DMIST

DERIVATIVES MARKET
INSTITUTE FOR STANDARDS

Standard Regarding Self-Match Prevention

October 2025

TABLE OF CONTENTS

DISCLAIMER

This Final Standard is intended for informational and educational purposes only and is not intended to provide investment, tax, business, legal or professional advice. FIA and DMIST recommend seeking independent expert advice where needed. FIA, DMIST, nor its or their members/participants endorses, approves, recommends, or certifies any of the information, opinions, products, or services referenced in this Final Standard. FIA and DMIST make no representations, warranties, or guarantees as to this Final Standard's contents. Neither FIA nor DMIST accept any responsibility for anyone placing reliance upon this Final Standard.

1. ACKNOWLEDGEMENTS

DMIST was formed as an outgrowth of industry conversations following high volume and volatility in February and March 2020, at the onset of the COVID-19 pandemic. DMIST's ultimate goal is to encourage widespread adoption of standards in the Exchange-traded derivatives industry that will help make markets more efficient, resilient, and competitive for all.

There are two levels of participation in DMIST: (1) Sponsor Board members who consider and approve standards; and (2) Ambassador members, including technology vendors, who are subject matter experts and who help identify, develop, and calibrate standards for the Sponsor Board's approval. For more information on participating in DMIST, click here. More information regarding the history and development of DMIST is available at: Derivatives Market Institute for Standards (DMIST).

2. EXECUTIVE SUMMARY

The Derivatives Market Institute for Standards ("DMIST") was formed to encourage widespread adoption of standards in the exchange-traded derivatives industry that will help make markets more efficient, resilient, and competitive for all.

It is widely understood that all trading participants have a role in maintaining market integrity. In the last decade, controls that assist in the prevention of unintentional self-match activity have proved to be invaluable tools in preventing self-matches and avoiding regulatory fees. More exchanges are offering trading participants functionality to allow firms to tailor self-match prevention to their individual needs and reduce inadvertent self-trading.

Self-matching occurs when a buy order is matched with a sell order when both orders have common beneficial ownership. While most self-matching is inadvertent, it frequently invites exchange scrutiny and subsequent fines. In addition, the lack of standardization of SMP functionality is challenging for brokers and their customers to manage due to the variety of approaches exchanges have implemented for self-match prevention.

Currently, there are multiple ways that SMP is implemented across the industry, but there is no uniformity or consistency across the offerings. By adopting a standardized approach to Self-Match Prevention, the industry can enhance market integrity, streamline operations, avoid regulatory fines, and better serve the needs of all trading participants.

3. BENEFITS

Standardizing the prevention of self-matching improves the industry as a whole.

Executing Brokers and Clients can expect:

- Overall reduction in inadvertent wash trades.
- Ability to utilize SMP more broadly with expanded offering.
- Improved operational efficiencies (for example, enabling multi-broker access and API that firms can write to).
- Increased awareness across the industry of self-match prevention features/configuration.
- Ability to leverage industry-wide knowledge base to create standards that mitigate latency issues that may occur with custom/one-off approaches.

Likewise, Exchanges benefit from a standard Self-Match Prevention offering including:

- Demonstration of the facilitation of orderly markets.
- Reduction in time spent investigating potential wash trades.
- Improved market efficiency and prevention of false positives with exact queue positioning known.
- Prevention of wash trades with large order inventory.
- Regulatory compliance benefits.
- Support for low-latency trading.

4. FINAL STANDARD

This standard applies to all Exchanges globally. It calls for Exchanges currently offering Self-Match Prevention capabilities to review their functionality and adapt to the functionality standards set out below. For Exchanges that currently do not provide on-Exchange Self-Match Prevention, this standard provides a roadmap to develop a globally recognized Self-Match Prevention offering.

Exchange Functionality

Wherever possible, Exchanges should strive to offer a Self-Match Prevention tool that follows the core principles outlined in The Standard. Exchanges should facilitate use of SMP IDs across trading platforms and/or brokers and generally allow for aggregate flows to be considered when attempting to prevent self-matching.

