

# Best Practice Recommendations on Market Data Service Levels, Response Times and Communication Procedures

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## 1. DOCUMENT HISTORY

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### **3. BEST PRACTICE RECOMMENDATION ON SOURCE SERVICE LEVELS**

The global market data industry is dynamic, complex and interrelated. New financial instruments are continually being developed and introduced. The volume of quotes and transactions continue to grow, and there is increasing competition for trading, execution and post-trade processing applications. Real-time market data distribution and efficient trade execution require a high level of consistent and predictable service – all of which are dependent on the close cooperation of many independent organizations and systems.

One of the prerequisites associated with providing exemplary levels of service is adequate notice and open communication between all participants. Market data passes through dozens of different systems and networks on its way to the end user. Failure of these systems, as well as routine enhancements and ongoing adjustments associated with required maintenance, often requires procedural or technical changes that must be carefully designed, developed and tested. For these changes, adequate notification periods provided by Exchanges or other information source providers to direct market data recipients and downstream user firms are essential.

Early assessment of the impact of changes through the various distribution channels is the hallmark of successful service management. In other words, the impact of change (and the lead time required to implement it) will typically vary from vendor to vendor and subscriber to subscriber as well as between primary and secondary sources. Thus, a dialogue between an information provider, its direct recipients, subscribers and systems integrators is crucial.

This Best Practice Recommendation (“BPR”) is an initiative sponsored by the Financial Information Services Division (FISD) of the Software & Information Industry Association (SIIA), whose members include leading participants in all segments of the global market data industry, to improve levels of service in the Market Data Industry. The BPR identifies areas of service and communication that should be addressed by all parties involved to achieve improved levels of performance benefiting the whole industry. We have organized the BPR into four core categories including:

- ? **Scheduled Interruptions and Change Management:** Processes and recommendations for testing, maintenance and new releases including the need for complete release schedules, adequate documentation and reliable test data.
- ? **Unplanned Interruptions:** Recommendations on notification processes, communications goals, escalation procedures and response targets/timeframes for unplanned service disruptions.
- ? **Notification Periods for General Activities:** Recommendations on notification periods including communication, timescales, and lead times as defined by FISD for those activities not covered in previous sections.
- ? **Systems Considerations and Data Recovery:** Recommendations on performance expectations related to capacity management, systems reliability, network latency, business continuity planning, backup data and recovery.

The goal of this document is to create a clear and detailed framework on minimum standards/benchmarks for service level response time and escalation procedures to serve as a non-binding best practice for industry wide reference and adoption. The members of FISD believe that the adoption of the core principles contained herein will benefit the whole financial industry by strengthening the lines of communication between Exchanges, Third Party Data Providers, Direct recipients and End-Users which will in turn greatly reduce delays, misinformation and customer confusion in the event of major interruptions, feed changes or system outages. When adopted by market participants, the FISD will communicate to the financial industry that those participants have met or exceeded the identified requirements.

This document is owned by FISD – both in terms of IP (Intellectual Property) and in terms of future amendment. In order to ensure continued relevance, this document will be reviewed by the Steering Group on an annual basis.

## 4. DEFINITIONS

This document was prepared by the Financial Information Services Division (FISD) of the Software & Information Industry Association and various leading market participants in the market data industry in an effort to help the industry identify and implement Best Practices to better plan and control changes affecting market data distribution to ensure sufficient elapsed time for changes to be effected accurately and efficiently. The FISD document "Lead Time Notification: Guidelines and Best Practice Recommendations for Successful Change Management" which can be found via the following URL was used as the basis for this document.

[http://www.fisd.net/mdadmin/notfp\\_leadtime.asp](http://www.fisd.net/mdadmin/notfp_leadtime.asp)

Term	Definition
Content	The data and information normally delivered to recipients under the service contract and described in the source's data feed specification.
Core Hours	Designated hours of service for the data feed during which there will be no anticipated interruptions. Core hours should include one hour before the start and one hour after data broadcast times.
Data Recovery	Ability to identify missing messages and recover the lost information.
Direct recipients	All recipients of the data whether they are Third Party, direct feed recipient or end users.
Fully Managed Service	The source providing, maintaining and remaining responsible for all technology between the point of data collection within the institution itself though to the point of presentation within a direct recipient's data centre.
Major Change	See section 4.2 for examples/illustrations.
Minor Change	See section 4.3 for examples/illustrations.
Normal Operations	The hours of operation detailed in the daily message schedule for the source's data feed.
Scheduled interruptions	A planned change to normal service, this covers changes to normal operating schedules and procedures.
Source	The supplier of the information which can be an Exchange or Third Party Provider.
Systems considerations	The considerations which need to be provided by the source when a source implements a technological solution to the problem of distributing data to its recipients. This is needed to ensure the proper design, development and management of the solution.
Third Party Providers	Non-Exchange supplier of financial information. (e.g. Broker Feed)
Unplanned interruptions	Any interruption to or degradation of a supplier's service that would cause the loss of messages; stoppage or delay of updates; corruption of message formats or errors in content during normal operations.

