

MiFID II Information

Action required! High priority!

Please note: This circular is only available in English language.

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WBAG MiFID II / MiFIR Implementation Information for Members

RTS24 – Record keeping requirements “Short Code Solution”

Under Art. 25(2) of MiFIR and Art. 2 of RTS 24, trading venues shall keep at the disposal of their NCAs (National Competent Authorities) relevant **data to identify the clients of their Members**. In order to comply with these “Record Keeping Requirements for Trading Venues” regulations, each exchange needs to obtain additional data from their trading Members.

Discussions on exchange level led to the so called “Short Code Solution” where Members are at first required to assign artificial short codes to their clients. These short codes then have to be sent in every order/quote message to the trading venues, when Members act on behalf of their clients (are trading on “Agent” account). Additionally, Members have to send a mapping table including the artificial short code and the mapping of this code to the identification codes required by the MiFID regulation (e.g. LEI for institutional clients or National ID for retail clients). The assigned short codes should be unique over time, however at least on an intraday basis.

With regard to the upcoming General Data Protection Regulation in 2018, WBAG will collect this private end client information from Members via request for setup of a separate “MiFID SFTP data upload & data check process” on Member side. The data format requested by WBAG will be similar to the format used by other exchanges (e.g. DBAG).

In order to initiate the “MiFID SFTP Account Setup”, Members are asked to return the questionnaire provided in Annex V of circular CI 30/2017. Please fill in the table and return it by <mailto:mifidproject@wienerborse.at> **by end of October, 2017 at the latest**.

Rollout: MiFID II SFTP data upload setup for each Member on WBAG side is planned to be finished in early October so that Members can start uploading data. Feedback by WBAG (after validation and processing of the uploaded data) is scheduled to be rolled out in November and will be described in detail in a separate circular.

Annex I

National client identifiers for natural persons to be used in transaction reports

ISO 3166	Country Name	1st priority identifier	2nd priority identifier	3rd priority identifier
AT	Austria	CONCAT		
BE	Belgium	Belgian National Number (Numéro de registre national — Rijksregisternummer)	CONCAT	
BG	Bulgaria	Bulgarian Personal Number	CONCAT	
CY	Cyprus	National Passport Number	CONCAT	
CZ	Czech Republic	National identification number (Rodné číslo)	Passport Number	CONCAT
DE	Germany	CONCAT		
DK	Denmark	Personal identity code 10 digits alphanumerical: DDDMMYYXXXX	CONCAT	
EE	Estonia	Estonian Personal Identification Code (Isikukood)		
ES	Spain	Tax identification number (Código de identificación fiscal)		
FI	Finland	Personal identity code	CONCAT	
FR	France	CONCAT		
GB	United Kingdom	UK National Insurance number	CONCAT	
GR	Greece	10 DSS digit investor share	CONCAT	
HR	Croatia	Personal Identification Number (OIB — Osobni identifikacijski broj)	CONCAT	
HU	Hungary	CONCAT		
IE	Ireland	CONCAT		
IS	Iceland	Personal Identity Code (Kennitala)		
IT	Italy	Fiscal code (Codice fiscale)		
LI	Liechtenstein	National Passport Number	National Identity Card Number	CONCAT
LT	Lithuania	Personal code (Asmens kodas)	National Passport Number	CONCAT
LU	Luxembourg	CONCAT		
LV	Latvia	Personal code (Personas kods)	CONCAT	
MT	Malta	National Identification Number	National Passport Number	
NL	Netherlands	National Passport Number	National identity card number	CONCAT
NO	Norway	11 digit personal id (Foedselsnummer)	CONCAT	
PL	Poland	National Identification Number (PESEL)	Tax Number (Numer identyfikacji podatkowej)	
PT	Portugal	Tax number (Número de Identificação Fiscal)	National Passport Number	CONCAT
RO	Romania	National Identification Number (Cod Numeric Personal)	National Passport Number	CONCAT
SE	Sweden	Personal identity number	CONCAT	
SI	Slovenia	Personal Identification Number (EMŠO: Enotna Matična Številka Občana)	CONCAT	
SK	Slovakia	Personal number (Rodné číslo)	National Passport Number	CONCAT
All other countries		National Passport Number	CONCAT	

RTS 24 - Record Keeping Requirements (Short Code solution)

In order to comply with RTS 24 - Record Keeping Requirements for Trading Venues, Wiener Boerse needs to obtain additional data from its trading Members.

