**MXY-44295 Support Trade Away Fees**

**What:**

Support Trade Away Fees

**Why:**

Trade Away fees are fees charged by a prime broker\custodian when a portfolio custodied with them trades with a different executing broker. When the fee is charged, it should not be part of any communication with the market (CTM, DTCC, FIX Allocations) since it is not a trading fee that is matched in the market. However, it is a fee that needs to impact the cost basis so will need to be exported to APX.

Note: all custodians charge this fee. To date, these are the brokers I have heard will charge a trade away fee

* Fidelity
* Jeffries
* Pershing
* Schwab

**Questions:**

**Overview**

* Add Trade Away Fee Selector
  + Add 2 New Modal Dialogs
    - Trade Away Fee Selector
      * Trade Away Fee Selector Filter
      * Trade Away Fee Selector Dialog
    - Trade Away Fee Selector Attributes
  + Support dynamic groups in Trade Away Fee Selector
* Add a new record to Commission Calculation captioned: Trade Away Fee
* Add 2 new fields (UI) to AR Portfolio Detail captioned:
  + Trade Away Fee
  + Total Settle Cost (Market)
* Add 2 new field (UI) to AR Step-Out Detail captioned:
  + Trade Away Fee
  + Local Cost (Market)
* Add 2 new fields to the Allocation Tab
  + Comm & Fees (Market)
  + Value Basis (Market)
  + Alloc Cost Net (Market)
* Update Export
  + Update Commission Configuration to add a Trade Away Fee entry
  + Update APX Export to add Trade Away Fee to an export transaction using the field defined in Commission Configuration
  + Update Geneva Integration to include Trade Away Fee in the allocations we send to Geneva
* Update MxApp.vAllocation public view to include Trade Away Fee
* Do not update Post-trade integrations to include Trade Away Fee
  + CTM\ITP
  + Oasys
  + DTCC
  + FIX Allocation
  + Uploads – Not at this time

**Schema**

Add the following new fields:

* MoxyAllocation.TradeAwayFee
  + FLOAT NOT NULL DEFAULT 0.0 (CHECH TradeAwayFee >= 0.0)
* MxOm.MoxyAllocation\_Audit.TradeAwayFee
  + FLOAT NOT NULL DEFAULT 0.0

Add new tables

* MxOm.TradeAwayFeeSelector
  + SelectorID
    - Int NOT NULL; IDENTITY (1,1)
  + PortBaseKey
    - Int NOT NULL
  + ConditionID
    - Int NOT NULL
  + TradeAwayFee
    - Float NOT NULL
  + UserDefText
    - Nvarchar (Max) NOT NULL
  + UserDef1
    - Nvarchar(255) NOT NULL
  + UserDef2
    - Nvarchar(255) NOT NULL
  + UserDef3
    - Nvarchar(255) NOT NULL
* MxOm.TradeAwayFeeSelectorCondition
  + ID
    - Int NOT NULL
  + BrokerID
    - Nvarchar(12) NOT NULL
  + BrokerRepID
    - Nvarchar(12) NOT NULL
  + OmnibusID
    - Smallint NOT NULL
* MxOm.TradeAwayFeeSelectorGroupAssignment
  + ID
    - Int NOT NULL
  + PortKey
    - Int NOT NULL
  + PortSelectorID
    - Int NOT NULL
  + GroupKey
    - Int NOT NUL
  + GroupSelectorID
    - Int NOT NULL
  + ConditionID
    - Int NOT NULL
  + Conflict
    - Bit NOT NULL
* MxOm.TradeAwayFeeSelectorHierarchy
  + AttrName
    - Sysname(nvarchar(128)) NOT NULL
  + Rank
    - Int NOT NULL
  + IsEnabled
    - Smallint NOT NULL
  + AttrCaption
    - Nvarchar(255) NOT NLL

Update

* Add record to Commission Configuration
  + OtherFeeColumnName=TradeAwayFee
  + DisplayName= ‘Trade Away Fee’
  + DisplayOrder=11
  + IsEnabled=1
  + IsProrated=0
  + OtherFeeGrpID=0 – Other Fees

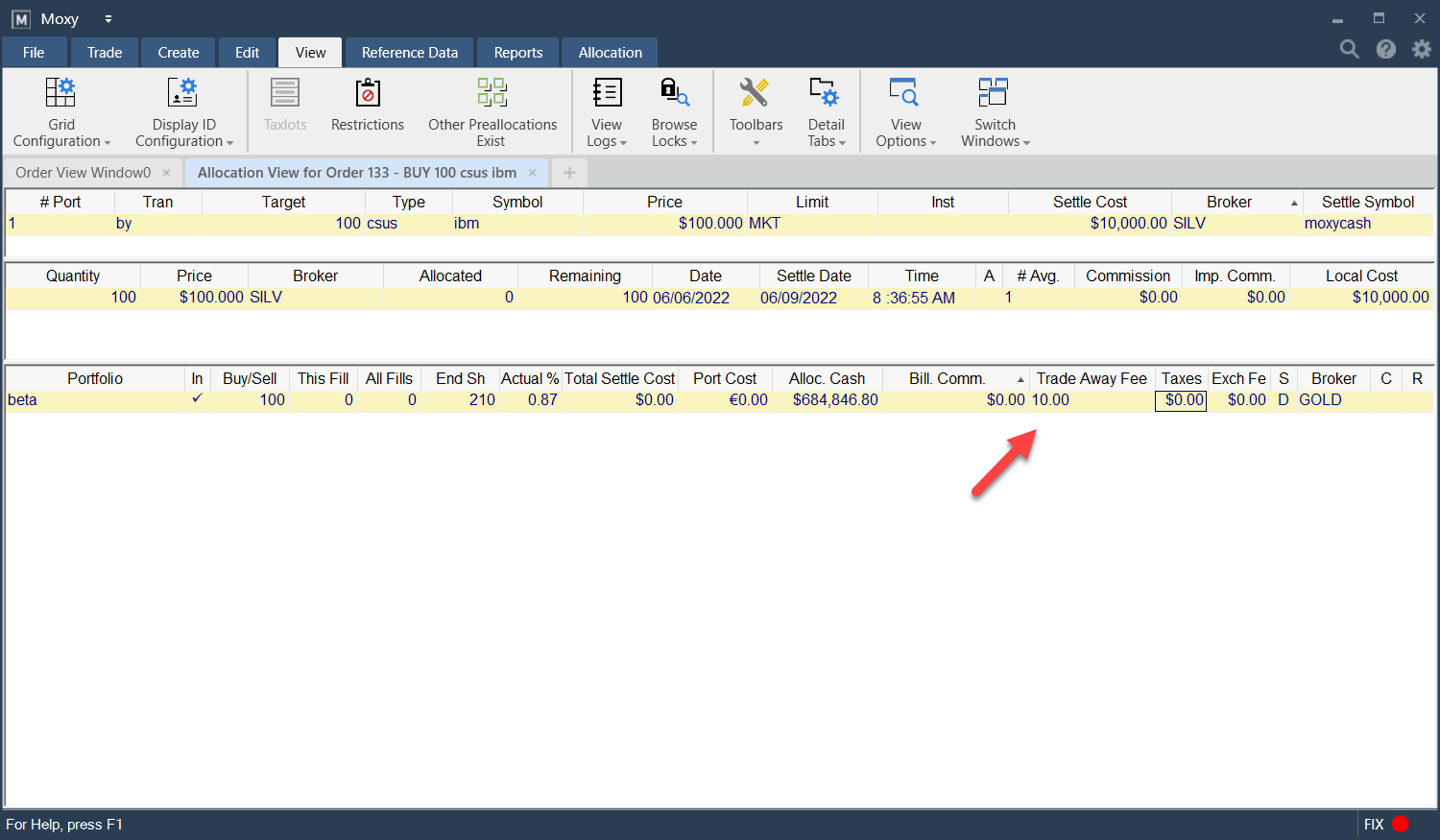
**Note:** We do not need to update MoxyAllocationAmendment or MxOm.MoxyAllocationAmendment\_Audit because we will not include Trade Away Fee in post trade communciations… Only Export

**UI**

**AR Window**

In the AR Window, Add 2 fields to the Portfolio Detail section

* Caption= ‘**Trade Away Fee’**
  + Content: MoxyAllocation.TradeAwayFee
  + Must be a number >= 0.00
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Editable
* Caption=’**Total Settle Cost (Market)**’
  + Content: Total Settle Cost-Trade Away Fee
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Not Editable



In the AR Window, Add 2 fields to the Step-Out Detail section

* Caption= ‘**Trade Away Fee’**
  + Content: MoxyAllocation.TradeAwayFee
  + Must be a number >= 0.00
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Editable
* Caption=’**Local Cost (Market)**’
  + Content: Local Cost – Trade Away Fee
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Not Editable

Other AR Window Fields

When Trade Away Fee is committed along with the allocation, we will need to include the impact of Trade Away Fee on MoxyPosition.AllocPos, MoxyPosition.AllocValueBasis, MoxyPosition.PreAllocPos, MoxyPosition.PreAllocValueBasis, MoxyPosition.OpenPos (for new position), MoxyPosition.OpenValueBasis (for new position), dbo.MoxyAllocation.CashValueBasis and MoxyAllocation.ValueBasis.

We will not include Trade Away Fee in the AR: Total Settle Cost or other net Cost fields that currently include commission details (Ticket Charge). This is based on limited validation. We may discover that firms do want to have Moxy include the fee in Net cost so it matches APX cost basis and not what is communicated to the market

Impact on other fields in AR Window

* Display Trade Away Fee in the portfolio detail section of Allocation
  + **Do not include** the Trade Away Fee in any other field calculation such as:
    - Local Cost, Port Cost, Total Port Cost, Total Comm. Settle Cost, Total Settle Cost
  + **Include** the Trade Away Fee in the following field calculations:
    - Pre-Alloc Cash, Alloc. Cash, Short YTD R Gain, Long YTD R Gain, Total YTD R Gain, Short Target Gain, Long Target Gain, Total Target Gain

From RC

So far, we need to include TradeAwayFee to the following columns based on my understanding:

* Dbo.MoxyAllocation.ValueBasis
* Dbo.MoxyAllocation.CashValueBasis
* Dbo.MoxyPosition.AllocPos for Settle Cash (aka SettleCost/SettleQty/SettlePos ?)
* Dbo.MoxyPosition.AllocValueBasis
* APX amount export

I search all modules under core-Moxy to outline the following columns that are derived from CommAndFeeLocalCost:

* UnitCost for taxlot that should include TradeAwayFee in CommAndFeeLocalCost to rollup \*ValueBasis and \*Pos into dbo.MoxyPosition consistently. **Include**
* Gain (YES)
* MarketValue [AllocPos\*(ShareValue - AllocValueBasis\*IsZeroMV)] that should include TradeAwayFee for ZMV securities consistently
* SettleCost/SettlePos [Quantity\*(IsZeroMV\*ValueBasis-ShareValue) - CommAndFeeLocalCost)\*LocalToSettleFx ] should include TradeAwayFee in CommAndFeeLocalCost
  + Include TradeAwayFee for ZMV securities consistently
  + SettleCost/SharePos displayed as ShareQty/IntradayShareQty for Cash Position in P&L
  + SettleCost in MxRestUsk.RestTran for Restriction Checking (?)
  + SettleCost in ModifiedDurationVal and ModifiedDurationWgt for Portfolio Valuation (?)
* NetAmount-TradeAwayFee in Custom SEC Blotter report (?)
  + Yes
* NetAmount-TradeAwayFee for Allocation display through Pub/Sub (?)
  + Yes
* CommAndFeeLocalCost display for Order/Allocation display through Pub/Sub (?)
  + YES
* CostQty for P&L that should include TradeAwayFee to rollup CostQty with the association of dbo.MoxyAllocation.ValueBasis and dbo.MoxyTaxLot.UnitCost for consistency)
  + AllocQty\*ValueBasis for AvgCost transaction
  + AllocQty\*UnitCost from lot for Non-AvgCost Cllose Transaction
  + AllocQty\*AllocPrice\*PaydownFactor\*ValuationFactor+CommAndFeeLocalCost for NonAvgCost Open Transaction (equal to TotalCost for new tax lot)
  + YES

Your detailed requirements do not only help SEs to decide whether we shall include TakeAwaysFee into CommAndFeeLocalCost or not, but also help us to decide the implementation scope.

Key Point is that wherever we include fee’s today, we should include TradeAwayFee.

