

# Regulatory Reporting Solution for non-MiFIR Members

Client Focus Call  
26 January 2022



DEUTSCHE BÖRSE  
GROUP

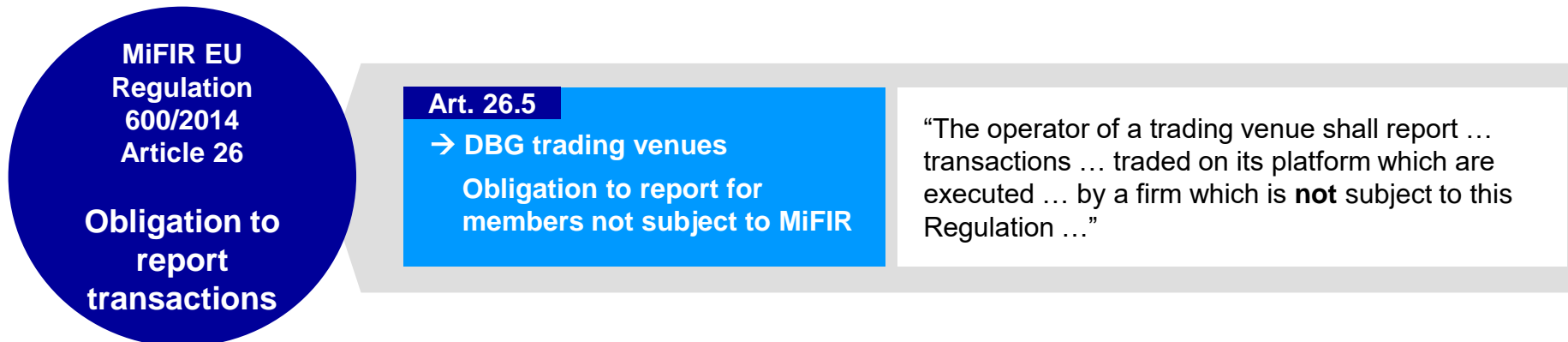
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# Introduction

European Trading Venues are responsible to report transactions executed by members not subject to MiFIR (Non-MiFIR), specifically:

- Non-MiFIR includes members domiciled outside of the EU as well as EU member that operate under different Directives (i.e. UCITS, AIFM etc.)
- Transactions executed by Non-MiFIR Member via affiliated EU domiciled memberships are being reported by the executing EU affiliate



# Introduction

**Non-MiFIR members need to enrich their daily transaction files. Key scenarios are described as follows:**

- Members producing Short Code errors need to correct them in the daily transaction file
- Members using suspense accounts flagging orders as Pending Allocation (PNAL - Short Code 2)
- Members sending Aggregated orders (AGGR/INTC - Short Code 1) separating and allocating transactions post-execution to different client accounts (i.e. CTAs, Fund/Asset Managers, IBs etc.)
- Members executing client orders on behalf of Natural Persons (i.e. Retail Clients) need to enrich the daily transaction file with First Name, Last Name, Date of Birth
- Members who execute transactions in Commodity Derivatives (i.e. Bloomberg indices)
- Members required to flag transactions as part of short selling strategies (Cash only)
- Corrections of incorrectly flagged transactions - e.g. Liquidity Provision flags, Short Code Errors, Incorrectly populated Trading Capacities (AOTC/MTCH/DEAL)

# Introduction

## Process description for the creation of daily venue extract file:

Master Data  
maintained in  
member section

- Member LEI
- Traders' National IDs

Master Data  
uploaded in CUE  
or Member Section

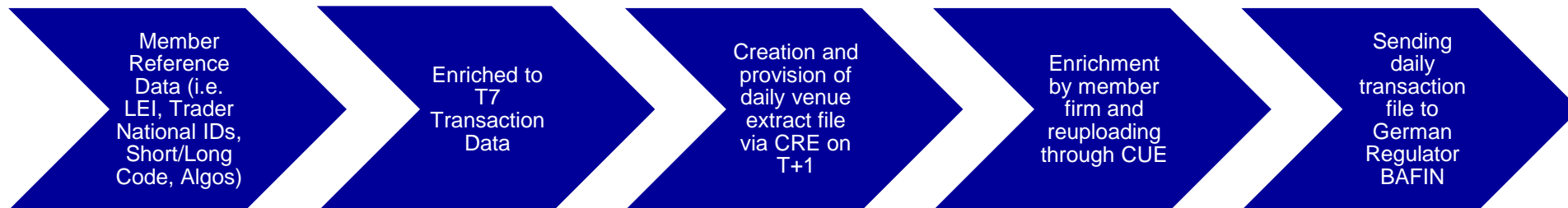
- Client ID short & long codes
- Investment/Execution responsible short & long codes



