

Message from the Executive Director



The adoption of the FIX-based message protocol continues to grow, it is now anecdotally, the principal connection protocol for the majority of clients dealing in equities with the major sell-side firms. In some senses, it is so prevalent that buy-side traders are using it in the equity space without being aware that the connection is based on the FIX Protocol. This is excellent news and a tribute to the foresight and determination of the pioneers of FIX connectivity.

One of the most powerful features of the open based approach adopted by FIX is the ease in which other areas of interest to the investment community can be added to the body of the protocol. There is an active and powerful Fixed Income committee, whose members are bringing to the Fixed Income world the advantages and certainly already available to the equities world. In addition to the Fixed Income initiatives there are also powerful developments coming to fruition in the Derivatives Committee. I am sure that the recently announced FX working group will become as significant in time as its longer established cousins.

One of the most important debates in the FIX world is the need for convergence between standards and during the past 12 months FIX has helped to contribute to this debate in many ways. It is taken as settled that convergence is a goal, towards which we should progress. As part of trying to add meaning to this statement, various FIX groups have asked the important question of what the 'way-stations' to convergence look like. The consensus appears to be emerging that the initial way station of interoperability between protocols and standards is a realisable goal that can be delivered in an appropriate amount of time.

Another germane issue that represents the acceptance of FIX is the growing interest of regulators and the compliance world in both the concept and operation of the protocol. This is significant because we believe that official regulatory recognition of the protocol is an important way of promoting its use and acceptance. A corollary of this view is the growing body of work taking place under the auspices of the Fixed Income Committee and focusing on 'certification'. The eventual aim here being to provide an additional service to members and the wider community who want to validate their 'FIX' connections in a more formal way.

In 2004, FIX will celebrate its tenth anniversary. We are planning an appropriate celebration for this. Despite the significant progress that has been made, and continues to be achieved, the organisation operates as a member-driven group and the most important thing here is the contribution of the individual members to the working groups, committees and advisory boards.



Globally, we are committed to producing a journal covering the world of FIX, its applications, nuances and the all-important people who drive the development of the protocol. We are also in the process of commissioning a global survey detailing for the first time the facts and figures of FIX's global uptake, use and penetration.

FIX continues to develop and change and as such there have been some changes in the structure of the organisation in the past six months. We have established a small group to deliver a better website, we have also centralised resources at a global level for both the Technology and Global Education and Marketing committees. The purpose behind these changes was to enable us to be more co-ordinated in dealing with our global membership and to try and get even more synergy from our volunteers. Although these changes do represent a conscious centralisation of resources and budget, we have counterbalanced this with an initiative to empower all the regional committees with an independent budget in order to enable them to continue their useful and significant work at a local level.

The FIX community has welcomed many new members over the past ten years from a variety of different industry segments and areas of interest. Our membership has expanded steadily and the scope of our work has deepened and broadened as we have progressed. We strongly believe that the 'open' nature of FIX and its strong volunteer culture are the reasons behind our current success. However, we are mindful that we must adapt to the challenges that are presented to us by our members and their respective needs and desires for the FIX Protocol. The organisation is certainly bigger and certainly has a broader appeal and we are all endeavouring to ensure that at least for our members we are able to maintain a simple ethos, which is, 'you get out of the organisation what you put into it'.

I am delighted to welcome the Shanghai Stock Exchange as our most recent exchange member and I am sure that with all the current interest in China that we are very well placed to address the connectivity and other technical needs of the leading stock exchange in the world's most populous nation.

Peter Randall
FPL Executive Director