Richard prefers to include it in the CommissionandFee

**Allocation Tab**

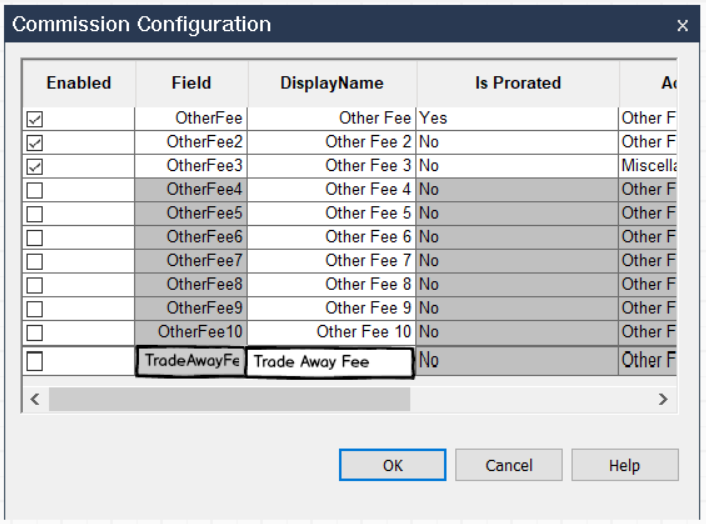
Add 3 new fields to the Allocation tab representing existing fields less and calculated Trade Away Fee

* Caption= ‘**Comm & Fees (Market)**’
  + Content: Comm & Fees – Trade Away Fee
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Not Editable
* Caption**=** ‘**Value Basis (Market)**’
  + Content: Value Basis – Trade Away Fee/Quantity
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Not Editable
* Caption**=** ‘**Alloc Cost Net (Market)**’
  + Content: Alloc Cost Net – Trade Away Fee
  + Display in Local Currency
  + Use Currency Precision and Rounding
  + Not Editable

**Commission Configuration**

Add a new line to the Commission Configuration dialog with the following definition

* Enabled= No (Default)
* Field=TradeAwayFee
* DisplayName=Trade Away Fee
* IsProrated=No
* Accounting Transaction=Other Fee



Note: In most use cases except Omnibus, Trade Away Fee should be applied per portfolio. However, we should support IsProrated from the Commission Configuration dialog. If users change it=Yes, pro-rate the Trade Away Fee across the underlying portfolios. We should do this for consistency.

Accounting Transaction Options should be: Other Fees, Miscellaneous Fees, Miscellaneous Fees2 Miscellaneous Fees3 and Taxes

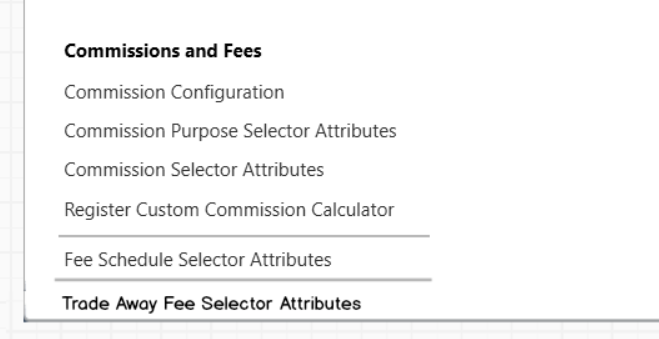
TradeAway Fee should be disabled initially since ‘Firm’, ‘EnableTradeAwayFee’=0. It would be enabled when the user enables the Trade Away Fee feature (‘Firm’, ‘EnableTradeAwayFee’=1)

**System Settings**

In System Settings, add a new line under Commission and Fees section

Caption: Trade Away Fee Selector Attributes

When selected, the Trade Away Fee Selector Attributes dialog is displayed allowing firms to update what attributes are enabled and what hierarchy they are evaluated



**Support Trade Away Fee**

Add a checkbox to the Orders tab captioned “Support Trade Away Fee”

Place the checkbox and caption beneath the “Calculate Estimated Trade Charges” check box

* WRITEPROFILEINT ‘Firm’, ‘EnableTradeAwayFee’, ‘’,
  + 0 (DEFAULT) – Disable Trade Away Fee functionality
  + 1 – Enable Trade Away Fee functionality

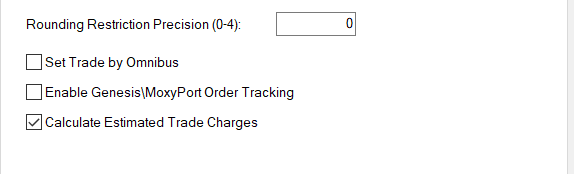
If ‘Firm’, ‘EnableTradeAwayFee’, ‘’, 0, disable the following UI (Grey out rather than remove)

* System Settings >> Commission and Fees >> Trade Away Fee Selector Attributes
* Order View: Commission and Fee detail menu >> Trade Away Fee Selector
* Omnibus Information >> Pro-Rate Trade Away Fee check box
* Commission Configuration >> Trade Away Fee line

Note: It is fine to leave the Order View fields as they are since they will only display 0.00 when Trade Away Fee is disabled

When ‘Firm’, ‘EnableTradeAwayFee’ is changed to 1, set Commission Configuration: TradeAwayFee to IsEnabled=1

When ‘Firm’, ‘EnableTradeAwayFee’ is changed to 0, set Commission Configuration: TradeAwayFee to IsEnabled=0



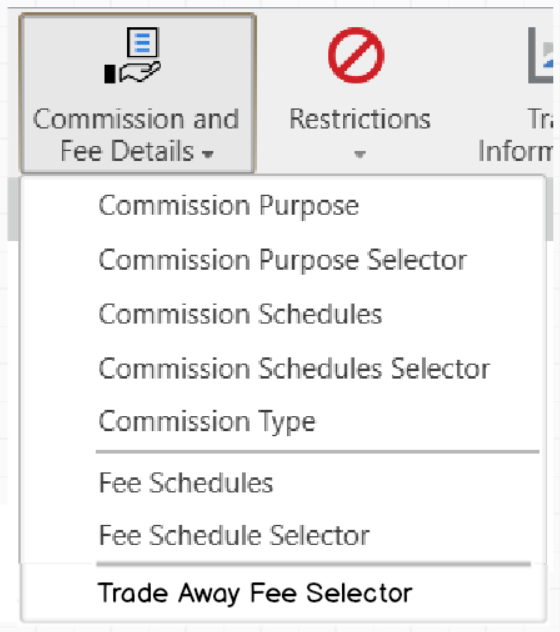
**Commission and Fee Details Dialog**

Add a new item to the Commission and Fee Details dialog

Caption: Trade Away Fee Selector

Place it below “Fee Schedule Selector” with a dividing line

Selecting ‘Trade Away Fee Selector’ will launch the Trade Away Fee Selector Filter dialog



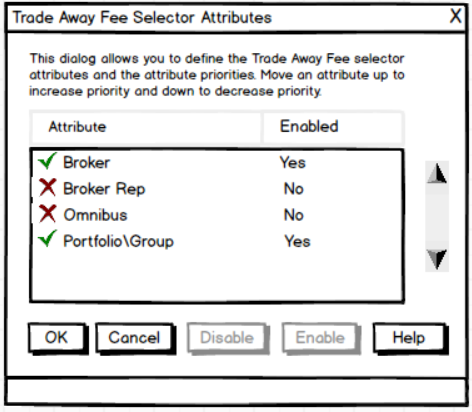
**Trade Away Fee Selector Attributes**

Add a new dialog to select what Trade Away Fee Selector attributes to enable and in what hierarchical order they should be evaluated.

Attributes to include in this ranked order:

1. Broker ID
2. Broker Rep ID
3. Omnibus ID
4. Portfolio/Group

Default should be Broker ID = Enabled; Broker Rep ID = Disabled; Omnibus ID = Disabled; Portfolio/Group = Enabled



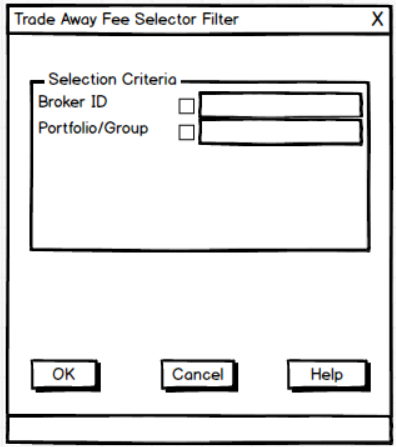
Reference the Commission Selector Attributes for dialog workflow example

**IMPORTANT**: Need to document that if a firm uses OMNIBUS as a Selector Attribute, it must be higher in the hierarchy than Portfolio\group to have it correctly choose the right selector

**Trade Away Fee Selector Filter**

Add a new dialog that is launched when Trade Away Fee Selector is selected from the Commission and Fee Details menu

Dialog caption: Trade Away Fee Selector Filter



Reference the Commission Selector Filter for dialog workflow example

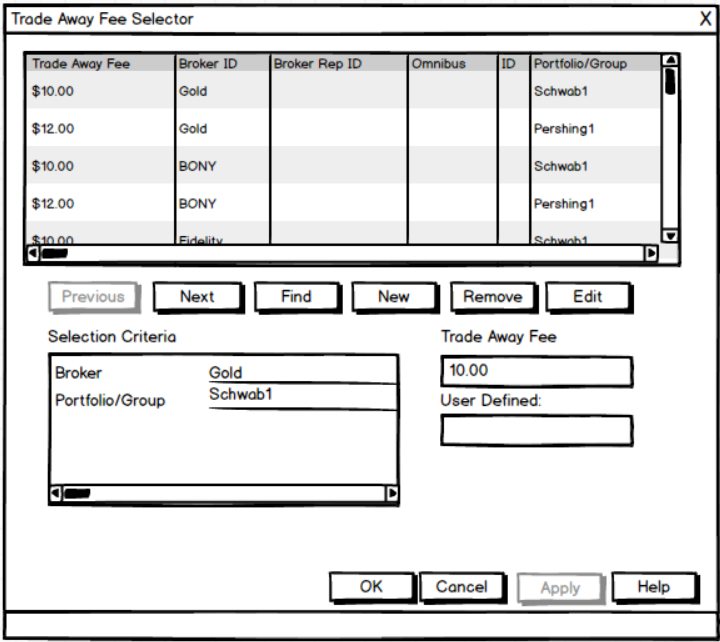
**Trade Away Fee Selector**

Add a new dialog that is launched after a user selects OK from the Trade Away Fee Filter dialog. Filter the results if the user enters values in selection criteria otherwise display all selector records

Caption: Trade Away Fee Selector

Note: We do not associate the definition of attributes with a schedule that can be invoked. Instead, a single flat Trade Away Fee is defined and will be applied to the Trade Away Fee field in MoxyAllocation if the selector is chosen.

There is no Batch Create feature

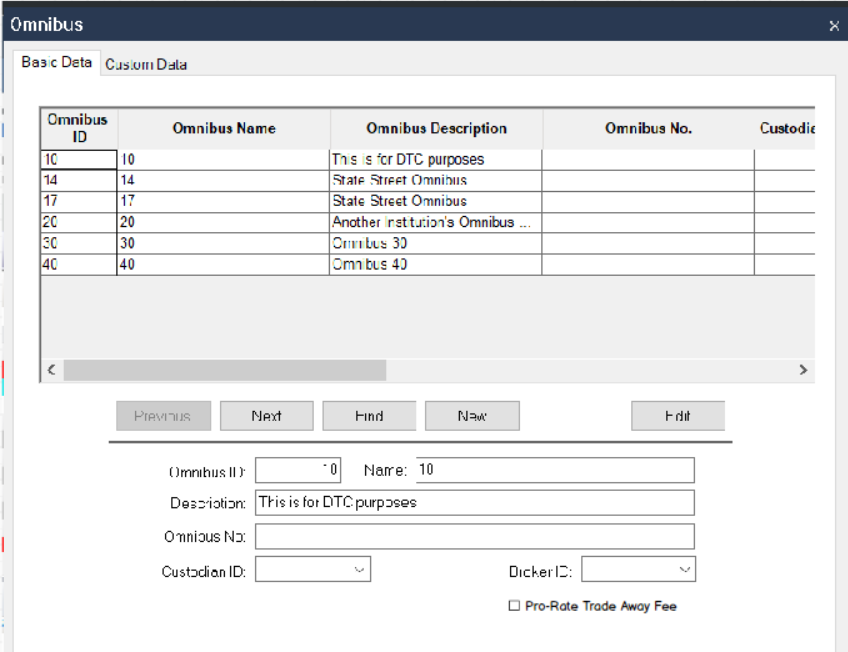


Reference the Commission Selector for dialog workflow examples

**Omnibus Information**

Add a checkbox captioned Pro-Rate Trade Away Fee

Default setting for the check box is “Un-Checked” (=0)



RC: We need to add ProRateTradeAwayFee bit NOT NULL DEFAULT 0 into dbo.MoxyOmnibus. If I am right, we need to add ProRateTradeAwayFee into MxApp.vOmnibus too. Yes. I will update the public view section

* 1: Pro-Rate Per Ombinus
* 0: No Trade Away Fee for this Omnibus Trading or Apply TradeAwayFee in Portfolio/Group level?
  + I hope that the answer is No Trade Away Fee for this Omnibus Trading. If the answer is “Apply TradeAwayFee in Portfolio/Group level”, we need to ensure the Rank for Ombinus attribute is higher than Portfolio/Group attribute.

If the Pro-Rate Trade Away Fee is checked, It means that we pro-rate a single Trade Away Fee across all portfolios in the same Omnibus that are part of the allocation. If the Pro-Rate Trade Away Fee is **Un-**checked, then we should apply the Trade Away Fee logic to each portfolio in the Omnibus

We are trying to achieve two omnibus use cases.

1. Apply a Single Trade Away Fee calculated by the Fee Selector pro-rata across the omnibus
2. Apply a Trade Away Fee for each portfolio in the Omnibus

BTW, do we need to have advanced logic process for Moxy UI:

1. If Pro-Rate Away Fee is changed from Checked to Unchecked, the related Trade Away Fee selection data shown in Trde Away Fee Selector Dialog will be removed automatically?
2. We only show Ombinus with Pro-Rate Away Fee = 1 to be picked in Trde Away Fee Selector Dialog.