### 4.1. Level Playing Field

If a source chooses to offer different levels of service to direct recipients, then all direct recipients should be made aware of the existence of these levels of service, and given the opportunity to purchase them. Where multiple direct recipients hold contracts for identical levels of service from a source, that source should ensure that those direct recipients receive consistent treatment including, but not limited to, levels of support & communication with the institution, timing and timeliness of data distribution, system reliability, data quality and provision for data backup and recovery.

## 4.2. Major Change

The following are examples of major changes. This does not necessarily represent an exhaustive list but should be used as a starting point for identification.

- ? Changes to technical specifications related to network protocols or application level protocols, feed format, migration to a new feed or data files formats.
- ? Changes to feed message structures, addition of new messages, addition of new symbology, or changes to the use and interpretation of existing messages, where these changes must be implemented by the direct recipient to avoid a loss or degradation of service.
- ? A change to the communications infrastructure required to support an exchange or source feed. This may include any changes which require provisioning of new communication lines, bandwidth or any network devices (e.g. Routers).
- ? Addition of, or changes to, multiple fields in one or more message types.
- ? Addition of new data types (even if within existing data formats).

## 4.3. Minor Change

The following are examples of minor changes. Again, this does not necessarily represent an exhaustive list but should be used as a starting point for identification.

- ? Addition or change to a single field for a single message.
- ? Addition of new data items where other data items of the same type exist.
- ? Changes to the daily or weekly schedules e.g. open and close times, market periods and phases, out of hours trading, availability of instrument and symbol lists.

## 4.4. Exceptional Change

This represents large scale changes which require notification periods greater than 120 days and should be agreed upon between sources and direct recipients. Examples of such are:

- ? Implementation of a new feed
- ? Industry-wide change (e.g. EURO)

Unspecified changes should default to contractual specified terms as per service level agreements.

# 5. SCHEDULED INTERRUPTIONS AND CHANGE MANAGEMENT

A scheduled interruption is a planned change to normal service (e.g. due to essential maintenance the service on 5<sup>th</sup> November will not be available, etc). Change management refers to the processes and procedures which control modifications to a service.

This section encompasses all planned changes to normal operating schedules and procedures and describes recommendations for the minimum appropriate requirements associated with the management of those changes.

## 5.1. Planned Changes

### 5.1.1. Notification Requirements

The source should provide all direct feed recipients with a calendar of trading days, established holidays, and all Scheduled Interruptions or Events – covering major and minor infrastructure or feed changes, and new data and service releases (The Calendar) that are known for the following year. The Calendar should be released no later than November 1<sup>st</sup> of the previous calendar year with updated versions sent out as required to provide appropriate

advance notification as per FISD industry recommended standards (i.e. 60 days for a minor change and 120 days for a major change) for all additional or altered Scheduled Events.

### **5.1.2. Reminder Communications**

Any change in service availability due to circumstances described above in the Calendar should be followed up with a reminder communication to the direct recipient at least 5 business days prior to the effective date.

## **5.2. Change Management**

### **5.2.1. E-Mail Distribution List**

To facilitate efficient implementation of scheduled interruptions and ongoing maintenance, the source should send notification and supporting documentation via e-mail to an established and up-to-date distribution list supplied by the direct recipient. In addition, the data recipient should be provided with an updated list of situationally relevant escalation contacts from the source. The source should verify distribution list contacts with direct recipients on a quarterly basis and provide appropriate contact information for recipient initiated contact changes.

### **5.2.2. Web Site Posting**

All supporting documentation and complete schedules should be posted on the source's web-site.

### **5.2.3. Documentation Versioning**

All supplied documentation should be clear and concise and contain version control identifiers and document history. All documents should additionally have a section summarizing all changes from the previous version. Changes within the body of the document should be easily identifiable. All changes to documentation should be communicated using the established communication procedures. Previous versions of documentation also need to be made available, via an historical archive on Source websites.

### **5.2.4. Source Notification in English**

All technical specifications and change management notification documentation should be provided in English as well as the appropriate local language.

### **5.2.5. Official Communications**

All official communications should be sent electronically as described in Section 5.1.1 above, except where contracts specifically state otherwise, and made available in hard copy if requested by direct recipients.

## **5.3. Documentation**

In all cases of scheduled changes identified in The Calendar, the source should provide full and final documentation as described in the sections below in conjunction with official notifications as per FISD industry recommended standards (i.e. 60 days for a minor change and 120 days for a major change). Documentation should include:

### **5.3.1. Data feed specification**

This should include communication protocol information, application level protocol and data format details, glossary, well defined code tables, trading hours, timeline of when the messages are sent and connectivity requirements for the direct recipient.