As a trading venue, Wiener Boerse is required to store and keep at the disposal of the National Competent Authority (NCA) the following data (among others):

Field	Field	Short description
1	Identification of the entity which submitted the order	The identity of the Member of the trading venue
3	Client identification code	Identification of the client of the Member
4	Investment decision within firm	Code used to identify the person or the algorithm within the Member who is primarily responsible for the investment decision
5	Execution within firm	Identification of the person (Xetra® Trader) or algorithm within the Member or Member of the trading venue who is responsible for the transaction (execution of the order); or if determined by the client of the Member

Table 1: Excerpt from RTS 24 Annex

Wiener Boerse follows the EU-wide industry “short code solution”. Trading Members shall insert ClientID, Execution and Investment Decision using this logic.

1. Short codes for client identification codes

Regulatory requirement

Members have to assign short codes for the identification codes required to identify their immediate clients. Under Art. 25(2) of MiFIR and Art. 2 of RTS 24 (see encl.), Wiener Boerse shall keep at the disposal of the competent authority the relevant data to identify the client of the Member of the trading venue.

There are five possibilities for the population of Field 3 “Client identification code” of Table 2 of the delegated regulation (see above):

1. When the client is a legal entity, the LEI code of the client
2. When the client is not a legal entity, the National ID of the client
3. In case of an aggregated order, the flag AGGR
4. In case of pending allocations, the flag PNAL
5. This field shall be left blank only if the Member is trading on his own account

The “client identification code” refers to the immediate client of the Members. Members shall populate only LEI or National ID of their immediate clients. For the exact definition of National ID please see **Annex I** (according to Delegate Regulation (EU) 2017 /590, Art.6 and Annex 2).

Flags AGGR and PNAL are specified in Art. 2(3) and 2(2) of Commission Delegated Regulation on maintenance of relevant data relating to orders in financial instruments under Art. 25(2) of Regulation (EU) No 600/2014

2. Short codes for execution decision and investment decision

In addition, short codes need to be used in cases where the investment or execution decision is taken by a person within the Member who is not an admitted Xetra® Trader; or in cases where the investment decision is taken by an admitted Xetra® Trader, but the execution decision is submitted by a different Trader. As set out in Art. 2(1)(b) of RTS 24 the field “investment decision” should always be populated when the Member is dealing on own account since it is putting its books at risk and is therefore deemed to be making an investment decision

The “Execution decision” field shall be populated in every transaction report. In cases where the decision about the execution was made

- by a client (e.g. if the client instructs the details of the trade including the venue of execution, investment firms should use default value “CLIENT” (short code = 3) in this field,
- by a person within the Member firm (either an admitted Trader or another nonadmitted person who instructed the details for the execution) or
- by an algorithm.

3. Short code submission and formats

Submission method

Members will be able to upload a data-file containing the mapping between short codes and according National IDs or LEIs via their MiFID SFTP access (see Annex II).

Please note that the following standard short codes will be reserved:

- 0 – No client for this order
- 1 – Aggregated order flag “AGGR”
- 2 – Pending allocations flag “PNAL”
- 3 – Client

Submission deadline

Members have to provide data with the short codes and corresponding long codes and the relevant identifier (National ID or LEI) in a “Client Info Reporting File” before 19:00 CET of the respective trading day (Day T). WBAG initiates two “Confirmation” runs at 16:00 CET and 19:00 CET where provided data will be checked on formal correctness and “Confirmation Files” will be sent to Members.