#	Description
Registry	
4.1	Exchanges should provide and maintain a registry of Self-Match Prevention IDs.
4.2	Exchanges should allow trading participants to register multiple SMP IDs. Exchanges are free to set a maximum number of SMP IDs that can be registered by firm but should support sufficient numbers for the expected usage.
4.3	Exchanges should ensure SMP IDs are unique at their venue.
4.4	Exchanges should make use of the SMP ID registry optional. Mandatory use should be limited to certain segments such as sponsored access flow and where applicable by regulation. For example, some proprietary and ISV implementations might be better suited for certain trading segments, therefore SMP may not be required in those instances.
4.5	The SMP ID field should be designed to support a flexible schema, permitting alphanumeric input to ensure compatibility with diverse system requirements and minimize format constraints. Exchanges are free to set field lengths but should support field lengths sufficient for the expected usage.
4.6	Exchanges should publish any data schemas or other rules related to SMP ID format.

#	Description
Behavior and Action	
4.7	Exchanges may set default action taken when an order placed with a registered SMP ID enters the market.
4.8	Exchanges should allow trading participants to set the default action taken when an order placed with a registered SMP ID enters the market. Exchanges should allow trading participants to set a different default action for different order types (e.g., High Frequency vs. Voice).
4.9	Where an Exchange sets a default action, it should allow trading participants to override the default.
4.10	Exchanges should also disclose how SMP cancels and rejects are counted towards the venue's order-to-trade ratios
Granularity	
4.11	Exchanges should offer some optionality on the level of granularity for the configuration of Self-Match Prevention and allow trading participants to configure at the Exchange (e.g., firm level, account level, or other segmentation as needed).
Latency	
4.12	Exchanges should deploy Self-Match Prevention in a manner that does not introduce any additive latency as adding latency for the use of utilizing SMP by their trading participants could discourage usage.
Coverage	
4.13	Exchange SMP for future exchanges should cover all products offered at the venue including but not limited to Futures, Spreads, Options on Futures and outside AMRS single stock futures and single name and index options.
4.14	Where an Exchange does not cover all products offered, the venue should document which products are not covered.
4.15	Exchanges should publish which order types are in scope for Self-Match Prevention.
4.16	Exchanges should specifically outline any order types that are not in scope for Self-Match Prevention such as implied pricing.
4.17	Exchanges should document how self-matching will be managed on more complex order books such as where implied pricing exists or multi-leg products are traded. *For example, if two spreads 1) Mar-Jun and 2) Jun-Sept*

#	Description
	for the same executing broker, how will the exchange protect against self-matching of the June legs, if at all.
4.18	Exchanges should document whether orders with price limits are allowed if the price limit levels would prevent any possible match.

Trading Participant Responsibility

Exchanges are uniquely placed in the order lifecycle, enabling them to identify which orders in the order book would result in crossing. In furtherance of the goal of this standard, Trading Participants should strive to leverage Exchange offered Self-Match Prevention to prevent accidental crosses wherever possible.

#	Description
Registry	
4.19	Trading participants should register SMP IDs at each venue, as applicable.
4.20	Trading participants may use a common identifier across exchanges, but there is no expectation of a cross-exchange registry.
4.21	Clients should share any registered SMP IDs with their FCMs.
4.22	Registry at an exchange is optional and trading participants may elect to use one-time SMP IDs, provided they are unique at the venue.
Behavior and Action	
4.23	Trading participants should have flexibility to determine what happens when an order placed with a registered SMP ID enters the market including the ability to: a) Cancel the resting order. b) Cancel the aggressive order. c) Cancel both orders. d) No action (used if the provision of an ID is made mandatory on a particular trading facility but no SMP is expected in this case).
Configuration	
4.24	Trading participants should have procedures on how and where they configure SMP on the markets where they trade.
Monitoring	
4.25	Trading participants should be aware that when SMP IDs are applied to orders from multiple different traders, groups of traders or

#	Description
	Automated Trading Systems, working orders may be cancelled by the SMP process. Suitable ongoing monitoring of live trades in the markets to appropriately handle such a situation is necessary.
Risk Controls	
4.26	Trading participants should strongly consider the impact of SMP message cancel and rejects especially as they develop risk controls for their non-SMP rejects or in their consideration of venue specific order-to-trade ratios.