### **5.3.2. Implementation plan**

This should entail a high-level plan for rollout of changes. This should include timelines for feed connectivity, testing, parallel running and live switchover. In addition, the source should provide contact phone numbers of source staff involved in the implementation as well as schedule periodic conference calls to invite questions and provide feedback.

### **5.3.3. Test schedule and plan**

This should include details of any conformance testing required by the source, capacity and loading tests, a day in the trading life of the source, any weekly, monthly, quarterly activities such as contract rollovers and test scenarios which cover market events or source system events.

## **5.4. Recipient Testing**

### **5.4.1. Testing Availability**

Test facilities for planned changes should be provided to the direct recipient as a minimum 30 days before a minor change and 90 days before a major change, including changes to original specifications.

### **5.4.2. Test Feed**

For data feed changes the source should provide a feed to be used for test purposes by the direct recipient. The feed should be an exact replication of the new data feed with the same characteristics (i.e. content, message ordering, data rates) as the old live feed. The test feed should be made available as a permanent service and provide full redundancy. If this is not feasible then test data/scripts are required at least 30 days prior to production/hot cut. Direct feed recipients prefer parallel test periods to be set up for approximately 30 days to facilitate real time testing.

### **5.4.3. Test Data Format**

Test data should be provided in the form of a file or set of files. Full coverage of message types, market and system events should be covered, (e.g. open, close, market period transitions (auctions), market suspension, resets and heartbeats). Test data should be fully supported by the source staff, and file(s) should be accompanied by contact names and phone numbers for assistance in the event of operational problems.

### **5.4.4. Test Documentation**

Tests should be documented with a reference to the test data, file, or scripts that have been pre-tested and are used to subsequently validate the test results.

### **5.4.5. Testing Schedule Changes**

Any subsequent changes to the issued feed specification or problems found with the feed during direct recipient testing will require the source to revise their live date or extend their parallel run period. Revised dates should be communicated with direct recipients via official notifications ASAP.

## **5.5. Change Implementation**

### **5.5.1. Backward Compatibility**

For all major changes the source should ensure backwards compatibility of services. Minor changes (additional message types, additional coded values) are not seen as significant enough to warrant a parallel period.

### **5.5.2. Implementation Cutover**

Where possible the source should avoid 'big bang' implementations. Direct recipients should be provided with a 'time window' to cutover to new or upgraded services. For minor changes this should be a minimum of 7 days, for major changes this should be a minimum of 30 days.

### **5.5.3. Fallback Schedule**

The source should provide notice of fallback with as much lead time as possible of changes regardless of type (major, minor or day to day listing maintenance) to all direct recipients.

## **5.6. Ongoing Services**

### **5.6.1. Two Data Feeds for Production**

The source should make available to direct recipients a minimum of two 'Production Quality' data feeds that can be fed into different locations for the users' production redundancy or failover purposes. The feeds should be provided

via different access points within the source distribution infrastructure and should be independent of each other to ensure that there will be no single point of failure, enabling full redundancy.

### **5.6.2. One Data Feed for Disaster Recovery**

The source should provide the direct recipients a minimum of one data feed line for business continuity and disaster recovery purposes. It is acceptable that this line only broadcasts in disaster recovery situations, and as such should not represent an additional charge by the source unless utilized.

## **6. UNPLANNED INTERRUPTIONS**

The best practice recommendation on unplanned service interruptions covers any interruption to or degradation of a source's delivery stream that would cause the loss of messages; stoppage or delay of updates; corruption of message formats or errors in content during normal operations. Content is defined as the data and information normally delivered to recipients under the service contract and described in the source's data feed specification. Normal operations are defined as the hours of operation detailed in the daily message schedule for the source's data feed.

The members of FISD believe that market data sources have sufficient incentive in their business continuity goals to ensure they will do all they can to quickly restore service following an unplanned outage. However, they may be so focused on that objective that they neglect to notify direct and indirect customers of the incident. As such, these recommendations are limited to issues related to notification schedules/communication processes and include the following elements:

- ? Initial notice of problem including what is affected and an estimate for restoring service.
- ? The requirement for contact names, numbers, points for escalation, and an open conference line that direct recipients can dial into wherever possible.
- ? Periodic follow-up on an hourly basis until the problem is resolved
- ? Notice when service has been restored
- ? Preliminary and final description of the problem and how/when it will be/was fixed, also providing a full root cause analysis.

Note that it is expected for all these elements that the elements of communication and notification outlined in this section are preserved even in event of a disaster recovery situation.

### **6.1. Initial Notice**

#### **6.1.1. Immediate Notification**

The source should immediately (simultaneously with notice to internal personnel responsible for restoring service) notify direct recipients of any unplanned interruption to service. Initial notice should describe the problem, outline what content is affected and describe which systems are affected (particularly if the source provides multiple feeds or services). Sources should provide estimated resolution times and provide customer statements to direct recipients (who can in turn pass on to their customers) for all outages. Timeliness of notification should supersede completeness of information when sources are faced with such a trade off.