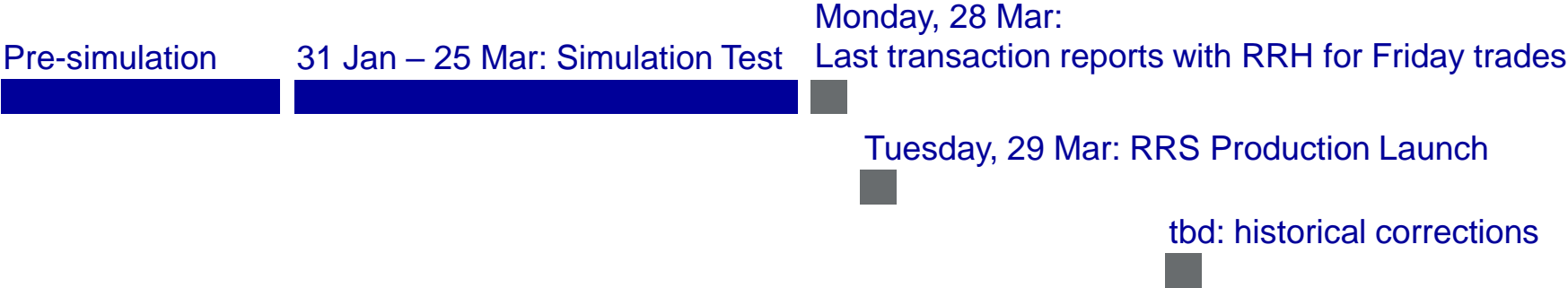
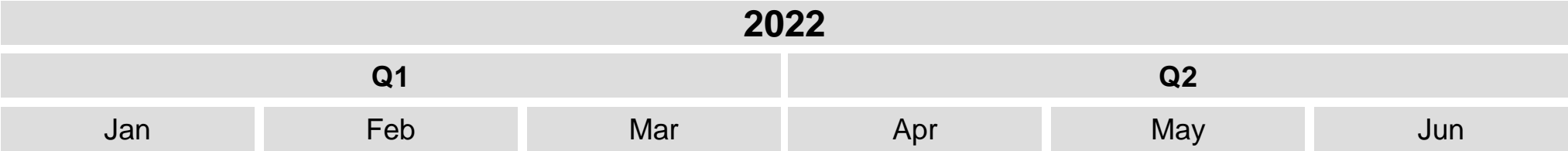
**Only in case of client business, short selling, commodity derivatives  
or to correct short codes/branches**

Daily transaction  
enrichment

- For clients: buyer/seller/decision maker names/birthdates
- Short selling indicator for sales of sovereign debt/stocks
- Hedging indicator for commodity derivatives
- Change of investment/execution ID or branch fields 58/60



# Implementation Timeline



# RRS Overview

RRS considerably simplifies the daily transaction enrichment and enhances data quality