No I do not think we need to make any changes to the Trade Away Fee Selector dialog.  
See my example of how Omnibus trading should work below in the Workflow section. It will be up to the user to set up the data to support Trade Away Fee correctly

**Workflow**

**Setup**

In order for Moxy to calculate Trade Away Fees based on Prime Broker and Portfolio Group, the firm will need to do the following:

1. Set up Trade Away Fee Selector Attributes as
   1. Broker ID=Enabled
   2. Portfolio/Group=Enabled
2. Create a Group containing portfolios that are custodied at each broker that applies a Trade Away Fee charge
   1. For example: G1 = Schwab Portfolios; G2=Pershing Portfolios
3. Create Trade Away Fee Selectors that apply a Trade Away Fee depending on the Portfolio\Group and the executing Broker (where it is not equal to the Prime Broker\Custodian for the group)
   1. For example
      1. Broker ID = Schwab; Group=G2: $12.00
      2. Broker ID = Pershing; Group= G1: $10.00
      3. Broker ID = Gold; Group= G2: $12.00
      4. Broker ID = Gold; Group= G1: $10.00
      5. Broker ID = Fidelity; Group= G2: $12.00
      6. Broker ID = Fidelity; Group= G1: $10.00
      7. Broker ID = BONY; Group= G2: $12.00
      8. Broker ID = BONY; Group= G1: $10.00

Note: There may be other use cases a firm needs to meet beyond Broker + Group deemed to be the most likely implementation. For instance, Corbyn manages trades for sub-advisors and ALWAYS charge a Trade Away Fee. In their Commission Schedule setup, the use Portfolio\Group and SecType. Each Group of Portfolio represents a particular sub-advisor and each sub-advisor negotiates its unique Trade Away Fee amount. They add SecType because they’ll have different schedules for equities vs. bonds that have nothing to do with Trade Away Fee but must be incorporated into Commission Calculation

They would create the following Trade Away Fee Selectors to achieve the same result based on Portfolio/Group only

* Group=G1: $10.00
* Group=G2: $12.00

Several other firms indicated that Trade Away Fee is applied by Omnibus. Sometimes the fee is applied per portfolio and sometimes the fee is applied pro-rated across the portfolios in the omnibus. In this use case, the firm would enable Broker and Omnibus as Selector Attributes. They would then check or uncheck the Pro-Rate Trade Away setting in Omnibus Information to determine whether to apply the Trade Away Fee pro-rated or per portfolio.

**Allocation**

When there is an allocation, invoke the Trade Away Fee Selector and apply the Trade Away Fee defined in the selector chosen to MoxyAllocation.TradeAwayFee  
If no selector is chosen, set MoxyAllocation.TradeAwayFee = 0.00

The application of the Trade Away Fee Selector is always invoked at allocation regardless of allocation settings such as applying a portfolio schedule or an executing broker schedule, stepping out a portfolio or stepping out portions of a portfolio via Broker Step Out Ratio. The Trade Away Fee is invoked and if a selector is chosen, the defined fee is applied

When evaluating what Trade Away Fee Selector to choose, include selectors that define Portfolio/Group as part of all evaluations (i.e. it is not dependent on the same setting that drives commission selectors and Portfolio/Group).

Apply Trade Away Fee Per Portfolio

The Trade Away Fee should be applied per portfolio except in the case of Omnibus Pro-rata. However, the portfolios in the allocation that will get the fee will depend on how the selector is defined,

For example:

An Allocation for executing Broker = Gold has 4 portfolios P1, P2, P3 and P4

P1, P2 and P3 are in Group G1

A Trade away Fee selector for Broker=Gold and Portfolio/Group=G1 is chosen. The Trade Away Fee for this selector is $10.00

Apply $10.00 to each Portfolio in the Allocation

* P1 - $10.00
* P2 - $10.00
* P3 - $10.00
* P4 - $0.00

**Impact on Positions and Value**

Trade Away Fee should be included in all position valuation for both the trade-side and Settle Cash

* + MoxyAllocation.ValueBasis
  + MoxyAllocation.CashValueBasis
  + MoxyPosition.AllocPos; MoxyPosition.ValueBasis
* Since it will be part of valuation it will automatically be included in all the calculations that rely on it

For the fields that display Cost in the AR Window, we should look to reduce scope. The best design appears to be adding TradeAwayFee to the current calculation of CommissionAndFees so that we can make a single change that would apply throughout core Moxy and not require changes wherevere settle cost is calculated. This means that we will include TradeAway Fee in: Settle Cost, Total Settle Cost

**Omnibus**

Omnibus ID’s are associated to a portfolio and are used to group portfolios together as a single trade communicated to the market. This is done to save on trading costs.

Feedback on this feature request was mixed. Some firms felt that the Trade Away Fee should be applied per portfolio while others requested it be applied Pro-Rata across the portfolios in the allocation. We will need to be able to support both workflows. This will be implemented using a new setting added to the Omnibus Information dialog – Pro-Rate Trade Away Fee

For example, set up the following:

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456
  + Portfolio P1 and P2 have OmnibusID=123456
* Pro-Rate Trade Away Fee Pershing = **Checked**
* Pershing applies Trade Away Fees per portfolio on Omnibus trades.
* Pershing Omnibus=246801
  + Portfolio P3 and P4 have OmnibusID=246801
* Pro-Rate Trade Away Fee Pershing = **Un-Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00
  + Broker=Gold; Omnibus=246801: Trade Away Fee= $12.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1, P2, P3, and P4. Apply Trade by Omnibus setting
  + P1 – 100 shares; Omnibus=123456
  + P2 – 100 shares; Omnibus=123456
  + P3 – 100 shares; Omnibus=246801
  + P4 – 100 shares; Omnibus=248601
* The Trade Away Selector should apply the following results
  + P1 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00
  + P2 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00
  + P3 – 100 shares; Omnibus=246801: Trade Away Fee=$12.00
  + P4 – 100 shares; Omnibus=248601: Trade Away Fee=$12.00

**RC: If BrokerID/Ombinus/PortfolioBase attributes are enabled, do you allow users to specify Omnibus and PortfolioBase in a selector record at the same time? If YES, the result may not be inaccurate. Do we want to do the checking to prevent Omnibus and PortfolioBase to be specified at the same time? If the validation is not implemented, it will be selector-garbage-in-TradeAwaysFee-garbage-out.**

**JJM Garbage in \Garbage Out. We will do not code change to prevent incorrect application of the selectors**

**RC: We can add Table Check Constraint (OmbinusID = 0 OR PortBaseKey = 0) to prevent the dirty data.  
I suppose you are right but lest discuss the consequences**

**Step out**

If you step out a portfolio, the broker that is evaluated when matching a Trade Away Fee Selector should be the broker being stepped out to.

*Portfolio Step-Out Example*

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Portfolio/Group=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Group=G2: Trade Away Fee= $12.00

Allocation

* Create an Allocation for Broker Gold containing portfolios from G2. Step Out Portfolio P4 to Broker Pershing
  + P3; Broker=Gold
  + P4; Broker=Pershing
* The Trade Away Selector should apply the following results
  + P3; Broker=Gold: $12.00
  + P4; Broker=Pershing: $0.00

*Portfolio Step Out in an Omnibus example:*

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456;
* Portfolios P1, P2, and P5 have Omnibus=123456
* Omnibus Information: Pro-Rate Trade Away Fee 123456 = **Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1, P2, and P5. Step Out Portfolio P5 to Broker Schwab
  + P1; Broker=Gold
  + P2; Broker=Gold
  + P5; Broker=Schwab
* The Trade Away Selector should apply the following results
  + P1; Broker=Gold: $3.33
  + P2; Broker=Gold: $3.33
  + P5; Broker=Schwab: $0.00

Note: Pro-Rate across the portfolios that are trading away from Schwab but include the step out portfolio as part of the proportion calculation

**The algorithm is as follows:**

1. In average fill level(before step-out), get trade away fee selector by OmnibusID, **Executing Broker**(in average fill level). For this example, in the fill level, P1, P2, P5 use same executing broker Gold, and same Omnibus 123456, so we can get trade away fee selector (Gold, 123456, $10.00) for each portfolio.
2. Get the proportion for each portfolio in its Omnibus. Follow the logic, we get that each portfolio accounts for 33.33% of the Omnibus.

The numerator is each portfolio allocation amount that matched trade away fee selector.

The denominator in AvgFill level is the summary of matched AllocQty group by non-zero OmnibusID for Omnibus Trading.

1. Then after Step-Out, we get trade away fee selector by OmnibusID, **Step-Out Broker**. For this example, in broker step-out level, P1, P2 can get selector(Gold, 123456, $10.00), but P5 cannot get selector.
2. Here we assume Trade Away Fee Configuration IsProrated equal to 0, so, we can get the proportion for each broker in each portfolio, P1(100%), P2(100%), P3(100%)
3. So, the final result for each portfolio would be:
   1. P1 – 10\*33.33%\*100% = 3.33
   2. P2 – 10\*33.33%\*100% = 3.33
   3. P3 – 0\*33.33%\*100% = 0

**Broker Step-Out Ratio**

The Broker Step-Out Ratio functionality allows firms to step out a portion of each portfolios allocation to one or more destinations. This differs from portfolio step-outs where the entire amount of an allocation for the portfolio is sent to a different broker than the executing broker.

When even a portion of an allocation is executed at a broker that is different than the custody broker charging a Trade Away Fee, a full Trade Away Fee is applied.

They do not charge a pro-rated Trade Away Fee based on the portion that was stepped out if there is only a single allocation to the non-custody broker. I.e. 50% to Custody broker and 50% to a non-custody broker does not result in a 50% fee. A Trade Away Fee of 100% is applied

They do not charge multiple Trade Away Fees if there are multiple allocations based on the broker step out ratio. i.e. 50% to custody broker, 25% to non-custody broker A and 25% to non-custody broker B does not result is the Trade Away Fee being applied for the allocation to Broker A or Broker B. Only a single Trade Away Fee should be applied and it should be pro-rated across the non-custody broker allocations

Example 1 – Charge full fee when there are allocations to a non-custody portfolio

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
* Define Broker Step-Out Ratio:
  + 50% to <executing> = Schwab
  + 50% to <gold>
* Allocate 100 shares to Portfolio P1 using **executing broker Schwab**
  + 50 shares to Schwab; Trade Away Fee = $0.00
  + 50 shares to Step-Out Broker=Gold; Trade Away Fee = $10.00

Example 1.A

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
* Define Broker Step-Out Ratio:
  + 50% to <executing> = Gold
  + 50% to <Schwab>
* Allocate 100 shares to Portfolio P1 using **executing broker Gold**
  + 50 shares to Executing Broker=Gold; Trade Away Fee = $10.00
  + 50 shares to Step Out Broker Schwab; Trade Away Fee = $0.00

Example 1.B

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
  + Broker = Fidelity
  + Portfolio/Group=G1: Trade Away Fee=$10.00
* Define Broker Step-Out Ratio:
  + 50% to <executing> = Gold
  + 50% to <Fidelity>
* Allocate 100 shares to Portfolio P1 using **executing broker Gold**
  + 50 shares to Executing Broker=Gold; Trade Away Fee = $5.00
  + 50 shares to Step Out Broker Fidelity; Trade Away Fee = $5.00

Example 2 – Pro-rate when there are multiple step-out allocations to non-custody brokers

**Note**: This is an unlikely scenario because the Trade Away Fee should be the same fee for any portfolio custodied at Schwab when traded at another broker. I would typically expect the Trade Away Fee to be $10.00 for both Gold and Fidelity. However, this could be set up this way so we should try to support with a reasonable calculation

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector:
  + Broker=Gold
    - Portfolio/Group=G1: Trade Away Fee=$10.00
  + Broker=Fidelity
    - Portfolio/Group=G1: Trade Away Fee=$12.00
* Define Broker Step-Out Ratio:
  + 25% to <executing> = Schwab
  + 50% to <gold>
  + 25% to <Fidelity>
* Allocate 100 shares to Portfolio P1 using executing broker Schwab
  + 25 -shares to Schwab; Trade Away Fee = $0.00 – No Selector to be found
  + 50 shares to Gold; Trade Away Fee = $5.00 – Selector can be found with $10.00 Trade Away Fee
    - 10.00\*50/75 = $6.67
  + 25 shares to Fidelity; Trade Away Fee = $3.00 – Selector can be found with $12.00 Trade Away Fee
    - 12.00\*25/75 = $4.00

The formula will be: (TradeAwayFee \* Broker Step-out percentage)/Total percentage of the portion of the allocation that is NOT going to the Prime Broker\Custodian

Note: This produces nonsense for use case 2 above where the TradeAwayFee applied in the broker step-out ratio is different. This is a bad setup. If the Trade Away fee is applied using the same value, we get the correct result of a single Trade way Fee for the sum of the allocations.

**Custodian Allocation Ratio**

If you have more than a single allocation created by a Custodian Allocation Ratio, pro-rate the Trade Away Fee across these records. These trades will only be charged a single TradeAwayFee based on the Broker so it should be applied pro-rata across the number of allocations created.

