TMX AUSTRALIA

Find Your Edge with OCS

First published 29 April 2025

Republished 1 August 2026

The Challenge of Change

The fast-moving nature of the Australian markets presents numerous challenges for TMX Australia's Trading Participants in their pursuit to deliver their customers high quality services within an environment placing high demands on resourcing from a regulatory and technology perspective. This is compounded or contributed to by a macro environment where market infrastructures are central to this technology change and the associated overheads of managing this across both local and global environment puts significant demands on resources.

Throughout our own upgrade in 2023, TSE Arrowhead in 2024 and now ASX's SR15 in 2025 we've heard from Participants that they find themselves investing more and more in exchange development but finding that it is leaving less capacity for them to explore leveraging these new technologies and solutions for business growth. Frequently they find themselves using new systems to deliver old solutions. While these upgrades are important and are drivers of innovation themselves longer-term, they reduce Trading Participants flexibility and nimbleness short-term, stifling their ability to capitalise on the dynamic market environment.

TMX Australia was presented with these challenges and feedback by Trading Participants and vendors while we pursued our class-leading technology upgrade, TMX Titanium (formerly 'TMX Tech') in March 2023. However, now we are through this generational change we can deliver for Trading Participants and Australia's investors by accessing and sharing the plethora of features honed across TMX equities, derivatives, and FX markets globally. TMX Titanium provides participants with a range of order capabilities that were previously unseen in the Australian market, offering a robust and versatile toolset for enhancing trading strategies.

Introducing TMX's Order Conversion Service

Leveraging this opportunity, TMX Australia is excited to launch the Order Conversion Service (OCS), a cutting-edge optional service that leverages existing Port Attribute functionality to convert incoming orders using predetermined specifications found within our Technical Specification. This service allows participants to request TMX systems to activate pre-defined instructions for certain orders under specific conditions, enhancing their trading experience. Participants are therefore provided with a versatile toolset for enhanced order handling with minimal to no development on their side because OCS is deployed using Port Attributes which the participant simply requests to ‘switch on’.

TMX envisions OCS as an expanding library of order handling options to meet Participant needs as they arise, with rapid time-to-market. Participants can seamlessly incorporate pre-defined OCS instructions by confirming with the TMX Australia Trade Desk, which will apply these settings upon request from an authorised representative:

- Order Conversion Service options can be applied per FIX order entry port
- Selected Order Conversion Service options can also be tailored to a specific list of symbols per FIX order entry port, supporting strategic rollout plans

The OCS product overview appendices, available from TMX.com.au, offer comprehensive details on the various use cases provided by the OCS, and TMX is committed to expanding these use cases over time.

By leveraging OCS, Participants can elevate their trading strategies with confidence and precision, thanks to TMX’s innovative and Participant-focused solutions.

What is Port Attribute?

Port attributes are TMX-defined mechanisms that participants can request per order entry port, enabling TMX systems to perform specified actions on their behalf.

For example, the ‘cancel on disconnect’ Port Attribute instructs TMX systems to cancel a participant’s orders if the connection to a FIX or BOE port is lost, ensuring greater control and reliability. Another familiar Port Attribute example is ‘broker preferencing’ where participants request that TMX follows the ‘price, visibility, broker, time’ trading priority on their behalf.

Benefits of the Order Conversion Service

The OCS library offers mechanisms that participants could otherwise develop independently using existing interfaces. However, the OCS provides several exciting advantages:

- Fast tracking access to extensive features of TMX Titanium
- In most cases, zero technical development required by participants (in some cases there maybe optional, minimal changes)
- Improved execution outcome potential
- Tailor customer-facing solutions
- Comprehensive Access for Everyone

With OCS, you'll be harnessing a powerful toolset that drives efficiency, enhances performance, and keeps you at the forefront of innovation in the ever-evolving trading landscape.

TMX's First OCS Offering: Timed Expiring Orders

The first OCS solution is a Timed Expiring Order (TEO) Mechanism (OCS001).

Participants who use Immediate or Cancel (IOC) orders, can choose to utilise the TEO mechanism from the OCS library which converts the incoming Pegged IOC order to a Pegged (i.e. hidden) GTD (Good Till Date with ExpireTime) for a sub-second duration, defined as a Timed Expiring Order (TEO). This expands participant's price improvement opportunities without any development work.

It is important to note that a TEO is not a new order type as Participants can emulate this mechanism with existing interfaces, by entering a Pegged GTD with ExpireTime order, which will be automatically cancelled by TMX systems at the ExpireTime. OCS, however, facilitates this method with no development effort for existing users of pegged IOC orders, with faster time-to-market.

Participants have various configuration options available for converting Pegged IOC to TEO (Pegged GTD), per order entry port:

- An inclusion list of symbols to facilitate measured pilot and rollout stages
- (Pegged IOC orders entered for symbols outside the TEO Symbol inclusion list will be entered into the system as normal)
- A sub-second Duration that the TEO's remaining quantity will rest before TMX systems cancel the order
- An option to price the TEO at the Farpoint price or to leave pricing at the original pegged instruction
- Per symbol in the inclusion list, a unique duration per symbol can be configured if preferred.
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Expansion of the Order Conversion Service

The OCS library will be here for the trading community. We encourage participants to discuss further ideas and requests to facilitate order handling requirements with us. TMX is able to readily facilitate new suggestions into further OCS library entries with rapid time to market and minimal or no development effort required by participants.

Further Details on the Order Conversion Service

Please refer to the Order Conversion Service document for further details and include Trade Desk with queries.