## RRS Benefits



Solution dedicated to Non-MiFIR member reporting

Streamlined documentation: User Manual, File Specification and Sample Files

Transaction records prepared for easy enrichment

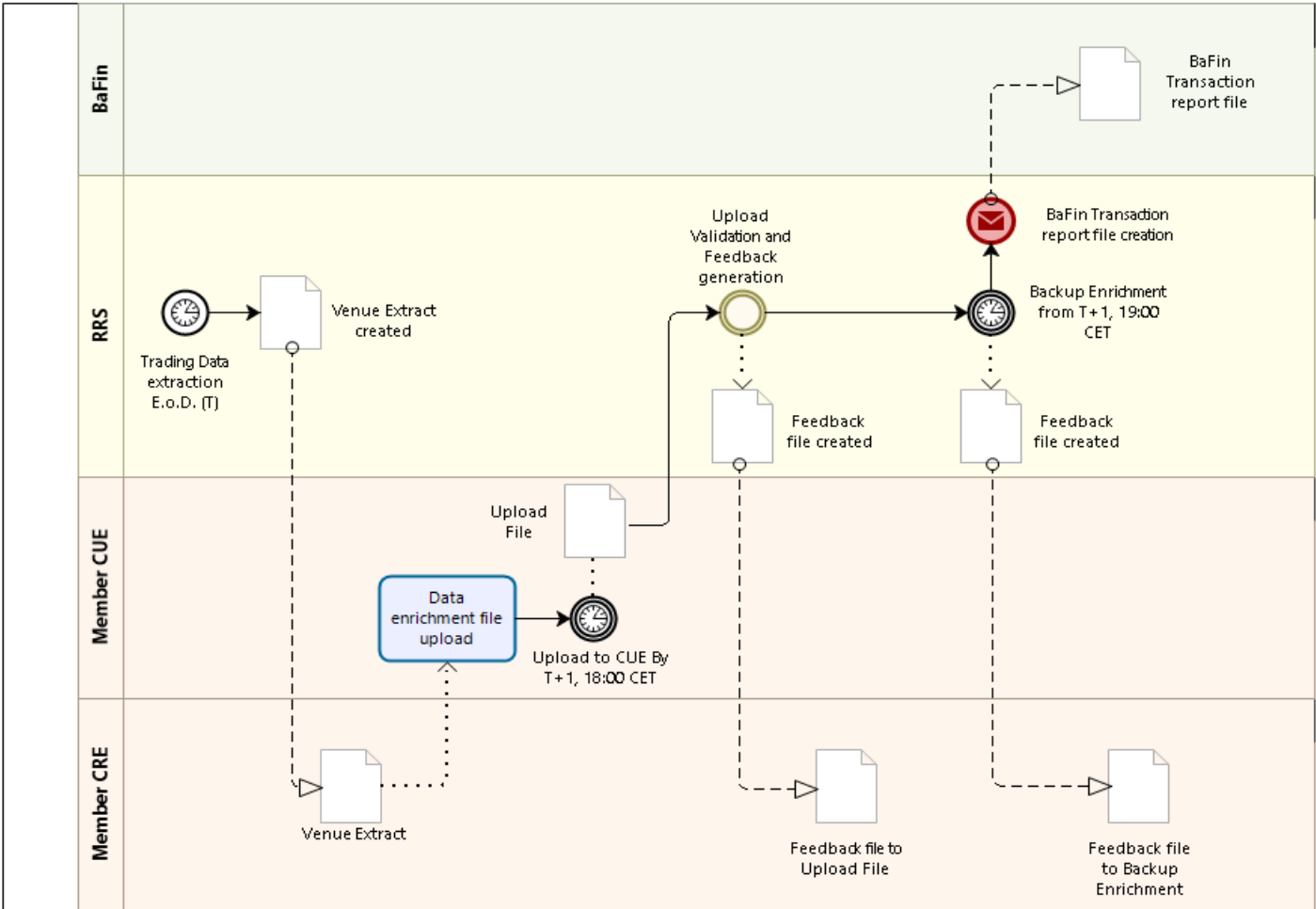
Only one feedback file format

Venue data cannot be changed

Validations ensuring acceptance by BaFin

# RRS Overview

## Daily reporting process





# RRS Overview

Key differences between RRH and the new RRS

Set-up/Interfaces (1/3)