Example

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
* Define Custodian Allocation Ratio:
  + 50% to <10-Morgan>
  + 50% to <20-Bony>
* Allocate 100 shares to Portfolio P1 using **executing broker Gold (Trade Away Fee is charged)**
  + 50 shares to Gold + Custodian 10-Morgan; Trade Away Fee = $5.00
  + 50 shares to Gold + Custodian 20-BONY; Trade Away Fee = $5.00

~~Broker Step-Out Ratio and Custodian Allocation ratio are not dependent on whether this is an omnibus trade or not. When applying a Trade Away Fee, you use the same rules described above. The only difference is if you are pro-rating an omnibus by setting or not. You would use the pro-rated amount as the input for the broker step out ratio and custodian allocation ratio~~

~~For example~~

* ~~Omnibus 123456 has 5 Portfolios: P1, P2, P3, P4, P5~~
* ~~Order has each portfolio preallocated of 100 sharez~~
* ~~A Trade Away Fee of $10.00 is applied if Omnibus123456 is traded at executing broker=gold (i.e. not Schwab)~~
* ~~Upon Allocation, Apply Custodian Allocation Ratio so that two allocations per portfolio are created 50% and 50% in each~~
* ~~Apply Trade by Omnibus with Pro-Rate Trade Away Fee set to True for Omnibus=123456~~

~~Result~~

* ~~Trade by Omnibus results in each portfolio getting a pro-rata of $10.00 or $2.00 each (because in this example, we are buying the same shares for each portfolio)~~
* ~~Two allocations per portfolio are created for each Portfolio resulting in the following records~~
  + ~~P1 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P1 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P2 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P2 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P3 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P3 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P4 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P4 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P5 – 50 shares - $1.00 Trade Away Fee~~
  + ~~P5 – 50 shares - $1.00 Trade Away Fee~~

~~The total is a Trade Away Fee of $10.00~~

**More on Omnibus and Broker Step Out and Custodian Allocation Ratio**

Here are some guidelines from discussions on these use cases

* When both attribute of Omnibus and Port/Group are enabled, Omnibus must have the higher rank
* We will not allow users to enter OmnibusID and Portfolio as an Trade Away Selector at the same time when both attribute of Omnibus and Port/Group are enabled

IsProrated = 1

* The denominator in AvgFill level level is the summary of matched AllocQty group by non-zero OmnibusID for Omnibus Trading
* The denominator in Broker Stepout level is the summary of matched AllocQty group by Portfolio.

Omnibus Trading

* If MoxyAllocation.OmnibusID <> 0, IsProrated is not sensitive to TradeAwayFee Configuration and is sensitive to MoxyOmnibus.ProRateTradeAwayFee
* If MoxyAllocation.OmnibusID = 0, IsProrated is sensitive to TradeAwayFee Configuration and not sensitive to MoxyOmnibus.ProRateTradeAwayFee
* When OmnibusID = 0 (P5 and P6 in the example) for Omnibus Trading, it will follow the individual portfolio work flow

Individual portfolio trading (i.e.; OmnibusID = 0)

* IsProrated is sensitive to TradeAwayFee Configuration
* In AvgFill level, it is always non-Prorate regardless of the IsProrated value
* In Broker Stepout level
* If IsProrated = 1, its work flow like O1 in this spreadsheet for Broker Stepout
* If IsProrated = 0, its work flow like O2 in this spreadsheet for Broker Stepout

Custodian Allocation Ratio always pro-rates regardless of the IsProrated and OmnibusID value

Here is a lint to a document containing examples of the above use cases.

<https://confluence.advent.com/download/attachments/32903179/CalculateCasesOmniStepOut.xlsx?api=v2>

**Trade Away Fee Selector and Dynamic Groups**

Portfolio/Group is a Trade Away Fee selector attribute. As such, we need to implement the same implementation as the Commission Selector with regards to Portfolio/Groups. It needs to be dynamic so that if a firm creates a selector based on a Group, then adding a portfolio to the group should automatically include it in the group being evaluated by the selector.

RC: We can associate Portfolio for Commission calculation. In this document, you only specify the requirements for Group. If Trade Away Fee is ALWAYS applied to Group, we should change Portfolio/Group to Group to avoid unnecessary errors for Trade Away Fee configuration.

My goal with this feature is to let users assign Trade Away Fees based on group membership. As they add or remove portfolios from a group, any subsequent invocation of the Trade Away Fee Selector will include a current evaluation of the group membership before applying a fee

We should follow the same design as with Commission Selector

**Important:** The decision was made to implement Group Trade Away Fee Selector differently than we have implemented Group Commission Selector.

*Portfolios are initially linked to the group that are used to create a Commission Selector. This is so we know when to make an edit to the portfolio commission Selector when a portfolio is in multiple groups.*

* + *A portfolio Commission Selector record will always be linked to  0 or 1 group Commission Selector records*
  + *A portfolio Commission Selector record will never be linked to more than one group Commission Selector record*
  + *A portfolio Commission Selector record can be linked to 0 group Commission Selector records by adding the commission selector record individually or through a Remove portfolio from a Group action where the user chooses to keep the commission selector record*

That means in this example, we will have different result:

G1(P1,P2), G2(P2, P3)

* Create a Commission Selector for G1:CS1
  1. G1: TAF1
  2. P1: TAF1 (G1, P1, TAF1)
  3. P2: TAF1 (G1, P2, TAF2)
* Create a Commission Selector for G2:TAF1. Pop up n dialog, so the user has to pick which group commission selector to apply through the UI. Though this is not a confliction, but it decide P2’s selector inherit from which group. In this example, the user chooses the G2 Commission Selector for P2 conflict. Then the result would be
  1. G1: TAF1
  2. P1: TAF1 (G1, P1, TAF1)
  3. P2: TAF1 (G2, P2, TAF1)
  4. G2: TAF1
  5. P3: TAF1 (G2, P3, TAF1)
* Then if users edit G1’s selector, it won’t affect P2’s selector; let’s change G1’s selector to TAF3, the result would be:
  1. G1: TAF3
  2. P1: TAF3 (G1, P1, TAF3)
  3. P2: TAF1 (G2, P2, TAF1)
  4. G2: TAF1
  5. P3: TAF1 (G2, P3, TAF1)
* If Uses edit G2’s selector, it will change P3 only; let’s change G2’s selector to TAF4, the result would be:
  1. G1: TAF3
  2. P1: TAF3 (G1, P1, TAF3)
  3. P2: TAF4 (G1, P1, TAF3)
  4. G2: TAF4
  5. P3: TAF4 (G2, P3, TAF4)
* Users edit P2’s selector individually, change TAF4 to TAF1, Pop up an dialog, so the user has to pick which group commission selector to apply or use P2’s individual selector through the UI. In this example, the user chooses the P2’s individual selector. Then the result would be:
  1. G1: TAF3
  2. P1: TAF3 (G1, P1, TAF3)
  3. P2: TAF1
  4. G2: TAF4
  5. P3: TAF4 (G2, P3, TAF4)
* Then P2’s selector is independent, whether changing G1 or G2’s selector, it won’t affect P2’s selector;

And this is consistent with the logic when importing groups automatically:

*With import we just add the portfolio commission selector and give it the commission schedule of the group commission selector record.*

*If the portfolio commission selector already exists, we over-write it with the commission schedule of the imported group commission selector record*

*If two groups are imported with the same new portfolio, and each group has a group commission selector record, we use the first group alphabetically (presumably. I did not verify that)  
  
In short: We do not try to validate but assume the user who is managing groups in APX knows what they are doing.*

Here are some additional Use Cases that we agreed to clarify what happens

Use Case 1 - Removing a Portfolio from a Group

(Functionally) -- all Trade Away Fee Selectors have the same conditions C1

1. We start with the following:

Group

* G1: P1
* G2: P1
* G3: P1

Comm Selector

* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* P1+Broker=Silver: TAF10 – *P1 is linked to G1*

1. We remove P1 from G1

Group

* G1: ~~P1~~
* G2: P1
* G3: P1

This is the result

A dialog is displayed giving the users the option to remove the P1 Trade Away Fee selector record or keep it and de-couple it from group G1  
If the User chooses to remove the P1 Trade Away Fee Selector or G1 is loaded via import with P1 removed we would see this result

* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30

*P1 Trade Away Fee Selector is removed*

If the User chooses to Keep the P1 Trade Away Fee Selector but de-couple from Group G1 Trade Away Fee Selector

* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* P1+Broker=Silver: TAF10  -- *P1 is no longer linked to Group G1 Trade Away Fee Selector*

Use Case 2 – Adding a Group Trade Away Fee Selector containing portfolio belonging to a Group that is already added to Use Case 1 (Functionally) – all Trade Away Fee Selectors have the same conditions C1

1. We start with the following:

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30

1. Add G0 to Trade Away Fee Selector with Trade Away Fee=5

We generate a dialog that allows a user to choose G0 or G1 for the P1 Trade Away Fee Selector

If the user chooses G0, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF5**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF5** – P1 is linked to G0

If the user chooses G1, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF5**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10** – P1 remains linked to G1

1. Instead of Step 2, Add G0 to Trade Away Fee Selector with Trade Away Fee=10. This is the same TAF as G1

**We generate a dialog that allows a user to choose G0 or G1 for the P1 Trade Away Fee Selector**

If the user chooses G0, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF10**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10**– P1 is linked to G0

If the user chooses G1, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF10**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10** – P1 remains linked to G1

For both use cases 2 and 3 above: Pop up a dialog that gives the user the choice of G0 or G1 whether the TAF is the same or is different –*Note: this is different than the Commission Selector logic*

In both use cases 2 and 3 above, Import of G0 after adding P1 to Group G0 will update the P1 Trade Away Fee Selector to the imported group (G0) Trade Away Fee Selector value.

Single Inheritance and always generate the conflict resolution dialog when there is a conflict

(Functionally) – all Trade Away Fee Selectors have the same conditions C1

1. We start with the following:

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30

1. Add G0 to Trade Away Fee Selector with Trade Away Fee=5

We generate a dialog that allows a user to choose G0 or G1 for the P1 Trade Away Fee Selector

If the user chooses G0, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF5**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF5** – P1 is linked to G0

If the user chooses G1, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF5**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10** – P1 remains linked to G1

1. Instead of Step 2, Add G0 to Trade Away Fee Selector with Trade Away Fee=10. This is the same TAF as G1

**We generate a dialog that allows a user to choose G0 or G1 for the P1 Trade Away Fee Selector**

If the user chooses G0, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF10**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10**– P1 is linked to G0

If the user chooses G1, the Trade Away UI will look like this

Group

* G0: P1
* G1: P1
* G2: P1
* G3: P1

Trade Away Fee Selector

* + **G0 +Broker=Silver: TAF10**
* G1 +Broker=Silver: TAF10
* G2+Broker=Silver: TAF20
* G3+Broker=Silver: TAF30
* **P1 + Broker=Silver: TAF10** – P1 remains linked to G1

For both use Steps 2 and 3 above: Pop up a dialog that gives the user the choice of G0 or G1 whether the TAF is the same or is different –*Note: this is different than the Commission Selector logic*

In both use steps 2 and 3 above, Import of G0 after adding P1 to Group G0 will update the P1 Trade Away Fee Selector to the imported group (G0) Trade Away Fee Selector value.

Single Inheritance and always generate the conflict resolution dialog when there is a conflict

**Transaction Export**

APX

When APX export is invoked, reference the definition of Accounting Transaction in Commission Configuration for Trade Away Fee. Add any Trade Away Fee calculated as part of an allocation to the Transaction field and ensure the cost basis (Net) will include it

Axys

Axys transactions Only have Other Fee to leverage so for Axys integrated firms, we should populate the the Other Fee field when we export a transaction containing a Trade Away Fee

Geneva Integration

Include Trade Away Fee in the Allocation update through RTM – This is likely added to the summary of CommissionandFees

If not part of CommissionandFees , we should add a task for updating the Geneva Integration to include Trade Away Fee in the Net (like Export). No need to send them the specific Trade Away Fee separately. If we send a total fees though, add it when it is present.

SEI Integration

Include Trade Away Fee in the Allocation update through RTM – This is likely added to the summary of CommissionandFees

**Closing against multiple lots (Specify)**

It is appropriate to distribute the impact of a Trade Away Fee across multiple lots being closed against using pro-rata. This is done automatically within Axys\APX when posting a transaction using other closing methods such as FIFO or LIFO etc. For orders that close against specific lots using SPECIFY closing method, Moxy export will need to correct apply a pro-rated amount of the Trade Away Fee to each lot that makes of the transaction

RC: I do not think that we need to make any Export code changes for it because we do pro-rata for CommAndFeeLocalCost where CommAndFeeLocalCost includes TradeAwayFee already. Am I right?

I think so as well but we should test and confirm

**Public Views**

Update MxApp.vAllocation to add a new field captioned “Trade Away Fee”

* Add TradeAwayFee
  + DataType: FLOAT NOT NULL

Update MxApp.vOmnibus to add a new field captioned “ProRateTradeAwayFee”

* Add ProRateTradeAwayFee
  + DataType BIT

**Reports:**

Trade Away Fee will be included in CommAndFeeLocalCost so that all Net Amount calculations in Moxy are consistent.