#### **6.1.2. Communications Systems or Equipment**

If the outage is the result of a communications problem, the source should provide details of the entity responsible for fixing the problem (i.e. the communications vendor, the IT department at the source or recipient) and describe whether a restart of downstream devices or restart of an IP session is required.

#### **6.1.3. Dedicated Resource for Communication**

A dedicated point of contact at each source should be designated on every shift within core hours to initiate notices to recipients and respond to any necessary inquiries from direct recipients. This person should not also be responsible for recovery of the service to ensure that there is no conflict with the requirement for customer notification and support.

#### **6.1.4. Notification Procedure**

While notice should be via all available electronic mechanisms including telephone, e-mail, web site, beeper (etc), notice via logically formatted messages in the data feed is the recommended method if the service itself is still capable.

#### **6.1.5. Restoration Projection**

Notice (or reasonable projection) of when service will be restored is needed as soon as possible. If this is not possible then the next projected status update time should be provided.

### **6.2. Periodic Follow-up**

#### **6.2.1. Notification**

For longer outages, the source should provide periodic status updates indicating progress toward resolution and an estimate of the resolution timeframe. The frequency of these updates should be provided based on the estimated resolution times as per the following schedule:

<b>Estimated Resolution Times</b>	<b>Frequency of Updates</b>
< 3 hours	Every 30 minutes or less
3 to 24 hours	Every hour
24+ hours	Daily updates

#### **6.2.2. Restart Requirements**

If resolution also requires recipients to restart a system or an IP session, it must be communicated to direct recipients.

### **6.3. Service Restoration**

#### **6.3.1. Notification**

The source should provide notice that the service has been restored as soon as possible. The notice should indicate whether restoration is partial or full. It should also distinguish any data elements that remain corrupted from the universe that is accurate and reliable for client use. The notice should provide updated or corrected times of when the incident began and when it was resolved.

#### **6.3.2. Retransmission of Data**

The source should be capable of retransmitting data to fill in gaps when messages are missed or to restore service after an outage. [See section 8.9 for a more complete treatment of this topic.]

### **6.4. Problem and Resolution Description**

#### **6.4.1. Preliminary Description**

Within an hour of the resolution of the problem, the source should provide a written preliminary post mortem on the incident describing the cause of the problem and the fix. If the fix is a temporary work-around with a permanent fix to come, this should be explained and dates should be provided for the final resolution.

#### **6.4.2. Under Investigation**

If the matter is still under investigation, this should be explained and further updates should be provided to fill in missing details.

#### **6.4.3. Final Description**

Many end-users require market data vendors to provide written explanations of major problems and their resolution. Within 24 hours of the preliminary problem description, sources should provide a final, written description setting out the root cause of the problem, the permanent fix and any other steps, such as procedural, communications, hardware or software changes that have been or will be implemented to prevent a recurrence.

## **7. NOTIFICATION PERIODS– GENERAL ACTIVITIES**

### **7.1. Annual Schedule**

The source should inform the direct feed recipient of the trading calendar for the next year, including trading/exchange holiday dates as part of The Calendar described in section 5.1.1 above. Direct recipients should be notified of any unscheduled holidays at least one day in advance (if at all possible) via direct e-mail distribution and website posting.

### **7.2. Market Coverage**

The source should provide notification of, and necessary details for, routine changes to market coverage (add/modifications/deletions) at least two business days (48 to 72 hours) prior to first trading day. Electronic bulletins should provide details of the changes, including the reason for, and importance of, the change and its impact on the direct recipients as required.

### **7.3. New Listings**

For major new listings, new symbols additions and distribution messages provided by the source (e.g. proposed Blue Chips, top tier, indices, options etc.); the source should provide advanced notification at least 10 business days prior to the effective date. This should include all data elements required to provide precise and unique identification the minimum of which are:

Ticker Symbol  
ISIN (or national number such as CUSIP or SEDOL)  
Place of Official Listing  
Place of Trade

### **7.4. Non Regular Changes**

For non-regular corporate actions (mergers, delisting, splits, rights issue, and bonus issue) and changes in contract details of derivatives, advance notifications at least 48 hours to 72 hours before the effective date. The necessary details for non-regular corporate actions should follow ISO 15022 standards (<http://www.iso15022.org/>). For changes in contract details of derivatives, the minimum field requirement is the SIC (Symbol Identification Code) as well as the actual field change(s).

## **8. SYSTEM CONSIDERATIONS**

When a source implements any technological solution to its data distribution system, there are a number of considerations which need to be taken into account in the design, development and management of the solution. This section outlines these recommended system considerations and appropriate best practices.

## 8.1. Hours of Service

### 8.1.1. Core Hours Designation

The source should define the core hours of continuous service for the data-feed, during which there will be no anticipated interruptions to the service, other than those identified in The Calendar.

The definition of these core hours should provide a safety zone at least one hour before the start and one hour after the end of data being broadcast on the feed. It is expected that only "heartbeat" messages will be transmitted and that no test messages would be received during this time.