Feature	RRH	RRS
Contractual set-up	RRH contract required	Part of Connection Agreement
Service set-up	RRH sftp public key transfer RRH user set-up in member section	CRE/CUE sftp public key transfer Set-up market mifid for CRE/CUE
GUI	RRH Web frontend	No GUI available Files can be processed in Excel
File interface	SFTP <-> Axway	SFTP <-> CUE/CRE
- Trading venue extract location	Axway SFTP OUT folder	CRE MIFID trading day folder e.g. /0001028005/abclo/P/mifid/20220216/
- Upload directory	Axway SFTP IN folder	CUE MIFID upload folder, e.g. /0001028005/abclo/P/mifid/UPLOAD/
- Feedback files	Axway SFTP OUT folder: - initial response file - subsequent response file - trade status report - NCA/TR response - INTC and complex trade component report - completeness report (end-of-day) ...	CRE MIFID folder of current day: - e.g. /0001028005/abclo/P/mifid/20220217 - feedback file (directly after upload) - backup enrichment feedback file (end-of-day, same format)

# RRS Overview

## Key Differences between RRH and the new RRS

### File naming (2/3)

Feature	RRH	RRS
File naming convention	<p>XML or CSV</p> <p><b>Extract:</b> ENVIRONMENT(3)_RECEIVER(20)_SENDINGTIME(18)_SOURCE(4)_VENUEEXTR(9).FILE_FO RMAE e.g. PRO_529900G3SW56SHYNPR95_20171228T224807176_XEUR_VENUEEXTR.CSV_ZIP</p> <p><b>Upload:</b> Change part of file name _SOURCE_VENUEEXTR.CSV to _MIXXXXXXT.CSV</p> <p><b>Feedback:</b> e.g. PRO_529900G3SW56SHYNPR95_20151009T110434003_MIXXXXXXT_001.60_RESP.CSV_ZIP PRO_529900G3SW56SHYNPR95_20151009T110434_DE-BAFIN_NCATRRESP.CSV_ZIP PRO_529900G3SW56SHYNPR95_20151009T110434_STAT.CSV_ZIP PRO_529900G3SW56SHYNPR95_20170709T110434_XEUR_RECON.CSV_GZ</p>	<p>Only CSV</p> <p><b>Extract:</b> Environment ID, Report Name, Member ID, Trading Date, MIC, File type; e.g. 88TVEXT001ABCLO20220216XEUR.CSV.ZIP</p> <p><b>Upload:</b> Change Report Name part from TVEXT to TV<b>UPL</b> and date to current date, e.g. 88TVUPL001ABCLO20220217XEUR.CSV</p> <p>Corrections or cancellations of transaction reports from before the previous trading day have to be sent in a separate upload file starting with 500 in the filename, e.g. 88TVUPL<b>500</b>ABCLO20220217XEUR.CSV</p> <p><b>Feedback:</b> e.g. Direct feedback to upload file with timestamp: 88TV<b>FBK</b>001ABCLO20220217<b>125959</b>XEUR.CSV.ZIP End-of-day backup enrichment file: 88TV<b>BKU</b>001ABCLO20220217XEUR.CSV.ZIP</p>

# RRS Overview

## Key Differences between RRH and the new RRS

### File content/data quality (3/3)

Feature	RRH	RRS
File content	Multiple header rows, 251 columns separated by semicolon, line count at end of file	Only one header row, 67 columns separated by comma, no extra row at end of file
- record identification	Complicated concatenation of trade ID fields Member has to create unique transaction reference number	By TVTIC and SIDE_TRADE_ID (+TRADE_ID for FSE) No transaction reference number required
- reporting of aggregated client orders (INTC client-side transactions)	Additional RRH input records with requirement to populate all fields. No consistency check with market side	The member just adds INTC client-side records with a corresponding market side TVTIC and only needs to fill the client-side specific fields
- reporting of multiple first names	Not possible in CSV, in XML: separate by comma within e.g. the buyer first name field	Separate by semicolon within e.g. the buyer first name column
- reporting of multiple buyers/sellers/decision makers	In CSV: separate by comma, in XML: use multiple tags	Use additional rows with row SEQUENCE_NUM>0
Data quality	Trade details can be changed Generic MiFIR validations Additional non-venue related transaction reports initially processed Missing reports only shown in separate end-of-day completeness report	Trade details cannot be changed except for aggregated client orders (INTC) Validations specific to Trading Venue reporting Additional transaction reports immediately rejected Feedback directly provides status of all reportable trades

# RRS Overview

Steps to set-up RRS for Simulation and Production

## Non-MiFIR status

- Non-MiFIR member are identified in the onboarding process and setup accordingly