Only the SEC Trade Blotter reports specifically references CommAndFeeLocalCost so only this report will include Trade Away Fee in the Net Amount

**All other reports which display Net Amount\Net Trade, Total Fees etc. will NOT include Trade Away Fees explicitly or in any of the fee summarizations like Net Amount**

The reports that we might consider adding Trade Away Fee in the future are:

* Allocation Ticket\Audit Allocation Ticket:
* Custodian Notification by Order
* Custodian Notification by Portfolio
* International Custodian Notification
* Step-Out Allocation Ticket
* Syndicate Allocation Ticket
* Trade Allocation by Portfolio
* Trade Allocation by Security
* Trade Ticket
* Broker Commission
* Allocation by Portfolio
* Allocation by Security
* Execution Detail

**Post Trade**

There should be no need to change any pot-trade integrations as part of this feature since the goal is to calculate a Trade Away Fee, but not have it applied to any post-trade market communication.

Do not include Trade Fee in post-trade integrations except Export to an accounting system. This covers the following integrations:

* CTM/ITP
* Oasys
* DTCC
* FIX Allocations
* Uploads

Note: we may find specific uploads would like us to include Trade Away Fees in the communication but based on initial client validation, the assumption is that these fees would be calculated by the custodian after the upload so there is no need to include them. If we get information to the contrary, we will handle through a separate story

From Robert Wu analysis MXY-44465

The following 3rd party integration products was reviewed:

* All FIX Algo
* All Upload interface
* All Darkpool Interface
* FIX Allocation workflow
* Moxy Allocation Interface
* DTCC
* CTM
* MoxyPort
* Moxy APX Integration
* Moxy Geneva Integration
* BondEdge Integration
* Moxy Framework Integration

There are two integrations that reference CommAndFeeLocalCost

* Moxy Framework Integration
* MoxyPort
* Moxy Integration

MxStp.fpUploadAllocation.NetAmt and MxApp.vAllocation.NetAmt are part of Moxy Framework Integration and they includes CommAndFeeLocalCost in it's NetAmt calculation.

The following are the Upload interfaces that output MxStp.fpUploadAllocation.NetAmt. Note that we only need to change MxStp.fpUploadAllocation and not the Upload Interface themselves.

* MxBN
* MxFI
* MxSSC

JJM Response:

The following 3rd party integrations should NOT include Trade Away Fee

* CTM/ITP
* Oasys
* DTCC
* FIX Allocations
* Uploads
* SMA

Since you indicate that 3 uploads leverage MxStp.fpUploadAllocation and this includes CommAndFeeLocalCost, we should remove the Trade Away Fee from these uploads so that we consistently do not include the Trade Away Fee for ALL uploads.

**Cash Position View**

The Cash Position View has an Execution Cash field that applies a pseudo-allocation to a trade that has executions in order to project where portfolio cash will be should all executed trades also be allocated. This pseudo-allocation includes commission and fees today.   
However, for reasons of scope reduction, we will not add Trade-Away Fee as part of the Execution Cash number.

Note: We may add this feature in the future based on client-feedback

**Rules Manager**

No change to Rules Manager is needed to support the creation of rules based on Trade Away Fee.

Note: We may make changes to Rules Manager in the future based on client feedback

**MoxyPort**

No change to Moxy Port to Include Trade Away Fee for the following use cases

* MoxyPort is used to load an allocation from an external source
  + Trade Away Fee will always be assumed to when an allocation is loaded externally. Trade Away Fee will only be applied when the allocation is created within Moxy
* MoxyPort is used to extract allocation information (Export) to an external Source
  + Trade Away Fee field will not be included as an available field that can be extracted using a MoxyPort extract

Note: We may make changes to MoxyPort to support one or more use cases in the future based on client feedback

**Test Cases**

**UI**

**AR WINDOW**

Methodology: Wherever we include Other Fees today, include Trade Away Fee

1. Validate that the following fields in the AR Window display a correct value\Include the Trade Away Fee

* Trade Away Fee
* Local Cost (Market)
* Pre-Alloc Cash
* Alloc. Cash
* Short YTD R Gain
* Long YTD R Gain
* Total YTD R Gain
* Short Target Gain
* Long Target Gain
* Total Target Gain

1. Validate that the following fields in the AR Window do not include a Trade Away Fee

* Local Cost
* Port Cost
* Total Port Cost
* Total Comm. Settle Cost
* Total Settle Cost

1. Validate that the following fields in the AR Window >> **Step Out Detail** section display a correct value\Include the Trade Away Fee

* Trade Away Fee
* Local Cost (Market)

**ALLOCATION TAB**

1. Validate that the following fields in the AR Window display a correct value\Include the Trade Away Fee

* Comm & Fees (Market)
* Value Basis (Market)
* Alloc Cost Net (Market)

**COMMISSION CONFIGURATION**

1. Validate that Trade Away Fee has been successfully added to the Commission Configuration tool with the following defaults:

* Enabled= No (Default)
* Field=TradeAwayFee
* DisplayName=Trade Away Fee
* IsProrated=No
* Accounting Transaction=Other Fee

**SYSTEM SETTINGS >> TRADE AWAY FEE SELECTOR ATTRIBUTES**

1. Validate that a link captioned ‘Trade Away Fee Selector Attributes’ has been added to System Settings in the Commission and Fees sections

Note: It should be disabled until Trade Away Fee is enabled

**SUPPORT TRADEAWAY FEE SETTING**

1. Validate that a checkbox captioned ‘Calculate Estimated Trade Charges’ has been added to the Orders Tab of System Settings
2. Validate that the following features are disabled (Greyed out) when the ‘Calculate Estimated Trade Charges’ checkbox is Un-Checked

* System Settings >> Commission and Fees >> Trade Away Fee Selector Attributes
* Order View: Commission and Fee detail menu >> Trade Away Fee Selector
* Omnibus Information >> Pro-Rate Trade Away Fee check box
* Commission Configuration >> Trade Away Fee line

1. Validate that Is Prorated on Trade Away Fee in Commission Configuration is set to No when the ‘Calculate Estimated Trade Charges’ checkbox is Un-Checked
2. Validate that the following features are active and enabled when the ‘Calculate Estimated Trade Charges’ checkbox is Checked

* System Settings >> Commission and Fees >> Trade Away Fee Selector Attributes
* Order View: Commission and Fee detail menu >> Trade Away Fee Selector
* Omnibus Information >> Pro-Rate Trade Away Fee check box
* Commission Configuration >> Trade Away Fee line

1. Validate that Is Prorated on Trade Away Fee in Commission Configuration is set to Yes when the ‘Calculate Estimated Trade Charges’ checkbox is Checked

**COMMISSION AND FEE DETAILS MENU**

1. Validate that Trade Away Fee Selector has been added to the menu list (set ‘Calculate Estimated Trade Charges’=Checked)

**TRADE AWAY FEE SELECTOR ATTRIBUTES DIALOG**

1. Validate that the dialog functions in the same way as the Commission Selector Attributes dialog

* Default Hierarchy
  + Broker ID – Enabled=Yes
  + Broker Rep ID – Enabled=No
  + Omnibus ID – Enabled=No
  + Portfolio/Group – Enabled=Yes
* Disable\Enable attributes and confirm they appear in the TradeAway Fee Selector dialog
* Change hierarchy of list and confirm they appear in the TradeAway Fee Selector dialog

**TRADE AWAY FEE SELECTOR FILTER**

1. Validate that the filter will only display TAF records that match the filter

**TRADEAWAY FEE SELECTOR**

1. Validate that the dialog functions in the same way as the Commission Selector dialog
2. Validate that a Trade Away Selector cannot be created with both and Omnibus and a Portfolio\Group defined

**OMNIBUS INFORMATION**

1. Validate that a ‘Pro-Rate Trade Away Fee” check box has been added to the Omnibus Information dialog and is disabled by default

**WORKFLOW**

Set ‘Calculate Estimated Trade Charges’ to Checked to enable the feature

**BASIC**

Setup

* + Set up Trade Away Fee Selector Attributes as
    - Broker ID=Enabled
    - Portfolio/Group=Enabled
  + Create a Group containing portfolios that are custodied at each broker that applies a Trade Away Fee charge
    - For example: G1 = Schwab Portfolios; G2=Pershing Portfolios
      * G1: P1, P2
      * G2: P3, P4
  + Create Trade Away Fee Selectors that apply a Trade Away Fee depending on the Portfolio\Group and the executing Broker (where it is not equal to the Prime Broker\Custodian for the group)
    - For example
      * Broker ID = Schwab; Group=G2: $12.00
      * Broker ID = Pershing; Group= G1: $10.00
      * Broker ID = Gold; Group= G2: $12.00
      * Broker ID = Gold; Group= G1: $10.00
      * Broker ID = Fidelity; Group= G2: $12.00
      * Broker ID = Fidelity; Group= G1: $10.00
      * Broker ID = BONY; Group= G2: $12.00
      * Broker ID = BONY; Group= G1: $10.00

1. Multiple Portfolios\ All have the Same Trade Away Fee\Commission Configuration Trade Away Fee Pro-rata=No

* Set Commission Configuration Trade Away Fee >> Is Prorated=No
* Allocate an order containing Group G1 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$10.00
  + P2: Trade Away Fee=$10.00

1. Multiple Portfolios\ Multiple Trade Away Fees\Commission Configuration Trade Away Fee Pro-rat=No

* Set Commission Configuration Trade Away Fee >> Is Prorated=No
* Allocate an order containing Group G1, G2 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$10.00
  + P2: Trade Away Fee=$10.00
  + P3: Trade Away Fee=$0.00
  + P4: Trade Away Fee=$0.00

1. Multiple Portfolios\ No Trade Away Fees\Commission Configuration Trade Away Fee Pro-rat=No

* Set Commission Configuration Trade Away Fee >> Is Prorated=No
* Allocate an order containing Group G1 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$0.00
  + P2: Trade Away Fee=$0.00

1. Multiple Portfolios\ All have the Same Trade Away Fee\Commission Configuration Trade Away Fee Pro-rat=Yes

* Set Commission Configuration Trade Away Fee >> Is Prorated=Yes
* Allocate an order containing Group G1 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$10.00
  + P2: Trade Away Fee=$10.00

Note: By definition we will only apply the Is Prorated = Yes for Trade Away Fee to Omnibus trades. It does not apply to individual portfolios

1. Multiple Portfolios\ Multiple Trade Away Fees\Commission Configuration Trade Away Fee Pro-rat=Yes

* Set Commission Configuration Trade Away Fee >> Is Prorated=Yes
* Allocate an order containing Group G1, G2 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$10.00
  + P2: Trade Away Fee=$10.00
  + P3: Trade Away Fee=$0.00
  + P4: Trade Away Fee=$0.00

1. Multiple Portfolios\ No Trade Away Fees\Commission Configuration Trade Away Fee Pro-rata=Yes

* Set Commission Configuration Trade Away Fee >> Is Prorated=Yes
* Allocate an order containing Group G1 and executing Broker=Pershing
* Validate the result is:
  + P1: Trade Away Fee=$0.00
  + P2: Trade Away Fee=$0.00

**STEP OUT**

Validate if you step out a portfolio, the broker that is evaluated when matching a Trade Away Fee Selector should be the broker being stepped out to and the correct Trade Away Fee is calculated

Setup

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Portfolio/Group=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Group=G2: Trade Away Fee= $12.00

1. Step Out to Non-Trade Away Fee Portfolio

Allocation

* Create an Allocation for Broker Gold containing portfolios from G2. Step Out Portfolio P4 to Broker Pershing
  + P3; Broker=Gold
  + P4; Broker=Pershing
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker=Gold: $12.00
  + P4; Broker=Pershing: $0.00

1. Step Out to Trade Away Fee Portfolio

* Create an Allocation for Broker Pershing containing portfolios from G2. Step Out Portfolio P4 to Broker Gold
  + P3; Broker= Pershing
  + P4; Broker= Gold
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Pershing: $0.00
  + P4; Broker=Gold: $12.00

1. Step Out to multiple portfolios\Commission Configuration Trade Away Fee Pro-rata=Yes

* Add Portfolio P5 to Group G2
* Create an Allocation for Broker Pershing containing portfolios from G2. Step Out Portfolio P4 and P5 to Broker Gold
  + P3; Broker= Pershing
  + P4; Broker= Gold
  + P5; Broker=Gold
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Pershing: $0.00
  + P4; Broker= Gold: $12.00
  + P5; Broker= Gold: $12.00

Note: By definition we will only apply the Is Prorated = Yes for Trade Away Fee to Omnibus trades. It does not apply to individual portfolios

**BROKER STEP OUT RATIO**

1. Step Out 50% to Executing Broker Pershing (No Trade Away Fee) and 50% to Broker=Gold (Trade Away Fee)

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Portfolio/Group=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Group=G2: Trade Away Fee= $12.00
* Define Broker Step-Out Ratio:
  + 50% to <executing>
  + 50% to <gold>
* Create an Allocation for Portfolio P3 and Executing Broker Pershing. Step Out 50% of Portfolio P3 to <Executing>=Pershing and 50% to Broker Gold
  + P3; Broker= Pershing
  + P3; Broker= Gold
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Pershing: $0.00
  + P3; Broker=Gold: $12.00

