Price:2400-2410, Prompt:DEC20-DEC21, Volume:8-8
|2020-09-14T12:06:33.733 |182|
```

2. *Auction Update* – Disseminated when additional bids and asks have been submitted.

```
289|360|EL|PTT Auction Update, TimeUTC:11:08:17.935, AuctionId:200914000097, Action:Update,
UpdateType:Offer-Bid, Contract:ZSD, ContractType:F, Price:2400-2410, Prompt:20201216-20211215,
Volume:8-8
|2020-09-14T12:08:17.706 |183|
```



3. Auction Cancel – Disseminated when an Auction is cancelled.

289|360|EL|PTT Auction Cancel, TimeUTC:11:09:08.623, AuctionId:200914000097, Action:Cancel, CancelType:Offer-Bid, Contract:ZSD, ContractType:F, Price:2400-2410, Prompt:20201216-20211215, Volume:8-8 |2020-09-14T12:09:08.395 |184|

4. Auction Close – Disseminated when an Auction has concluded.

289|360|EL|PTT Auction End, TimeUTC:11:36:37.543, AuctionId:200914000097, Action:End, EndTime:11:36:33, Contract:ZSD, ContractType:F, Price:2400-2410, Prompt:DEC20-DEC21, Volume:8-8 |2020-09-14T12:36:37.987 |196|

4. Contracts Affected by the launch of the SFPAs

Based on a data submission made by the LME in 2016, ESMA defined which metals are deemed to be within scope of the PTT requirements. This determination was made under the MiFIR RTS 2 guidelines basis the contracts which were considered to be liquid. In the event that a contract is defined as illiquid, it will benefit from the use of the illiquid waiver (subject to the LME receiving approval from the regulator to apply these waivers). Using the same data, ESMA also defined a transaction size, denominated as a euro notional value per liquid time to maturity (TTM) bucket, above which PTT requirements do not apply. This is referred to as the large in scale (LIS) threshold. To be in scope for PTT, a given order must be:

- (a) a liquid product
- (b) below the [LIS threshold](#), and
- (c) not qualify for any other approved waiver or exemption.

From the Effective Date, the Futures Contracts affected by the SFPA process are the following: Aluminium, Copper, Zinc, Nickel, Lead, Tin, Aluminium Alloy and NASAAC. Telephone executed Tradable Options Contracts do not trigger SFPAs at the current time.

5. Auction duration in Member Test A

To help Members during testing, auctions have been set to 5 minutes. Please be aware that in production auctions will last 30 seconds.

6. SFPA Market Data Source Listed As Electronic “MDsource = EL”

The SFPA messages are published with the source of the market data being listed as electronic “MDsource = EL”. However, please be aware that all SFPA on Channel 82 are from our Inter-Office Market. This distinction will be corrected in due course when the LME fully migrates the Ring and Inter-Office data from LMEselectMD to LMEsource.



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