## CRE/CUE connectivity

- Generate SSH key pair
- Set-up CUE and CRE user accounts in the member section and upload public key
- Changes usually apply after two business days

## mifid market in CRE/CUE

- Eurex and Xetra Member Section user with the "Self-Service Certificate Admin" (SSCA) permission sets up a user with access to market mifid for both CRE and CUE for each venue
- Changes usually apply after two business days

## Trader master data

- Maintain traders and their National ID in the member section

## Short codes

- Upload short codes for clients, execution and investment decision makers for each venue

# RRS Overview

Links to further documentation

- ❑ [Information handbook for audit trail, ... under the MiFID II/MiFIR regime](#)
- ❑ [Non-MiFIR member user manual](#)
- ❑ [Trading Venue File Specifications](#)
- ❑ [Sample Files Xetra](#) and [Sample Files Eurex](#)
- ❑ [CUE/CRE User Manuals](#)

# Detailed Process Steps

## Extract file provision

- On the early morning of the next calendar day, extract files for every venue (XFRA, XETR, XEUR) are provided in the CRE mifid folder
- e.g. abclo/P/mifid/20220216/  
88TVEXT001ABCLO20220216XEUR.CSV.ZIP, 88TVEXT001ABCLO20220216XFRA.CSV.ZIP
- Files contain one record for every executed transaction
- Empty files provided for every venue where there is a membership if there was no execution

```
1 ACTION_TYPE,TVTIC,SIDE_TRADE_ID,TRADE_ID,INTC_NUM,SEQUENCE_NUM,INFO:EXECUTING_ENTITY_ID,  
2 NEWT,10000000000000000471959015119643519814198540,1212121212,,0,0,DUMMYLEI123456789000,FAL  
3 NEWT,10000000000000000471959015119643519814198897,3434343434,,0,0,DUMMYLEI123456789000,FAL  
4 NEWT,10000000000000000471959015119643519814198912,4562341342,,0,0,DUMMYLEI123456789000,FAL  
5 NEWT,10000000000000000471959015119643519814198921,3434343435,,0,0,DUMMYLEI123456789000,FAL  
6 NEWT,10000000000000000471959015119643519814198935,3434343437,,0,0,DUMMYLEI123456789000,FAL  
7 NEWT,10000000000000000471959015119643519814198940,4567354374,,0,0,DUMMYLEI123456789000,FAL  
8 NEWT,10000000000000000471959015119643519814198945,1212121213,,0,0,DUMMYLEI123456789000,FAL
```

# Detailed Process Steps

## Extract file enrichment and upload

- Unzip the file
- Open file in Excel or a text editor (e.g. Notepad++)
- Populate the required fields (see next slides)
- Content of columns named INFO:... can be left as is or removed but the column label and comma must be kept
- Save file with TVEXT changed to TVUPL and date changed to current day, e.g.  
89TVUPL001ABCLO20220217XEUR.CSV
- Upload file (unzipped) via CUE to mifid upload folder, e.g. abclo/P/mifid/UPLOAD/
- CUE moves the file to the business date folder, e.g. abclo/P/mifid/20220217
- Invalid file names are not further processed and get an extension e.g. CSV\_\*\*WRONG\_UPLOAD\_DATE

# Detailed Process Steps

## Transaction identification and MISSING flags

- TVTIC, SIDE\_TRADE\_ID and TRADE\_ID are provided for each transaction in the extract
- For FSE they must be included in the upload to uniquely identify a transaction
- For Eurex TRADE\_ID can be left empty in the upload
- Additional INFO fields in the extract help to identify a transaction:  
E04 Exchange order ID, E05 Client order ID, E12-E14 Text field 1-3, E15 Session ID, E16 Trader ID and E18 Eurex Product ID
- INFO fields E04-E11 indicate with Y if any information has to be enriched:  
MISSING\_BUYER, MISSING\_SELLER, MISSING\_INVEST\_DEC, MISSING\_EXEC\_RESP, MISSING\_SHORT\_SELLING\_INDICATOR, MISSING\_COMMODITY\_DERIV\_INDICATOR