1. Step Out 50% to Executing Broker Gold (Trade Away Fee) and 50% to Broker=Pershing (No Trade Away Fee)

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G2: Trade Away Fee=$12.00
* Define Broker Step-Out Ratio:
  + 50% to <executing>
  + 50% to <Pershing>
* Create an Allocation for Portfolio P3 and Executing Broker Pershing. Step Out 50% of Portfolio P3 to Pershing and 50% to Broker <Executing>=Gold
  + P3; Broker= Pershing
  + P3; Broker= Gold
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Gold: $12.00
  + P3; Broker= Pershing: $0.00

1. Step Out 50% to Executing Broker Gold (Trade Away Fee) and 50% to Broker=Fidelity (Trade Away Fee)

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G2: Trade Away Fee=$12.00
  + Broker=Fidelity
  + Portfolio/Group=G2: Trade Away Fee=$12.00
* Define Broker Step-Out Ratio:
  + 50% to <Executing>
  + 50% to <Fidelity>
* Create an Allocation for Portfolio P3 and Executing Broker Gold. Step Out 50% of Portfolio P3 to <Executing>=Gold and 50% to Broker Fidelity
  + P3; Broker= Gold
  + P3; Broker= Fidelity
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Gold: $6.00
  + P3; Broker= Fidelity: $6.00

Note: They would be charged: (TradeAwayFee \* Broker Step-out percentage)/Total percentage of the portion of the allocation that is NOT going to the Prime Broker\Custodian

In this case ($12.00 \* 50%)/100% = $6.00

1. Step Out 25% to Executing Broker Pershing (No Trade Away Fee); 50% to Broker Gold and 25% to Broker=Fidelity (Trade Away Fee)

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G2: Trade Away Fee=$10.00
  + Broker=Fidelity
  + Portfolio/Group=G2: Trade Away Fee=$12.00
* Define Broker Step-Out Ratio:
  + 25% to <Executing>
  + 50% to <Gold>
  + 25% to <Fidelity>
* Create an Allocation for Portfolio P3 and Executing Broker Pershing. Step Out 25% of Portfolio P3 to <Executing>=Pershing, 50% to Broker Gold and 25% to Broker Fidelity
  + P3; Broker= Pershing
  + P3; Broker= Gold
  + P3; Broker= Fidelity
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Pershing: $0.00
  + P3; Broker= Gold: $6.67
    - 10.00\*50%/75% = $6.67
  + P3; Broker= Fidelity: $4.00
    - 12.00\*25%/75% = $4.00

Note: They would be charged: (TradeAwayFee \* Broker Step-out percentage)/Total percentage of the portion of the allocation that is NOT going to the Prime Broker\Custodian

In this case ($12.00 \* 50%)/100% = $6.00

**CUSTODIAN ALLOCATION RATIO**

1. 50% to Custodian X and 50% to Custodian Y – Trade Away Fee is charged

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
* Define Custodian Allocation Ratio:
  + 50% to <10-Morgan>
  + 50% to <20-Bony>
* Allocate 100 shares to Portfolio P1 using **executing broker Gold (Trade Away Fee is charged)**
  + 50 shares to Gold + Custodian 10-Morgan; Trade Away Fee = $5.00
  + 50 shares to Gold + Custodian 20-BONY; Trade Away Fee = $5.00

**CUSTODIAN ALLOCATION RATIO AND STEP OUT**

1. Step Out to Non-Trade Away Fee Portfolio; 25% to Custodian X and 75% to Custodian Y

Setup

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Portfolio/Group=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Group=G2: Trade Away Fee= $12.00
* Define Custodian Allocation Ratio:
  + 50% to <10-Morgan>
  + 50% to <20-Bony>
* Create an Allocation for Broker Gold containing portfolios from G2. Step Out Portfolio P4 to Broker Pershing
  + P3; Broker=Gold
  + P4; Broker=Pershing
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker=Gold; CAR=10-Morgan: $9.00
    - $12.00 \* 75% = $9.00
  + P3; Broker=Gold; CAR=20-Bony: $3.00
    - $12.00 \* 25% = $3.00
  + P4; Broker=Pershing; CAR=10-Morgan: $0.00
  + P4 Broker=Gold; CAR=20-Bony: $0.00

**CUSTODIAN ALLOCATION RATIO AND BROKER STEP OUT RATIO**

1. Step Out 50% to Executing Broker Pershing (No Trade Away Fee) and 50% to Broker=Gold (Trade Away Fee); 25% to Custodian X and 75% to Custodian Y

* Portfolios P3 and P4 are in Group G2 (Custodied at Pershing)
* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Portfolio/Group=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Group=G2: Trade Away Fee= $12.00
* Define Broker Step-Out Ratio:
  + 50% to <executing>
  + 50% to <gold>
* Define Broker Custodian Allocation Ratio:
  + 50% to <10-Morgan>
  + 50% to <20-Bony>
* Create an Allocation for Portfolio P3 and Executing Broker Pershing. Step Out 50% of Portfolio P3 to <Executing>=Pershing and 50% to Broker Gold
  + P3; Broker= Pershing
  + P3; Broker= Gold
* Validate the Trade Away Selector should apply the following results:
  + P3; Broker= Pershing; CAR=10-Morgan: $0.00
  + P3; Broker=Pershing; CAR=20-Bony: $0.00
  + P3; Broker= Gold; CAR=10-Morgan: $0.00
  + P3; Broker= Gold; CAR=20-Bony: $0.00
  + P4; Broker= Pershing; CAR=10-Morgan: $3.00
  + P4; Broker=Pershing; CAR=20-Bony: $3.00
  + P4; Broker= Gold; CAR=10-Morgan: $3.00
  + P4; Broker= Gold; CAR=20-Bony: $3.00

**OMNIBUS**

1. Omnibus; Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = Yes

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456
  + Portfolio P1 and P2 have OmnibusID=123456
* Pro-Rate Trade Away Fee Pershing = **Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1 & P2. Apply Trade by Omnibus setting
  + P1 – 100 shares; Omnibus=123456
  + P2 – 100 shares; Omnibus=123456
* The Trade Away Selector should apply the following results
  + P1 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00
  + P2 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00

Note: Commission Configuration Is Prorated has no impact

1. Omnibus; Omnibus Pro-Rate Trade Away Fee=No; Commission Configuration Is Prorated = Yes

Pershing

* Pershing applies Trade Away Fees per portfolio on Omnibus trades.
* Pershing Omnibus=246801
  + Portfolio P3 and P4 have OmnibusID=246801
* Pro-Rate Trade Away Fee Pershing = **Un-Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus=246801: Trade Away Fee= $12.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P3, and P4. Apply Trade by Omnibus setting
  + P3 – 100 shares; Omnibus=246801
  + P4 – 100 shares; Omnibus=248601
* The Trade Away Selector should apply the following results
  + P3 – 100 shares; Omnibus=246801: Trade Away Fee=$12.00
  + P4 – 100 shares; Omnibus=248601: Trade Away Fee=$12.00

Note: Commission Configuration Is Prorated has no impact

1. Omnibus; Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = No

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456
  + Portfolio P1 and P2 have OmnibusID=123456
* Pro-Rate Trade Away Fee Pershing = **Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1 & P2. Apply Trade by Omnibus setting
  + P1 – 100 shares; Omnibus=123456
  + P2 – 100 shares; Omnibus=123456
* The Trade Away Selector should apply the following results
  + P1 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00
  + P2 – 100 shares; Omnibus=123456: Trade Away Fee=$5.00

Note: Commission Configuration Is Prorated has no impact on Omnibus

1. Omnibus; Omnibus Pro-Rate Trade Away Fee=No; Commission Configuration Is Prorated = No

Pershing

* Pershing applies Trade Away Fees per portfolio on Omnibus trades.
* Pershing Omnibus=246801
  + Portfolio P3 and P4 have OmnibusID=246801
* Pro-Rate Trade Away Fee Pershing = **Un-Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus=246801: Trade Away Fee= $12.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P3, and P4. Apply Trade by Omnibus setting
  + P3 – 100 shares; Omnibus=246801
  + P4 – 100 shares; Omnibus=248601
* The Trade Away Selector should apply the following results
  + P3 – 100 shares; Omnibus=246801: Trade Away Fee=$12.00
  + P4 – 100 shares; Omnibus=248601: Trade Away Fee=$12.00

Note: Commission Configuration Is Prorated has no impact

**OMNIBUS AND STEP OUT**

1. Omnibus; Step Out; Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = Yes

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456;
* Portfolios P1, P2, and P5 have Omnibus=123456
* Omnibus Information: Pro-Rate Trade Away Fee 123456 = **Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1, P2, and P5. Step Out Portfolio P5 to Broker Schwab
  + P1; Broker=Gold
  + P2; Broker=Gold
  + P5; Broker=Schwab
* The Trade Away Selector should apply the following results
  + P1; Broker=Gold: $3.33
  + P2; Broker=Gold: $3.33
  + P5; Broker=Schwab: $0.00

Note: Pro-Rate across the portfolios that are trading away from Schwab

1. Omnibus; Step Out; Omnibus Pro-Rate Trade Away Fee=No; Commission Configuration Is Prorated = Yes

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456;
* Portfolios P1, P2, and P5 have Omnibus=123456
* Omnibus Information: Pro-Rate Trade Away Fee 123456 = **UnChecked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00

Allocation

* Create an Allocation for Broker Gold containing portfolios P1, P2, and P5. Step Out Portfolio P5 to Schwab
  + P1; Broker=Gold       100 shares
  + P2; Broker=Gold       100 shares
  + P5; Broker=Schwab 100 shares
* The Trade Away Selector should apply the following results
  + P1; Broker=Gold: $10.00
  + P2; Broker=Gold: $10.00
  + P5; Broker= Schwab: $0.00

**OMNIBUS AND BROKER STEP OUT RATIO**

**See spreadsheet located here: https://confluence.advent.com/download/attachments/32903179/CalculateCasesOmniStepOut.xlsx?api=v2**

1. Omnibus; BSR (50% <executing>; 30%<directed>; 20%- Broker 3); Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = Yes

See OmnibusID=O1 in results

1. Omnibus; BSR (50% <executing>; 30%<directed>; 20%- Broker 3); Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = Yes

See OmnibusID=O2 in results

1. Omnibus; BSR (50% <executing>; 30%<directed>; 20%- Broker 3); Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = No

See OmnibusID=O2 in results

Same results as Is Prorated = Yes because we don’t reference IsProrated for Omnibus Trades

See OmnibusID=O1 in results

1. Omnibus; BSR (50% <executing>; 30%<directed>; 20%- Broker 3); Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = No

Same results as Is Prorated = Yes because we don’t reference IsProrated for Omnibus Trades

See OmnibusID=O2 in results

Omnibus + Custodian Allocation Ratio

1. Omnibus; Custodian Allocation Ratio (25%/75%); Omnibus Pro-Rate Trade Away Fee=Yes; Commission Configuration Is Prorated = Yes

Schwab

* Schwab applies Trade Away Fees pro-rata across portfolios on Omnibus trades.
* Schwab Omnibus=123456
  + Portfolio P1 and P2 have OmnibusID=123456
* Pro-Rate Trade Away Fee Pershing = **Checked**

Trade Away Fee Selector

* Define Trade Away Fee Attributes
  + Broker=Enabled
  + Omnibus=Enabled
* Create the following Trade Away Fee Selectors
  + Broker=Gold; Omnibus = 123456: Trade Away Fee= $10.00
* Define Custodian Allocation Ratio:
  + 50% to <10-Morgan>
  + 50% to <20-Bony>

Allocation

* Create an Allocation for Broker Gold containing portfolios P1 & P2. Apply Trade by Omnibus setting
  + P1 – 100 shares; Omnibus=123456
  + P2 – 100 shares; Omnibus=123456
* The Trade Away Selector should apply the following results
  + P1: 50 shares to Gold + Custodian 10-Morgan; Trade Away Fee = $2.50
  + P1: 50 shares to Gold + Custodian 20-BONY; Trade Away Fee = $2.50
  + P2: 50 shares to Gold + Custodian 10-Morgan; Trade Away Fee = $2.50
  + P2: 50 shares to Gold + Custodian 20-BONY; Trade Away Fee = $2.50

**DYNAMIC GROUP MEMBERSHIP AND THE TRADE AWAY FEE SELECTOR**

1. Create a Group-based Trade Away Fee Selector

* Create Groups
  + G1:P1,P2
  + G2:P2, P3
* Create Trade Away Fee Selectors (TAF) for group G1
* Validate the following TAF is created:
  + G1: TAF1
  + P1: TAF1 (P1 is linked to G1)
  + P2: TAF1 (P2 is linked to G1)

1. Create a Group-Based Trade Away Fee Selector that contains a portfolio that is already associated with another Portfolio-based Selector – Add Portfolio in New Group-based Selector

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create Trade Away Fee Selectors (TAF) for Portfolio P2
  + P2: TAF1 (Not linked to a Group)
* Create Trade Away Fee Selector for group G2 and choose to Add P2 with G2
* Validate the following TAF is created and P2 is now associated with Group G2
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)

1. Create a Group-Based Trade Away Fee Selector that contains a portfolio that is already associated with another Portfolio-based Selector – Keep Original Portfolio-based Selector