## 8.2. Capacity Management

### 8.2.1. All Service Types

#### Analysis and Communication

Sources should perform regular analysis of the data levels on their feeds, providing at least the following information to direct recipients on a monthly basis:

- ? Average bandwidth usage across the entire trading day, for each trading session, and per hour during the core hours.
- ? Peak bandwidth usage across the entire trading day, for each trading session, and per hour during the core hours.
- ? Average number of messages per second across the entire trading day, for each trading session, and per hour during the core hours.
- ? Peak number of messages per second across the entire trading day, for each trading session, and per hour during the core hours.

Historical statistics going back two calendar years for the four categories identified above should be made available to direct recipients on request.

#### Forecast vs. Actual

Each source should provide capacity forecasts of growth in message traffic for 1m, 3m, 6m, and 12m future periods and then each year for the next five years including some narrative on why rates are expected to change (normal growth, new products, different quote methods, smaller trading lots etc). This forecast should be issued monthly to ensure a continuous 12 month rolling schedule of predicted data rates.

In addition, each source should provide forensic 'Forecast vs. Actual' reports following each period with some explanation for any significant variance from forecast.

#### Maximum Bandwidth

Sources should provide figures for maximum bandwidth and message rates that could be transmitted during exceptional circumstances of high activity.

#### Capping

If a source has any intention or plan to cap bandwidth and/or message rates, details of how and under what circumstances this capping would be effected (e.g. delaying of data or filtering of data) should be provided to the data recipients

### 8.2.2. Fully Managed Service

A fully managed service is defined as the source providing, maintaining and remaining responsible for all technology between the points of data collection within the institution itself though to the point of presentation within a direct recipients data centre.

Sources should ensure the bandwidth on any communications circuit for fully managed service is sufficient for maximum potential bandwidth requirements for current data rates and that upgrades to headroom associated with forecasted growth rates are planned and notification is provided in accordance with FISD industry recommended standards (i.e. 60 days for a minor change and 120 days for a major change) as appropriate.

### **8.2.3. API Based Service**

The source should determine and quarterly re-evaluate the current minimum hardware specification on which software using that API should be run. Clients should be notified in accordance with FISD industry recommended standards (i.e. 60 days for a minor change and 120 days for a major change) for any required change as appropriate.

### **8.2.4. Institution Provided Hardware**

If a source provides any additional hardware to execute software provided by the source or otherwise interact with their systems, then the source should quarterly re-evaluate the minimum specification for this hardware, notification of the need to upgrade or replace hardware should be in accordance with FISD industry recommended standards (i.e. 60 days for a minor change and 120 days for a major change) as appropriate.

## **8.3. System Reliability**

### **8.3.1. All Services**

#### **Performance Uptime**

The source should attempt to provide the client with an operational and correct feed during 100% of the core hours of service but a minimum of 99.98% of uptime is required in any rolling month.

#### **Failure Management**

The source should ensure that there is no single point of failure anywhere within their system between the point of data generation and the point of presentation to the direct recipient, this should include, but is not limited to:

- ? The use of multiple redundant systems (e.g. two or more independent, and geographically remote data centres) that should provide automatic fail-over such that the time taken to do so is reduced to a minimum, and direct recipients do not miss any data generated during this period.
- ? Any communications within the system should have multiple routes to their destination (on any WAN connections, these routes should be via confirmed distinct communications providers)

#### **Feed Monitoring by Recipient**

The source should ensure that the feed can be effectively monitored by the data recipient through their own software to identify if and when a problem has occurred on the feed including, but not limited to the following areas:

- ? **Heartbeat Messages:** In order to facilitate the detection of a "hung" data feed where physical connectivity is not lost, the data feed should supply heartbeat messages at regular, predefined intervals. These should be available prior to, during and after core hours to allow end consumers to verify full end-to-end connectivity and dataflow.
- ? **Message Timestamps:** In order to allow the detection of network issues or other system problems that may give rise to abnormal latency, it is recommended that all messages contain a message creation timestamp to millisecond granularity. This timestamp should be passed on, without modification, by any intermediate data-vendors to end user data feed consumers.

### **8.3.2. Fully Managed Service**

#### **Maintenance**

The source should execute performance checks on a monthly basis on any and all communications circuits for which they are responsible, including but not limited to the testing of latency and quality of signal.

#### **Communications Redundancy**

The source should ensure that all messages provided are duplicated and delivered by distinct communications providers via different routes.

### **8.3.3. Institution Provided Hardware**

#### **Hardware Management**

If a source provides any additional hardware to execute software provided by the source or otherwise interact with their systems, then they should comply with the follow:

- ? The hardware must not constitute a single point of failure within the system as a whole (for example, there should not be one piece of hardware taking data from the two feeds).
- ? Provision should be made to enable a direct recipient to monitor this hardware, preferably using a standard monitoring technology.
- ? Such hardware should additionally be monitored remotely by the source.
- ? The source should be prepared to react to alerts and alarms, or otherwise provide support, preferably 24/7 but at a minimum during the core hours of service (Market hours plus 1 hour before open and 1 hour after close).