# Detailed Process Steps

Fields to be populated if corresponding MISSING\_ flag is Y

Buyer/Seller ID for PNAL-  
transactions or unresolved short  
codes

- MISSING\_BUYER, MISSING\_SELLER
- Fields 7a BUYER\_ID\_TYPE, 7 BUYER\_ID, 16a SELLER\_ID\_TYPE, 16 SELLER\_ID
- Not relevant for prop business or correctly resolved short codes

Buyer/Seller details  
for natural persons

- MISSING\_BUYER, MISSING\_SELLER, MISSING\_INVEST\_DEC, MISSING\_EXEC\_RESP
- Fields 9-15 or 18-24
- Name, surname, date of birth
- If applicable decision maker code/name/surname
- Not relevant for prop business

Short Selling Indicator for sales of  
shares or sovereign debt

- MISSING\_SHORT\_SELLING\_INDICATOR
- Field 62
- Only relevant for FSE transactions
- Possible values: SESH, SSEX, SELL, UNDI

Commodity Derivative Indicator

- MISSING\_COMMODITY\_DERIV\_INDICATOR
- Field 64
- Only relevant for Eurex commodity derivatives
- Indicate if transaction is risk reducing Y/N

# Detailed Process Steps

Example – How to populate buyer fields

- If the short code could not be resolved by RRS, then all buyer details must be added:

	BUYER_ID_TYPE	BUYER_ID	BUYER_BRANCH_COUNTR Y	BUYER_FIRSTNAME	BUYER_SURNAME	BUYER_BIRTHDATE
Before		ID 999 not found	US			
After	NATIONAL_ID_CONCAT	US19700614JOHN#SMITH	US	JOHN	SMITHSON	1970-06-14

- In the CSV file the corresponding segment looks as follows:

Before ,ID 999 not found,US,,

After ,NATIONAL\_ID\_CONCAT,US19700614JOHN#SMITH,US,JOHN,SMITHSON,1970-06-14

- If the short code was resolved by RRS, then only names and date of birth must be added:

Before ,NATIONAL\_ID\_CONCAT,US19700614JOHN#SMITH,US,,

After ,NATIONAL\_ID\_CONCAT,US19700614JOHN#SMITH,US,JOHN,SMITHSON,1970-06-14

# Detailed Process Steps

The following fields can be changed

## Investment Decision within Firm

- Person or algorithm in firm responsible for investment decision
- Mandatory for proprietary trades
- Fields 57a/57

## Country of the Branch responsible for the Person making the Investment Decision

- Fill if investment decision maker is a natural person
- Defaults to member home country if not at a branch
- Field 58

## Execution within Firm

- Person or algorithm responsible for execution decision
- If not filled in order, RRS defaults to executing trader
- In case of decision by client use ID type NORE and leave ID empty
- Field 59a/59

## Country of the Branch supervising the Person responsible for the Execution

- Default value: member home country
- Field 60

# Detailed Process Steps

## Reporting of aggregated client orders (INTC client-side transactions)

- Client ID ,AGGR' is translated to BUYER/SELLER\_ID\_TYPE ,INTC'
- Only the market-side execution is shown in the extract
- The member must add records for the corresponding client-side transactions to the upload file
- These records use the TVTIC of (one of) the related market-side execution(s) and are numbered with INTC\_NUM, starting with 1
- SIDE\_TRADE\_ID and TRADE\_ID must be empty, Venue = XOFF set automatically by RRS
- If the market-side execution has 'INTC' as BUYER\_ID\_TYPE, then the client-side execution has 'INTC' as SELLER\_ID\_TYPE and vice versa
- At least two client-side executions must be reported per INTC market-side execution
- For each ISIN in the upload file, the total Buy volume into the INTC account should equal the total Sell volume

