



Technology Standards and Inter Operability in a post MiFID world

Speaker:

John O'Hara, VP JP Morgan

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For this session The FS club, the London forum for forward thinking in Financial Services ventured into the murky world of technical standards by welcoming John O'Hara of JP Morgan to hear his views and advocacy of a new proposed technical standard, AMQP.

What is AMQP?

Advanced Message Queuing Protocol is an open standard for middleware. Middleware is what connects systems together both internally and externally. John described this as islands of automation being connected – by bridges perhaps. Middleware is a friction cost on the business. It needs to be more of a lubricant

So Why another standard and how is it different?

John's claims are that AMQP is a straightforward and complete solution for business messaging, which is cost effective and totally open. It has been created by users and technologists working together and has been made to satisfy real needs.

Is there a business case for adopting and using a new standard?

JP Morgan for example spends \$2bn per year on operating its technology. Gartner estimate that between 10-30% of operating costs are spent on integration. JPMorgan is now processing 70 million messages per day. It therefore makes sense for companies like JPMorgan to standardise and commoditise this space. Traditionally vendors who have occupied this space have gone for "lock-in" and produce products that only talk to themselves. Open standards must avoid being founded on proprietary technologies. AMQP aims to be the de-facto standard in this space.

What should messaging middleware do?

It should provide event notification, messaging and file transfer. It should meet real world requirements and be trustworthy. Typically this set has been provided by three different proprietary products. AMQP meets these needs in one protocol.

What is the advantage of AMQP?

It meets the needs of messaging middleware in one protocol. One solution reduces costs, increases efficiency and simplifies management issues.

Who is behind AMQP?

The users are JP Morgan and TWIST. TWIST is the Transaction Workflow Innovation Standards Team. The primary aim of the TWIST organisation is to close the gaps in the physical and financial supply chain to release the enormous value locked up in disjointed paper-based processes. There are increasing numbers of lead technology companies investing in AMQP including Cisco, Red Hat and iMatix. Three more users are lined up to serve on users groups and three more technology companies are due to join.

Is it here now?

iMatix OpenAMQ runs on Linux, Solaris and Windows. It is in production today at JPMorgan in New York, London and Tokyo.

Several more implementations are being developed by independent entities.

How is AMQP governed?

Governance is held by six companies jointly who immediately grant licences to anybody.

Special Interest groups propose revisions to the spec.

When will it make the appropriate impact?

John anticipates that AMQP implementations will be ready for value bearing commerce between firms during 2007.

Why change and is it worth it?

John's advice was don't kill your current systems but do migrate to a sensible open standard. Middleware companies have had rich pickings for some 20 years with overpriced products. AMQP will release you over time from these costly restrictive products.

How can I find out more?

John has produced a slide set with appropriate links to supply side technology companies.

Read about AMQP on the TWIST website at
<http://www.twiststandards.org/tiki-index.php?page=AMQ>