## **8.4. Data Quality**

### **8.4.1. Data Accuracy**

Data items transmitted on the feed should be a full and accurate representation of the activity within the source, a minimum of 99.9% of all data items transmitted by the system over the period of a rolling month should be correct at time of transmission.

### **8.4.2. Corrections**

Corrections should be handled via the data feed on the day of error rather than requiring manual correction by the direct recipient, if the source is unable to provide correction on the same day this must be appropriately communicated to direct recipients along with the correct values to be applied. The process of correction provision should be designed to incorporate as little human intervention as possible on the part of the direct recipient.

### **8.4.3. Manual Verification**

Any data entered manually into the system should go through a verification and correction process before release. Each source should be able to provide evidence of verification/validation as required.

### **8.4.4. Numeric Values**

Numeric values should be transmitted to the maximum precision possible from the data generated within the system.

### **8.4.5. Threshold checking**

Data from sources should be threshold checked before dissemination to direct recipients to prevent spikes in intraday data from being passed downstream.

#### **8.4.6. Data Quality Investigations and Root Cause Analysis**

Each source should be responsible for the root cause analysis and subsequent resolution of any data quality issues identified by direct recipients through their data quality monitoring and analysis of source data. Each source should make available to direct recipients the contact names and numbers of those responsible for data quality and capable of addressing identified issues.

### **8.5. Network Latency**

#### **8.5.1. Latency Definition**

End-to-end latency is defined as the period of time measured from the moment of electronic data generation within the source to the point of presentation to the customer; such as a router within the source (from which point the customer supplies their own circuitry) or a router within the customers data centre (where the institution is responsible for the circuits).

#### **8.5.2. Latency Standards**

Each source should ensure that data services provided to the direct recipient are as timely and accurate as possible but a minimum target of no more than 200 ms latency over 99.98% of the trading day is recommended.

#### **8.5.3. Latency Monitoring and Reporting**

A source should monitor and perform regular monthly reviews of the latency incurred within their systems, ensuring that any changes (planned or unplanned) are properly communicated and described as per FISD standards (i.e. 60 days for a minor change and 120 days for a major change). Additionally, a source should provide within the feed specification for data recipients the capability to monitor the latency of the feed.

Each source should provide, as required by direct recipients, monthly summary reporting of latency figures collected from their monitoring systems including average values, variation from previous months, and maximum latency times encountered during the month along with root cause analysis and action plans for any significant degradation.

### **8.6. Business Continuity and Testing**

A source should be able to demonstrate that they have an effective disaster recovery strategy and are able to support their market data stream and direct recipients during a disaster Business Continuity situation. The disaster recovery plan should be reviewed, updated and tested whenever a major change is implemented. Under static conditions, sources should perform annual testing of their disaster recovery plan.

#### **8.6.1. BCP Communication**

As any Disaster situation will arise as an Unplanned Outage, direct recipients should be informed of the situation and supported as per the guidelines in that section above. If the source switches to a BCP scenario, direct recipients should be informed that the source will be running in disaster recovery through an official communication, including a Customer Statement, sent to all appropriate distribution lists of recipient contacts as described in section 7.1.4 above.

Note that implementation of the plan should not require changes to hardware, software or configuration on the recipient site.

#### **8.6.2. BCP Communication with Clients**

Clients should be offered the opportunity to take part in a simulated disaster recovery exercise at regular intervals, providing feedback from which the institution can improve their plan.

### **8.7. Data Backup**

#### **8.7.1. Record Keeping**

? Sources should keep an electronic record of all data messages transmitted over a period of at least 30 business days, to be made available to direct recipients (as outlined in section 8.9 below).

- ? Sources should maintain historical records of their data, that can be made available to direct recipients as requested (e.g. for the seeding of an historical price database or historical price auditing/confirmation). Where applicable, these historical records should stretch back 10 years.
- ? As with other systems, sources should have more than one store of historical data records to ensure availability in the event of a disaster recovery situation.

## 8.8. Data Recovery

In order to provide complete and consistent data to consumers of market data, it is critical that each source provide a mechanism or means to direct recipients that will allow those who ingest the data feed to identify missing messages and recover any lost information. As the information loss may be caused by communications or hardware failure and may affect one or many processors, recovery of missing data must not interrupt the continued flow of real-time information to any recipient.

### 8.8.1. Contiguous and Sequential Numbers

Sources should provide a reliable and accurate method for the identification, requesting and processing of lost messages. The provision of a sequential and contiguous sequence number for each record disseminated within a clearly defined data stream has a number of advantages and is the best practice recommendation. A number of alternative methods are currently in use and described below, however these do not meet the requirements of direct recipients.

