

Compliance Notice to Participants #2

Customer Type Indicator Code and Manual or Automated Order Indicator

Subject	Compliance Notice to Participants on Customer Type Indicator Code (“CTI Code”) and Manual or Automated Order Indicator (“Tag 1028”)
Rules	FMX Rule X-13 <i>Transaction Records</i> and CFTC Regulation 1.35(g)
Issue Date	June 23, 2025
Effective Date	Upon issuance

This Compliance Notice to Participants (“CNTP”) provides guidance to Participants of the FMX Futures Exchange (“FMX Futures” or “the Exchange”) in order to assist compliance with FMX Rule X-13 *Transaction Records* and Commodity Futures Trading Commission (“CFTC”) Regulation 1.35 *Records of commodity interest and related cash or forward transactions*.

This CNTP includes guidance on the following topics related to order management for participation on FMX Futures:

- Customer Type Indicator Code (“CTI Code”)
- Manual or Automated Order Indicator (“Tag 1028”)

Customer Type Indicator Code (“CTI Code”)

Futures commission merchants, introducing brokers, and members of designated contract markets are required to keep full, complete, and systematic records of all transactions including all orders filled, unfilled, or canceled. Additionally, all organizations clearing trades executed on designated contract markets must include a customer type indicator code (“CTI Code”) in the records of any transactions. CTI Code definitions are standardized across all U.S. futures markets.

FMX Futures Exchange Acceptable CTI Codes

CTI 1- Transactions initiated and executed by an individual member for his/her own account, for an account he/she controls, or for an account in which he/she has ownership or financial interest.

CTI 2- Transactions executed for the proprietary account of a clearing member or non-clearing member firm.

CTI 3- Transactions where an individual member or authorized trader executes for the personal account of another individual member, for an account the other individual member controls or for an account in which the other individual member has ownership or financial interest.

CTI 4- Any transaction not meeting the definition of CTI 1, 2 or 3.

Guidance

Please note that transactions by non-clearing Participants that clear through a futures commission merchant are categorized as CTI 2 (not CTI 4). Additionally, the definition for CTI 1 includes all trades that are for the accounts of individual members in which the individual member owns or controls.

CTI Code technical specifications can be found under the “CustOrderCapacity” field on the FIX Rules of Engagement documentation and under “Reporting Codes” in the Binary Order Protocol (BOP) documentation on the FMX Futures API Specifications Documents webpage at <https://www.fmxfutures.com/api-specification-documents/>.

Manual or Automated Order Indicator (“Tag 1028”)

The CFTC requires designated contract markets to collect and evaluate data on trading participants’ market activity on an ongoing basis to detect and prevent manipulation and accurately reconstruct daily trading activity for the purpose of detecting trading abuses. This includes adopting and implementing rules governing market participants subject to their jurisdiction to prevent, detect, and mitigate market disruptions associated with automated trading.

Participants are required to submit a self-identified tag when entering orders into the Exchange Trading System, FIX Tag 1028- ManualOrderIndicator, which indicates if the order was initially received manually (not electronically). Manual order entry refers to orders that are submitted to FMX Futures by a Participant directly entering the order into a front-end system, typically via keyboard, mouse, or touch screen, and which is routed in its entirety to the matching engine at the time of submission without delay. Automated order entry refers to orders that are generated and/or routed without human intervention. The term includes any order generated by a computer system as well as orders that are routed using functionality that manages order submission through automated means (i.e. algorithms).

Guidance

Please note that the use of manual or automated order indicator is mandatory on FMX Futures. Each order, whether using FIX or Binary entry protocols, is required to be marked as manual or automated order entry and should be accurately recorded and reconstructed on front-end audit trails in accordance with FMX Futures Rule X-13.

The correct usage of manual or automated is Y = Manual trade entry and N = Automated trade entry.

Manual or Automated order indicator technical specifications can be found under the “ManualOrderIndicator” field on the FIX Rules of Engagement documentation and under “Reporting Codes” in the Binary Order Protocol (BOP) documentation on the FMX Futures API Specifications Documents webpage at <https://www.fmxfutures.com/api-specification-documents/>.

If you have any questions, please contact the FMX Compliance Department at: futurescompliance@fmx.com.

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