If Members fail to provide the decrypted ID for a short code submitted by the end of Day T, WBAG will inform Members about incomplete data by means of a “Feedback File”.

Members have to ensure completing missing data the next trading day (T+1) before 16:00 CET at the latest.

The upload functionality for the “Client Info Reporting File” is planned to be introduced begin of October 2017.

Format Specification “Client Info Reporting File”:

Header part: ###<Member-ID> Example: ###ABCVI

Footer part: ###<Date and time of creation>;<Num_data_records>

Date and time of creation: Format "YYYY-MM-DD hh:mm:ss" (in CET)

Num_data_records: Number of data lines (not including header and footer lines)

Common properties: Field separator: Tab (ASCII 09)

Filename-convention: CLIENT_INFO_<Member-ID>_<yyyymmdd>.DAT

Data record format (Members shall provide the following data)

Req.	Field Name	Field Length	Field Type	Valid Values	Example Content
Yes	MIC	Char(4)	Alphanumeric	MIC acc. to ISO 10383	XVIE
Yes	StatusIndicator	Char(1)	Uppercase Letter	N (new) M (modify) D (delete)	N
Yes	ValidFrom	Char(10)	Date	Date Format "yyyy-mm-dd"	2018-01-03
Yes	ShortCodeID	8 bytes	Numeric	0-18446744073709551614	123456789456
Yes	Classification	Char(1)	Uppercase Letter	L (for LEI) N (for National ID)	N
Cond. (for N)	NatIDCtryCode	Char(2)	Capital Alpha Values	Country Code according to ISO 3166-1 alpha 2	AT
No	NatIDPrio	Char(1)	Numeric	1 2 3	1
Yes	ClientLongValue	Char(35)	Alphanumeric		19671010JOSEFMUSTE

Table 2: data format for provision of client short codes and long codes

As the description implies, a full file or a delta file can be sent

Confirmation-File:

Immediately after 16:00 CET and 19:00 CET WBAG will process a formal check of the provided data and will generate a confirmation file in the same location as the file processed including the result of the formal verification:

Format Specification:

Header part: ###<Member-ID>;<Status> Example: ###ABCVI;OK or ###ABCVI;ERROR

Footer part: Same as for “Client Info Reporting File”

Filename-convention: CLIENT_INFO_CONFIRMATION<Member-ID>_<yyyymmdd>.DAT

Data record format (same as for “Client Info Reporting File” + 2 additional fields)

Req.	Field Name	Field Length	Field Type	Valid Values	Example Content
....					
Yes	Confirmed	Char(1)	Boolean	“Y” / “N” (Yes/No)	Y
No	Error	Char(50)	Alphanumeric	Error in Field <Field Name> Missing Field <Field Name>	Error in Field “Valid From”

Table 3: data format for confirmation of provision of client short codes and long codes

The field “Error” is only sent back, if field “Confirmed” is set to “N”.

Feedback-File:

WBAG will check the completeness of client data provided on a daily basis short after 16:00 CET for the last trading day before the current trading day and short after 19:00 for the current trading day.

This is done by checking if the required client information is available for all short codes found in current trading days data resp. in the last trading day before the current trading days data.

As a result, a feedback file is provided by WBAG, including all short codes found in the trading system data, for which no client information had been provided.

Format specification:

Data record layout

Field	Spec	Description
MIC	Char(4)	MIC code of the place of trade (e.g. "XVIE")
TraderID	Char(11)	Name of Trader in trading system (e.g. "ABCVITRDABC")
ShortCodeID	8 bytes numeric	ID in trading system (short code)

Table 4: data format for feedback on missing client short codes

Header and Footer Part: Same as for "Client Info Reporting File"

Filename-conv.: CLIENT_INFO_FEEDBACK_<MEMBER_ID>_<TRADING_DATE>.DAT

Members have provided all relevant data for a respective trading day, when the feedback file for this trading date contains header and footer record only.

Please note: Provision of Confirmation Files and Feedback Files by WBAG will be rolled out in November 2017.