- ? *Restart Feed from Point of Loss*

While this method does allow for complete recovery of missing data, it has an adverse effect on the continued processing of real-time data. Effectively, downstream users will fall behind in real time processing until the feed catches up. In addition, where the processor is maintaining tick history, accumulated volume, high, low, last etc., it is necessary to rewind the accumulated data back to the restart point.

- ? *On Demand, or Cyclical Summary Messages*

For some applications, the ability to apply a source summary containing the latest view of the data ensures that the processor is now in line with the market. This method of recovery does not provide each missing tick, which is used by some intra-day and performance application, such as best execution analysis. This method also fails to address other data types, which may be included in a real-time stream (suspension information, new listings, and announcements) which do not normally form part of the summary information.

The use of a sequential and contiguous sequence number system allows data recipients to actively manage service gaps, and, in conjunction with a recovery mechanism at the source, explicitly recover lost messages. Additionally, the use of a sequential and contiguous sequence numbering, standard across all versions of the real-time stream has the additional benefit in that it allows arbitration between two or more streams of data from the same source, to produce one complete and correct stream.

### 8.8.2. System Communication

The data recipient must be able to communicate directly with the source and request missing messages these should then be resent either commingled with the live stream, or via a predetermined alternate communications link. Such a system should be designed to minimise the need for human intervention.

### 8.8.3. Data Retransmission

The source should have in place a method to resend missed data to direct recipients (both retransmission to a single customer, or to all direct recipients should the need arise) upon request. The nature of the recovery method should form part of the specification document for the data feed, as such there should be a full definition of the format and test data should be available.

- ? For current data (data less than 24 hours old), this retransmission should begin as soon as retransmission is requested. A feed specification should contain provision for identifying this retransmission.
- ? Where data is historical, the institution should provide a method for direct recipients to access this data within 24 hours after the request has been received.

## 9. CONCLUSIONS AND NEXTSTEPS

As this represents an initial draft by FISD and various members, the next steps are to ensure clear and accurate representation from a wider range of members/sources for industry wide reference and adoption. This will encompass regional forums and reviews with sources sponsored by FISD. Feedback will then be gathered and any necessary revisions will be incorporated and made publicly available on the FISD website. Once all revisions have been made and agreed upon, this document will represent the Best Practices by which the financial industry should aspire to.

The members of FISD believe that the adoption of the core principles contained herein will benefit the whole financial industry by strengthening the lines of communication between Exchanges, Third Party Data Providers, Direct recipients and End-Users which will in turn greatly reduce delays, misinformation and customer confusion in the event of major interruptions, feed changes or system outages. If adopted by market participants, the FISD will communicate to the financial industry that those participants have met or exceeded the identified requirements.

Due to dynamic nature of the financial industry, it is expected that the current FISD Service Steering Group will continue to be in effect to ensure the relevance of this document.

### Examples of Best Practice

We have a few examples currently of best practice in the area of reporting service interruptions. Perhaps the best is NASDAQ. NASDAQ uses both its NasdaqTrader web site and an e-mail "push" facility to issue notices of service interruptions. While NASDAQ does not routinely supply all of the elements listed in Section 7 on Unplanned Interruptions, it does provide good notices. NASDAQ should consider supplying a final written explanation after a major service problem is resolved, as described in 7.4.3 above.

The Chicago Mercantile Exchange also provides e-mail updates of service problems which are quite helpful. The CME's notices are very helpful in tracking service problems but are not as timely as NASDAQ's. Like NASDAQ, CME does not routinely provide a final written notice. However, they are ahead of nearly all other sources in taking on the proactive notice to direct recipients and end-users. The FISD needs to recognize both NASDAQ and CME as good examples of best practice when it comes to service interruption notification and encourage them to continue to enhance their offerings in this regard.

Examples of four NASDAQ notices for a service incident that occurred June 4 are shown below. The date and time plus the significant text for each are highlighted for clarity. This shows the timeliness of NASDAQ's reporting and how the reports track the event from start to conclusion.

**1) 06/04/2004 09:36:27 AM**

From: Trader Website <traderfeedback@nasdaq.com>  
Subject: NASDAQ Market Systems Status  
SendTo: traderfeedback@nasdaq.com, Brian McNelis/NYC/US/Reuters

NASDAQ Operations has recently updated the status of the following NASDAQ Market System(s) to the NASDAQ Trader website:

**NASDAQ is currently investigating a potential problem with Market Center executions. NASDAQ will advise.**

Please refer to the link for additional system status updates.

<http://www.nasdaqtrader.com/asp/systemstatus.asp>

For more information you may reply to this Email or call the Web Help Desk at (800)777-5606.

Note: The text beginning with "http" in this mail message is a link to a NASDAQTrader.com page. If you can't click on the link in this message, cut and paste it into your browser's "Address" box (near the top of the browser window).

You may also have to cut and paste the link into the browser's "Address" box if it appears truncated.