5. METRICS

Metrics should be generated and consistently reviewed to allow the industry to continually monitor progress against the Self-Match Prevention Standard, identify shortcomings and recommend strategic improvements.

Measuring performance against the Final Standard should be based on the number of exchanges offering Self-Match Prevention and whether it meets the standard.

Metrics should be captured quarterly and reviewed periodically.

6. GLOSSARY

"Client" – An individual or organization, typically an end-user, asset manager, proprietary trading firm or similar party, who initiates an order to buy or sell a product in the Exchange-traded market.

"Exchange" – A financial exchange where participants can trade (buy/sell) standardized products as defined and listed at the exchange. An exchange will have a relationship with a CCP to facilitate the clearing and settlement of the trades.

"Self-Match Prevention" – A risk management tool that prevents orders with the same underlying beneficial owner from matching against each other. Also called "SMP."

"SMP ID" – The alphanumeric identifier assigned by the Exchange and used by a Trading Participant to identify their orders.

"Trading Participant" - Any entity or individual that executes trades on a futures exchange, either for themselves or on behalf of a Client.

"Wash Trade" – A form of trading where an entity is simultaneously buying and selling the same financial instrument. Wash trades can leave a false impression of liquidity.

7. QUESTIONS/FURTHER INFORMATION

If you have questions about this standard, wish to know more about DMIST or have an interest in joining the initiative, please visit the DMIST website. You may also contact Don Byron at dbyron@fia.org or Staci Parrish sparrish@fia.org.

8. APPENDIX

DMIST Overview

DMIST was formed as an outgrowth of industry conversations following high volume and volatility in February and March 2020, at the onset of the COVID-19 pandemic. DMIST's ultimate goal is to encourage widespread adoption of standards in the Exchange-traded derivatives industry that will help make markets more efficient, resilient, and competitive for all.

There are two levels of participation in DMIST: (1) the Sponsor Board members who consider and approve standards; and (2) the Ambassador level members, including technology vendors, who are subject matter experts and who help identify, develop and calibrate standards for the Sponsor Board's approval. For more information on participating in DMIST, please visit our website.

For more information regarding the history and development of DMIST, please see Modernizing the Listed Derivatives Workflow: A Blueprint for Change (November 2021) and DMIST's 2023 Annual Progress Report.

DMIST Standard Process

The process that DMIST follows for a proposal to become a standard is:

Step One: Proposed standard is received from any member of the public (including, but not limited to, Sponsor Board Members or Ambassadors).

Step Two: Sponsor Board determines whether the initial proposal meets certain required criteria (e.g., the submission contains sufficient requisite information, the proposed standard addresses a topic that is considered in scope for DMIST's consideration, the proposed standard relates to a topic that would significantly benefit the industry to standardize).

Step Three: DMIST forms Ambassador Working Group(s) for review and consideration of the proposed standard.

Step Four: Sponsor Board meets to consider the feedback of the Ambassador Working Group(s) and votes to publish proposed standard for public comment.

Step Five: DMIST issues the proposed standard for public comment.

Step Six: At the end of the comment period, the Ambassador Working Group(s) used to vet the standard as initially proposed will meet to review and consider the comments.

Step Seven: Sponsor Board votes to approve the standard based upon feedback and recommendations from the Ambassador Working Group(s). If approved, the standard is considered final and is published.

Step Eight: The success of DMIST requires commitment to transparency with regards to adoption and implementation of standards. Each final, approved standard will specify transparency expectations for Sponsor Board Members regarding whether or not they have chosen to adopt or implement such a standard. Each final approved standard must also specify metrics, to be measured on an ongoing basis, related to implementation, adoption, usage, and/or effectiveness.

DMIST

DERIVATIVES MARKET
INSTITUTE FOR STANDARDS

2001 K Street, NW
Suite 725, North Tower
Washington, DC 20006

Visit our website