# Detailed Process Steps

## Feedback file to be checked

- The feedback file to an upload will be available after ca. 15 minutes
- For every trade of the trading day, the feedback contains a status record (identified by FEEDBACK\_NUM=0), which shows UPLOAD\_STATUS as
  - 'no upload needed' - e.g. prop trade without short selling or commodity derivative
  - 'waiting for upload' - information missing and no or no valid upload
  - 'valid and complete upload' - missing information has been correctly uploaded
  - 'backup enriched' - missing information was not provided and dummy values have been added in end-of-day backup enrichment
  - 'invalid LEI' - LEI of the member or of a short/long code in the order is inactive
- Valid uploaded INTC client-side transactions have a status record with UPLOAD\_STATUS
  - 'client side report loaded'
- For each error or warning in an upload record, the feedback contains a record referencing the upload row and numbered by FEEDBACK\_NUM, starting with 1
- Upload records without error or warning do not get a feedback

# Detailed Process Steps

## End-of-day feedback file after backup enrichment

- After 7 pm on a trading day, RRS enriches any records not yet enriched and provides the backup enrichment feedback file e.g. 88TVB**KU**001ABCLO20220217XEUR.CSV.ZIP
- The backup enrichment feedback file only contains the status records for the trading day transactions
- Any records with upload status 'backup enriched' or 'invalid LEI' must be uploaded with the correct values as soon as possible by the member

```
89TVBKU001ABCLO20210304XEUR.CSV
1 ACTION_TYPE,TVTIC,SIDE_TRADE_ID,TRADE_ID,INTC_NUM,SEQUENCE_NUM,TRADE_DATE_TIME,INSTRUMENT_ID,VALIDATION_RESULT,UPLOAD_ROW,FEEDBACK_NUM,FIELD_NUM
2 NEWT,10000000000000000471959015119643519814198540,1212121212,,0,,2021-03-03T15:12:35.123456Z,DE000C6G3VZ5,,0,,,,,Y,,,Y,,backup enriched,24680246
3 NEWT,10000000000000000471959015119643519814198897,3434343434,,0,,2021-03-03T16:47:21.123456Z,DE000C1T6JE8,,0,,,,,valid and complete upload,!
4 NEWT,10000000000000000471959015119643519814198912,4562341342,,0,,2021-03-03T16:49:11.123456Z,DE000C1T6JE8,,0,,,,,valid and complete upload,!
5 NEWT,10000000000000000471959015119643519814198921,3434343435,,0,,2021-03-03T17:01:05.123456Z,DE000C6FT9Q4,,0,,,,,no upload needed,555556666
6 NEWT,10000000000000000471959015119643519814198935,3434343437,,0,,2021-03-03T17:02:43.123456Z,DE000C1T6JE8,,0,,,,,valid and complete upload,!
7 NEWT,10000000000000000471959015119643519814198940,4567354374,,0,,2021-03-03T17:03:13.123456Z,DE000C6EBR73,,0,,,,,no upload needed,555556666
8 NEWT,10000000000000000471959015119643519814198940,,,1,,2021-03-03T17:03:14.123456Z,DE000C6EBR73,,0,,,,,client side report loaded,,,,,
9 NEWT,10000000000000000471959015119643519814198940,,,2,,2021-03-03T17:03:14.123456Z,DE000C6EBR73,,0,,,,,client side report loaded,,,,,
```

# Known Limitations

- Known Limitations will be published as a separate file in due course
- The file will be available at [Eurex website](#) as well as at [Xetra website](#)

# Published Documentation

## Changes since last documentation update

- Added columns TRADE\_ID and INFO:EUREX\_PRODUCT\_ID
- TRADE\_ID is filled in every extract record and must be filled for FSE upload records
- Enhanced upload validation rules
- Made COMPLEX\_TRADE\_COMPONENT\_ID modifiable for INTC client-side transaction reports and changed column name from INFO:COMPLEX\_TRADE\_COMPONENT\_ID to COMPLEX\_TRADE\_COMPONENT\_ID
- Corrected error messages for “short code ## not found” to “ID ## not found”
- Limited upload file sequence numbers from TVUPL001 to TVUPL050 for current trading day and TVUPL500 to TVUPL550 for historical corrections



# Points For Attention

## Correction of AOTC transaction reports with own LEI as buyer/seller



- BaFin has asked for correction of AOTC transaction reports where the member is buyer or seller
- Corrections should be completed with RRH solution
- RRS will only support historical corrections some time after production launch
- RRS will not support correction of Xetra Classic transaction reports (XFRA transactions before 24 August 2020)

# Contact

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