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create Trade Away Fee Selectors (TAF) for Portfolio P2
  + P2: TAF1 (Not linked to a Group)
* Create Trade Away Fee Selector for group G2 and choose to Keep P2 as an individual Portfolio-based Selector
* Validate the following TAF is created and P2 is still associated with Group G1
  + P2: TAF1 (Not linked to a Group)
  + G2: TAF2
  + P3: TAF2 (P3 is linked to G1)

1. Create a Group-Based Trade Away Fee Selector that contains a portfolio that is already associated with another Portfolio-based Selector – Add Portfolio in New Group-based Selector

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create Trade Away Fee Selectors (TAF) for group G1
  + G1: TAF1
  + P1: TAF1 (P1 is linked to G1)
  + P2: TAF1 (P2 is linked to G1)
* Create Trade Away Fee Selector for group G2 and choose to Add P2 with G2
* Validate the following TAF is created and P2 is now associated with Group G2
  + G1: TAF1
  + P1: TAF1 (P1 is linked to G1)
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)

1. Create a Group-Based Trade Away Fee Selector that contains a portfolio that is already associated with another Group-Based Selector – Keep Portfolio in Original Group-based Selector

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create Trade Away Fee Selectors (TAF) for group G1
  + G1: TAF1
  + P1: TAF1 (P1 is linked to G1)
  + P2: TAF1 (P2 is linked to G1)
* Create Trade Away Fee Selector for group G2 and choose to Keep P2 with G1
* Validate the following TAF is created and P2 is still associated with Group G1
  + G1: TAF1
  + P1: TAF1 (P1 is linked to G1)
  + P2: TAF1 (P2 is linked to G1)
  + G2: TAF2
  + P3: TAF2 (P3 is linked to G2)
* Edit a Group-Based Trade Away Fee Selector– Portfolio is impacted
* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create the following Trade Away Fee Selectors
  + G1: TAF1
  + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)
  + Edit the G2 Trade Away Fee Selector to use TAF3
  + Validate that G2, P2 and P3 Trade Away Selectors changed to TAF3
    - G1: TAF1
    - P1: TAF1 (P1 is linked to G1)
    - G2: TAF3
    - P2: TAF3 (P2 is linked to G2)
    - P3: TAF3 (P3 is linked to G2)

1. Edit a Group-Based Trade Away Fee Selector – Portfolio is Not impacted

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create the following Trade Away Fee Selectors
  + G1: TAF1
  + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)
  + Edit the G2 Trade Away Fee Selector to use TAF3
  + Validate that G2, P2 and P3 Trade Away Selectors changed to TAF3
    - G1: TAF1
    - P1: TAF1 (P1 is linked to G1)
    - G2: TAF3
    - P2: TAF3 (P2 is linked to G2)
    - P3: TAF3 (P3 is linked to G2)

1. Edit a Portfolio-Based Selector that is linked to a Group-Based Selector – Apply to Group

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create the following Trade Away Fee Selectors
  + G1: TAF1
  + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)
  + Edit the P2 Trade Away Fee Selector to use TAF3. Choose to apply to the linked Group
  + Validate that G2, P2 and P3 Trade Away Selectors changed to TAF3
    - G1: TAF1
    - P1: TAF1
    - G2: TAF3
    - P2: TAF3 (P2 is linked to G2)
    - P3: TAF3 (P3 is linked to G2)

1. Edit a Portfolio-Based Selector that is linked to a Group-Based Selector – Apply to Portfolio Only

* Create Groups
  + G1:P1, P2
  + G2:P2, P3
* Create the following Trade Away Fee Selectors
  + G1: TAF1
  + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
  + G2: TAF2
  + P2: TAF2 (P2 is linked to G2)
  + P3: TAF2 (P3 is linked to G2)
  + Edit the P2 Trade Away Fee Selector to use TAF3. Choose to apply to the Portfolio Only
  + Validate that G2, P2 and P3 Trade Away Selectors changed to TAF3
    - G1: TAF1
    - P1: TAF1
    - G2: TAF2
    - P3: TAF2 (P3 is linked to G2)
    - P2: TAF3 (P2 is not linked to any Group)

1. Remove a Portfolio from a Group that has a Group-based Trade Away Fee Selector – Remove Selector
   * Create Groups
     + G1:P1, P2
     + G2:P2, P3
   * Create the following Trade Away Fee Selectors
     + G1: TAF1
     + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
     + G2: TAF2
     + P2: TAF2 (P2 is linked to G2)
     + P3: TAF2 (P3 is linked to G2)
   * Remove P2 from Group G2. Choose to remove the Trade Away Fee Selector for P2 as well
   * Validate that the P2 Trade Away Fee Selector has been removed
     + G1: TAF1
     + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
     + G2: TAF2
     + P3: TAF2 (P3 is linked to G2)
2. Remove a Portfolio from a Group that has a Group-based Trade Away Fee Selector – Keep Selector
   * Create Groups
     + G1:P1, P2
     + G2:P2, P3
   * Create the following Trade Away Fee Selectors
     + G1: TAF1
     + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
     + G2: TAF2
     + P2: TAF2 (P2 is linked to G2)
     + P3: TAF2 (P3 is linked to G2)
   * Remove P2 from Group G2. Choose to remove the Trade Away Fee Selector for P2 as well
   * Validate that the P2 Trade Away Fee Selector still exists and is no longer linked to G2
     + G1: TAF1
     + P1: TAF1 (P1 remains linked to G1 after adding G2 TAF)
     + G2: TAF2
     + P3: TAF2 (P3 is linked to G2)
     + P2: TAF2 (Not linked to G2 anymore)

**EXPORT**  
APX

1. Validate that an Allocation that includes a Trade Away Fee is successfully exported to APX. Change t

* Other Fees
  + Set Trade Away Fee in Commission Configuration: Other Fees
  + Create an Allocation where a Trade Away Fee is applied
  + Export to APX
  + Validate that APX added the Trade Away Fee to “Other Fees” in the Transaction line and that the Trade Amount includes the Trade Away Fee charge
* Miscellaneous Fees
  + Set Trade Away Fee in Commission Configuration: Miscellaneous Fees
  + Create an Allocation where a Trade Away Fee is applied
  + Export to APX
  + Validate that APX added the Trade Away Fee to “Miscellaneous Fees” in the Transaction line and that the Trade Amount includes the Trade Away Fee charge
* Taxes
  + Set Trade Away Fee in Commission Configuration: Taxes
  + Create an Allocation where a Trade Away Fee is applied
  + Export to APX
  + Validate that APX added the Trade Away Fee to “Taxes” in the Transaction line and that the Trade Amount includes the Trade Away Fee charge

Axys

1. Validate that an Allocation that includes a Trade Away Fee is successfully exported to Axys

* Create an Allocation where a Trade Away Fee is applied
* Export to Axys
* Validate that Axys added the Trade Away Fee to “Other Fees” in the Transaction line and that the Trade Amount includes the Trade Away Fee charge

Geneva

1. Validate that an Allocation that includes a Trade Away Fee is successfully sent to Geneva as part of the allocation.

* Create an Allocation where a Trade Away Fee is applied
* Validate that Geneva Integration includes the Trade Away Fee in the Trade Amount

SEI Integration

1. Validate that an Allocation that includes a Trade Away Fee is successfully sent to SEI as part of the allocation.

**CLOSE AGAINST MULTIPLE LOTS**

1. Export an Allocation using Specify Lots and a Trade Away Fee is applied

Setup

* Create a Portfolio P1 with Specify Closing Method
* Assign a Trade Away Fee Selector
  + P1 + Broker=Gold – $12.00
* Create a portfolio that has 3 lots for a single security X
  + Lot1: 100
  + Lot2: 200
  + Lot3: 300
* Create a SELL of 600 shares of security X and portfolio P1 so all 3 lots are sold
* Fill the Order at Broker=Gold and Allocate
* Validate a $12.00 Trade Away Fee is applied to Portfolio P1
* Export to APX
* Validate that APX create the following sells of individual lots
  + Lot1: 100 shares; TAF=$2.00
  + Lot2: 200 shares; TAF=$4.00
  + Lot3: 300 shares; TAF=$6.00

**PUBLIC VIEWS**

1. Validate that MxApp.vAllocation.TradeAwayFee contains the correct Trade Away Fee detail
2. Validate MxApp.vOmnibus.ProRateTradeAwayFee is updated when the field is changed on Omnibus Information dialog

**REPORTS**

1. Validate the following reports contain a Trade Away Fee

SEC Trade Blotter >> CommAndFeeLocalCost

1. Validate the following reports do not include a Trade Away Fee in Net\Amount\Net Trade, Total Fees etc

**All other reports which display Net Amount\Net Trade, Total Fees etc. will NOT include Trade Away Fees explicitly or in any of the fee summarizations like Net Amount**

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that the following report includes the Trade Away Fee in the Net Amount field
  + SEC Trade Blotter
* Validate that the following reports do not include Trade Away Fee in any of the field listed:
  + **Allocation Ticket\Audit Allocation Ticket:**
    - Tot. Net Trade
    - Tot. Sys.Net Trade
    - Tot. Fee
    - OtherFees
    - OtherFees, TktChg
    - OtherFees, TktChg, Exch
    - Net Trade
    - Net Trade Excl.AI
    - Net Trade LocalCost
    - Net Trade SettleCost
    - Sys. Net Trade Excl AI
    - Sys.Net Trade
    - T.Comm,Fees,Tkt
    - T.Comm,Fees,Tkt, Exch
    - Total Comm
  + **Custodian Notification by Order**
    - Fees and Taxes
    - Net Trade
    - Net Trade Settle Cost
    - Sys. Fees and Taxes
    - Sys. Net Trade
    - Sys. Net Trade Settle Cost
  + **Custodian Notification by Portfolio**
    - Fees and Taxes
    - Net Trade
    - Net Trade Settle Cost
    - Sys. Fees and Taxes
    - Sys. Net Trade
    - Sys. Net Trade Settle Cost
  + **International Custodian Notification**
    - Net Amount
  + **Step-Out Allocation Ticket**
    - Tot. Fee
    - Tot. Net Trade
    - B.Comm&Fees
    - B.Comm&Fees&SEC
    - T.Comm&Fees
    - T.Comm&Fees&SEC
    - Fees
    - Net Trade
  + **Syndicate Allocation Ticket**
    - Total Net Trade
    - Total Sys. Net Trade
    - Tot. Fee
    - OtherFees
    - OtherFees, TktChg
    - OtherFees, TktChg, Exch
    - Net Trade
    - Net Trade Excl.AI
    - Net Trade LocalCost
    - Net Trade SettleCost
    - Sys. Net Trade Excl AI
    - Sys.Net Trade
    - T.Comm,Fees,Tkt
    - T.Comm,Fees,Tkt, Exch
  + **Trade Allocation by Portfolio**
    - Total Comm.
    - Comm. Per Share
    - Other Fees and Taxes
    - Net Trade
  + **Trade Allocation by Security**
    - Total Comm.
    - Comm. Per Share
    - Other Fees and Taxes
    - Net Trade
  + **Trade Ticket**
    - Other Fee
  + **Broker Commission**
    - Total Comm
  + **Allocation by Portfolio**
    - Fees
    - Net Trade
  + **Allocation by Security**
    - Fees, Taxes & Charges
    - Net Trade
  + **Execution Detail by Order**
    - Fees, Taxes

**POST TRADE**

1. Validate that CTM/ITP does not include Trade Away Fee

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that CTM does not include the Trade Away Fee explicitly or summarized in any other field

1. Validate that ALL uploads do not include Trade Away Fee

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that None of our uploads include the Trade Away Fee explicitly or summarized in any other field

1. Validate that DTCC does not include Trade Away Fee

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that DTCC does not include the Trade Away Fee explicitly or summarized in any other field

1. Validate that FIX Allocations do not include Trade Away Fee

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that FIX Allocations does not include the Trade Away Fee explicitly or summarized in any other field

1. Validate that Open SMA does not include Trade Away Fee

* Create an Allocation that applies a $10.00 Trade Away Fee
* Validate that Open SMA does not include the Trade Away Fee explicitly or summarized in any other field

**CASH POSITION VIEW**

1. Cash Position View does not include Trade Away Fee

* Set Trade Away Fee Selector Attributes as Broker enabled, Portfolio|Group enabled
* Create a Trade Away Fee Selector that applies a Trade Away Fee = $10.00 when Broker=X and Portfolio = P1
  + Note: This implies that Portfolios are custodied with a different broker than X
* Create an Order for 1000 shares IBM and Group G1
  + Settle Cash Account=MoxyCash
* Execute 1000 shares with Broker=X
* Validate the Cash Position for Portfolio P1 and Cash Account=MoxyCash does not include Trade Away Fee

**RULES MANAGER**

1. Rules Manager does not include Trade Away Fee

* Verify that Rules Manager does not reference Trade Away Fee explicitly in any rule
* Validate that Trade Away Fee is included in any cost\position evaluation such as a composition restriction

**MOXYPORT**

1. MoxyPort does not include Trade Away Fee

* Verify MoxyPort does not allow for the entry of a Trade Away Fee when loading an allocation
* Verify that an Allocation extract using MoxyPort does not include an explicit reference for Trade Away Fee