2) **06/04/2004 09:39:22 AM**  
From: Trader Website <traderfeedback@nasdaq.com>  
Subject: NASDAQ Market Systems Status  
SendTo: traderfeedback@nasdaq.com, Brian McNelis/NYC/US/Reuters

NASDAQ Operations has recently updated the status of the following NASDAQ Market System(s) to the NASDAQ Trader website:

**NASDAQ is investigating a problem with executions in the range SPDE- STGSW. Executions do not seem to be taking place for this range of securities.**

Please refer to the link for additional system status updates.

<http://www.nasdaqtrader.com/asp/systemstatus.asp>

For more information you may reply to this Email or call the Web Help Desk at (800)777-5606.

Note: The text beginning with "http" in this mail message is a link to a NASDAQTrader.com page. If you can't click on the link in this message, cut and paste it into your browser's "Address" box (near the top of the browser window).

You may also have to cut and paste the link into the browser's "Address" box if it appears truncated.

3) **06/04/2004 10:00:11 AM**  
From: Trader Website <traderfeedback@nasdaq.com>  
Subject: NASDAQ Market Systems Status  
SendTo: traderfeedback@nasdaq.com, Brian McNelis/NYC/US/Reuters

NASDAQ Operations has recently updated the status of the following NASDAQ Market System(s) to the NASDAQ Trader website:

**NASDAQ is currently opening the stocks in the range SPDE- STGSW.**

Please refer to the link for additional system status updates.

<http://www.nasdaqtrader.com/asp/systemstatus.asp>

For more information you may reply to this Email or call the Web Help Desk at (800)777-5606.

Note: The text beginning with "http" in this mail message is a link to a NASDAQTrader.com page. If you can't click on the link in this message, cut and paste it into your browser's "Address" box (near the top of the browser window).

You may also have to cut and paste the link into the browser's "Address" box if it appears truncated.

4) **06/04/2004 10:02:01 AM**  
From: Trader Website <traderfeedback@nasdaq.com>  
Subject: NASDAQ Market Systems Status  
SendTo: [traderfeedback@nasdaq.com](mailto:traderfeedback@nasdaq.com), Brian McNelis/NYC/US/Reuters

NASDAQ Operations has recently updated the status of the following NASDAQ Market System(s) to the NASDAQ Trader website:

**All securities have now received an open and are trading normally.**

Please refer to the link for additional system status updates.

<http://www.nasdaqtrader.com/asp/systemstatus.asp>

For more information you may reply to this Email or call the Web Help Desk at (800)777-5606.

Software & Information Industry Association ? Financial Information Services Division  
Exchange Service Improvement Working Group

Note: The text beginning with "http" in this mail message is a link to a NASDAQTrader.com page. If you can't click on the link in this message, cut and paste it into your browser's "Address" box (near the top of the browser window).

You may also have to cut and paste the link into the browser's "Address" box if it appears truncated.

The next examples are from the Chicago Mercantile Exchange in March.

- 1) **03/25/2004 10:33:25 AM**  
From: "Sutor, Laura" <LSutor@cme.com>  
Subject: ALERT NOTICE From CME Market Data Operations  
Brian McNelis/NYC/US/Reuters

\*\*\*\*\*ALERT NOTICE\*\*\*\*\*

**Due to a technical issue, CME experienced difficulty in transmitting market data on channel's one, two and three of the MDN from 9:05:41 A.M. to 9:23:24 A.M.**

**CME will retransmit the recovered data from the period mentioned above beginning as soon as possible. These messages will have your own unique Vendor ID in the message header.**

For questions, please contact Marilee Radecki at 312 /930 - 8193 or atmradecki@cme.com

Thank you.

- 2) **03/25/2004 12:23:59 PM**  
From: "Sutor, Laura" <LSutor@cme.com>  
Subject: ALERT NOTICE From CME Market Data Operations  
Brian McNelis/NYC/US/Reuters

\*\*\*\*\*ALERT NOTICE\*\*\*\*\*

**DUE TO TECHNICAL ISSUES AT CME, PLEASE RECYCLE YOUR MDN FEED.**

For questions, please contact Marilee Radecki at 312 /930 - 8193 or atmradecki@cme.com

Thank you.

- 3) **03/25/2004 02:37:50 PM**  
From: "Sutor, Laura" <LSutor@cme.com>  
Subject: ALERT NOTICE From CME Market Data Operations  
Brian McNelis/NYC/US/Reuters

\*\*\*\*\*ALERT NOTICE\*\*\*\*\*

**CME will retransmit the recovered data from the period mentioned below after 3:15 p.m. today. These messages will have your own unique Vendor ID in the message header. If this is going to cause you problems, do not process these messages.**

**Due to a technical issue, CME experienced difficulty in transmitting market data on channel's one, two and three of the MDN from 9:05:41 A.M. to 9:23:24 A.M.**

For questions, please contact Marilee Radecki at 312 /930 - 8193 or atmradecki@cme.com

Thank you.