**Addendum: Reports where we might add Trade Away Fee in the future**

**Allocation Ticket:**

* Add to ARO
  + TitleUpperRight
    - Trade Away Fee
    - Tot. Net Trade (Mkt)
    - Tot. Sys.Net Trade (Mkt)
  + Trade Qty or Value
    - Total Net Trade (Mkt)
    - Total Sys. Net Trade (Mkt)
  + Instructions
    - Tot. Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
    - Tot. Sys.Net Trade (Mkt)
  + Row2ColX
    - Tot. Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
    - Tot. Sys.Net Trade (Mkt)
  + Column
    - Trade Away Fee
    - OtherFees (Mkt)
    - OtherFees, TktChg (Mkt)
    - OtherFees, TktChg, Exch (Mkt)
    - Net Trade (Mkt)
    - Net Trade Excl.AI (Mkt)
    - Net Trade LocalCost (Mkt)
    - Net Trade SettleCost (Mkt)
    - Sys. Net Trade Excl AI (Mkt)
    - Sys.Net Trade (Mkt)
    - T.Comm,Fees,Tkt (Mkt)
    - T.Comm,Fees,Tkt, Exch (Mkt)
    - Total Comm

**Custodian Notification by Order**

* Add to ARO
  + Column
    - Trade Away Fee
    - Fees and Taxes (Mkt)
    - Net Trade (Mkt)
    - Net Trade Settle Cost (Mkt)
    - Sys.Trade Away Fee
    - Sys. Fees and Taxes (Mkt)
    - Sys. Net Trade (Mkt)
    - Sys. Net Trade Settle Cost (Mkt)

**Custodian Notification by Portfolio**

* Add to ARO
  + Column
    - Trade Away Fee
    - Fees and Taxes (Mkt)
    - Net Trade (Mkt)
    - Net Trade Settle Cost (Mkt)
    - Sys.Trade Away Fee
    - Sys. Fees and Taxes (Mkt)
    - Sys. Net Trade (Mkt)
    - Sys. Net Trade Settle Cost (Mkt)

**International Custodian Notification**

* Add to ARO
  + Add an option to include\exclude Trade Away Fee
    - Add Trade Away Fee to box outlining included Trade Info
    - Update Net Amount to include Trade Away Fee

**Step-Out Allocation Ticket**

* Add to ARO
  + Title Upper Right
    - Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
  + Trade Qty or Value
    - Total Net Trade (Mkt)
  + Limit Field
    - Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
  + Instructions Field
    - Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
  + Row2ColX
    - Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
  + Row3ColX
    - Trade Away Fee
    - Tot. Fee (Mkt)
    - Tot. Net Trade (Mkt)
  + Above Each Portfolio
    - Trade Away Fee
    - B.Comm&Fees (Mkt)
    - B.Comm&Fees&SEC (Mkt)
    - T.Comm&Fees (Mkt)
    - T.Comm&Fees&SEC (Mkt)
    - Fees (Mkt)
    - Net Trade (Mkt)
  + Column
    - Trade Away Fee
    - B.Comm&Fees (Mkt)
    - B.Comm&Fees&SEC (Mkt)
    - T.Comm&Fees (Mkt)
    - T.Comm&Fees&SEC (Mkt)
    - Fees (Mkt)
    - Net Trade (Mkt)

**Syndicate Allocation Ticket**

* Add to ARO
  + Trade Qty or Value
    - Total Net Trade (Mkt)
    - Total Sys. Net Trade (Mkt)
  + Row2ColX
    - Tot. Fee (Mkt)
    - Tot. Sys.Net Trade (Mkt)
  + Column
    - OtherFees (Mkt)
    - OtherFees, TktChg (Mkt)
    - OtherFees, TktChg, Exch (Mkt)
    - Net Trade (Mkt)
    - Net Trade Excl.AI (Mkt)
    - Net Trade LocalCost (Mkt)
    - Net Trade SettleCost (Mkt)
    - Sys. Net Trade Excl AI (Mkt)
    - Sys.Net Trade (Mkt)
    - T.Comm,Fees,Tkt (Mkt)
    - T.Comm,Fees,Tkt, Exch (Mkt)

**Trade Allocation by Portfolio**

Update Report Fields

* Total Comm. (Mkt)
* Comm. Per Share (Mkt)
* Other Fees and Taxes (Mkt)
* Trade Away Fee
* Net Trade (Mkt)

No ARO changes

**Trade Allocation by Security**

Update Report Fields

* Total Comm. (Mkt)
* Comm. Per Share (Mkt)
* Other Fees and Taxes (Mkt)
* Trade Away Fee
* Net Trade (Mkt)

No ARO changes

**Trade Ticket**

Update Report Fields

* Commission and Fees
  + Trade Away Fee

**Broker Commission**

* Total Comm (Mkt)

**Allocation by Portfolio**

* Fees (Mkt)
* Net Trade (Mkt)

**Allocation by Security**

* Fees, Taxes & Charges (Mkt)
* Net Trade (Mkt)

**Execution Detail by Order**

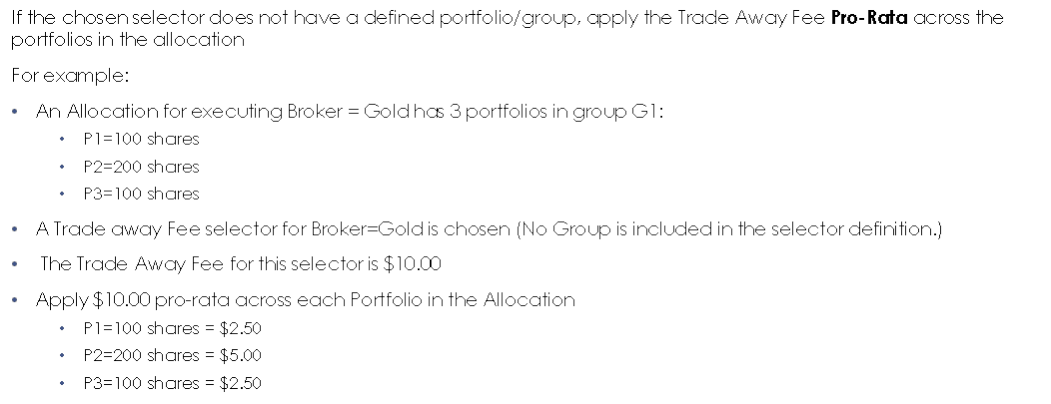
* Fees, Taxes and Charges (Mkt)
* Net Trade (Mkt)

**SE Questions**

1. Firstly, I’d like to confirm the basis workflow. Generally, a portfolio has only one primary broker, if the primary broker needs to charge Trade Away Fee, and there are n brokers in Moxy system, users need to create n-1 Trade Away Fee Selectors (selectors for all other brokers except its primary broker), am I right?.

[jjm] Yes. A portfolio is custodied with only a single Prime Broker. Only some Prime Brokers charge a Trade Away fee, not all. The design essentially covers what you suggest above but you only create selectors for the prime brokers that charge a Trade Away Fee, not all of them. This is represented by the Group of Portfolios. If you have 5 brokers and 2 of them are Prime Brokers that charge a Trade Away Fee, you create: 2 \* (n-1 Trade Away Fee Selectors) = 8

1. I checked your PPT on last kick off meeting, there is a function named – Apply Trade Away Fee Pro-Rata, but this part does not be written on the word spec. Should we implement this function?



No. That is not needed. We only need Pro-rata for omnibus trades and this is handled through the Omnibus Information setting

1. If there are conflicts between Group selector and Portfolio selector, how do we handle it? Do we need to provide UI and function to solve the conflictions, just like the commission selector?

[jjm] I think so. My hope is that we could leverage the code to make this easier to implement. Ideally, we want to be able to leverage “dynamic” groups for assignment of the selectors. This will allow firms to manager this through Group Management in APX. This is the same use case as for commission Selectors.

However, if you the scope if this might cause the feature not to be delivered, we can discuss removing this requirement.

1. If two orders merge, do we need to recalculate the Trade Away Fee? What about Split order?

[jjm] No. I don’t think so. This fee is charged at Allocation and you can’t merge an allocated order. As far as split goes, any new order created by a split will be a New or Working order. When it is allocated, we can determine then if a Trade Away Fee should be applied.

1. In your spec>Workflow>Broker Step-Out Ratio>Example 1.B, I can find the difference between the conditions in Example 1.A and Example 1.B, why they have different result? How do we know G1 is custodied at Schwab not Fidelity? Should Example 1.B have another selector about Broker = Fidelity? Same question in your spect>Test Cases>Broker Step Out Ratio: Example 1.B.

*Example 1.A*

* *Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)*
* *Define Trade Away Fee Selector* 
  + *Broker=Gold*
  + *Portfolio/Group=G1: Trade Away Fee=$10.00*
* *Define Broker Step-Out Ratio:*
  + *50% to <executing>  = Gold*
  + *50% to <Schwab>*
* *Allocate 100 shares to Portfolio P1 using* ***executing broker Gold***
  + *50 shares to Executing Broker=Gold; Trade Away Fee = $10.00*
  + *50 shares to Step Out Broker Schwab; Trade Away Fee = $0.00*

*Example 1.B*

* *Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)*
* *Define Trade Away Fee Selector* 
  + *Broker=Gold*
  + *Portfolio/Group=G1: Trade Away Fee=$10.00*
* *Define Broker Step-Out Ratio:*
  + *50% to <executing>  = Gold*
  + *50% to <Fidelity>*
* *Allocate 100 shares to Portfolio P1 using* ***executing broker Gold***
  + *50 shares to Executing Broker=Gold; Trade Away Fee = $5.00*
  + *50 shares to Step Out Broker* *Fidelity; Trade Away Fee = $5.00*

[jjm]  Yes. 1B is a bad example as is 2. Since P1 and P2 can only be linked to a single Trade Away Fee Selector, the user would have created a selector for Fidelity that applies the same Trade Away Fee (since P1 is custodied at Schwab). The key task is identifying that this is the same Trade Away Fee and it should be pro-rated and not applied individually as we did in 1A when the other broker stepped out was the executing broker Schwab.

Since it is required that a portfolio has only 1 prime broker and is subject to only a single trade-away fee, we should not be able to experience Example 2 at all.

I did not get client feedback on this aspect of the Trade Away Fee feature. None of the firms I validated, use broker step out ratio or could answer how they thought we should manage 1A and 1B. It just seemed like the most logical solution. Let me know how difficult it will be to implement because I could be convinced to use apply the same Trade Away Fee for both if this puts the feature in jeopardy of delivery.

Example 1.B

* Portfolios P1 and P2 are in Group G1 (Custodied at Schwab)
* Define Trade Away Fee Selector
  + Broker=Gold
  + Portfolio/Group=G1: Trade Away Fee=$10.00
  + Broker = Fidelity
  + Portfolio/Group=G1: Trade Away Fee=$12.00
* Define Broker Step-Out Ratio:
  + 50% to <executing>  = Gold
  + 50% to <Fidelity>
* Allocate 100 shares to Portfolio P1 using **executing broker Gold**
  + 50 shares to Executing Broker=Gold; Trade Away Fee = $5.00
  + 50 shares to Step Out Broker Fidelity; Trade Away Fee = $5.00

1. In your spec>Test Cases>Dynamic Groups, after adding P4 to Group G1, should the previous allocation remain the same? Only new allocation can get the old Trade Away Fee selector, right?

[JJM] Yes. This does not revise existing allocations at all. It is just meant to allow firms to manage who is subject to a specific Trade Away Fee using group management in APX or Moxy.

* *Set Trade Away Fee Selector Attributes as Broker enabled, Portfolio|Group enabled*
* *Create a Group: G1*
  + *G1 contains: P1, P2, P3*
* *Create a Trade Away Fee Selector that applies a Trade Away Fee = $10.00 when Broker=X and Group = G1*
  + *Note: This implies that Portfolios are custodied with a different broker than X*
* *Create an Allocation for executing broker=X such that the Trade Away Fee of $10.00 is applied to P1, P2, and P3*
* *Add P4 to Group G1*
* *Create a Trade Away Fee Selector that applies a Trade Away Fee = $10.00 when Broker=X and Group = G1*
  + *Note: This implies that Portfolios are custodied with a different broker than X*
* *Validate that P4 also has a Trade Away Fee of $10.00 included*

1. In your spec>Test Cases> Step-Out Broker Use Case 2, should be this?

* *Set Trade Away Fee Selector Attributes as Broker enabled, Portfolio|Group enabled*
* *Create a Group G2*
  + *G2 contains portfolios P3 and P4 and represent portfolios custodied at Pershing*
* *Create a Trade Away Fee Selector that applies a Trade Away Fee = $10.00 when Broker=~~Pershing~~ AGED and Group = G2*
* *Create an Allocation for executing broker=Pershing and Group G2*
* *Step-Out Portfolio P4 to Step-Out Broker=AGED*
* *Validate that a $0.00 Trade Away Fee is applied to Portfolio P3*
  + *P3 is custodied at Pershing so no charge ~~when stepped-out to Pershing~~*
* *Validate that a $10.00 Trade Away Fee is applied to Portfolio P4*
  + *P~~3~~4 is custodied at Pershing so charge $10 when executed with ~~Pershing~~AGED*

[jjm] Yes. You are correct. I will update the spec.