4. Enhancement of order records in T7 and Xetra® Classic

T7 Release 6.0, planned for December 4, 2017 and Xetra® Release 17.0, planned for November 20, 2017, will introduce the new fields

- *Client ID* (for the field "Client identification code")
- *Execution ID* and *Execution Qualifier* (for the field "Execution within firm"), *Investment ID* and *Investment Qualifier* (for the field "Investment decision within firm") and
- *Liquidity flag* (for the field "Liquidity provision activity").

The field *Execution ID* will replace the existing *Compliance ID* field.

The existing field *Member-ID* will remain to identify the Member of the trading venue.

WBAG will map the LEI of the Member to the regulatory reporting to the competent authorities. Likewise, where a Trader has taken either the execution or the investment decision, the existing *Trader ID* field is used to determine the corresponding National ID of the Trader for inclusion to the regulatory reporting.

4.1 Client ID

This is an 8-byte numeric field which shall be populated with a short code of the Member's immediate clients. The following pre-defined short codes shall be used to flag aggregated orders, pending allocations or cases where no client is involved in the order:

- 0 – No client for this order
- 1 – Aggregated order flag "AGGR"
- 2 – Pending allocations flag "PNAL"

Members have to populate the field *Client ID* for all client transactions (order entry/modification). Please note, that neither T7 nor Xetra® Classic will accept order transactions on “A”gent capacity, without filling of the Client ID.

4.2 Execution ID and Execution Qualifier – General Format ¹

The following entries shall be used for the **Execution Qualifier**:

- 22 – if the decision maker is an algorithm
- 24 – if the decision maker is a natural person, or the execution decision was taken by the client

The population of Execution Qualifier is mandatory.

The **Execution ID** field is an 8-byte numeric field, which shall be populated with:

- The Algo ID in case the execution decision was primarily taken by an algorithm
- The short code of the National ID of the person within the Member firm primarily responsible for the execution decision, if this person is different from the Trader submitting the order/quote message.
- The short code “3” if the execution decision was taken by the client.

In case the Trader primarily took the execution decision, the field shall be left blank, while the Execution Qualifier needs to be populated with the value “24”.

No	Scenario	Execution Qualifier	Execution Identifier	Reporting of “Execution decision within firm” to NCA
1	The decision was taken within the Member firm. The decision maker is primarily an algorithm	22 (algorithm)	Algo ID	Algo ID
2a	The execution decision was taken within the Member firm. The decision maker is a natural person different from the Trader submitting the order/quote.	24 (natural person)	Short Code	National ID
2b	The execution decision was taken within the Member firm. The decision maker is the Trader submitting the order/quote.	24 (natural person)	Empty	National ID of the entering Trader
3	The decision was not taken within the Member firm, but by the client	24 (natural person)	3	“CLIENT”

Table 5: Population of Execution ID and Execution Qualifier fields

It is in the responsibility of the Members to determine the decision maker (e.g. algorithm; legal entity; natural person or client) primarily responsible for the execution in accordance with their governance model.

Members shall populate fields Execution Qualifier and Execution ID for all transactions directly by order/entry/modification/deletion according to the methodology described in table above.

¹ Values might differ with respect to different interfaces

4.3 Investment ID and Investment Qualifier - General format²

When a Member is dealing on “any other capacity”; both fields shall be blank. If the Member deals on own account; the fields shall be populated; therefore the field “investment decision within firm” is mandatory for all transactions on Members’ own accounts.

The following entries shall be used for the **Investment Qualifier**:

- 22 – if the decision maker is an algorithm
- 24 – if the decision maker is a natural person
- The field shall be left blank in case of a client order.

The **Investment ID** is an 8-byte numeric field, which shall be populated with:

- The Algo ID in case the investment decision was primarily taken by an algorithm
- The short code of the National ID of the person within the Member firm primarily responsible for the execution decision, if this person is different from the Trader submitting the order/quote message
- If the investment decision was taken by the same person submitting the order/quote message the field shall be left blank.

No	Scenario	Investment Qualifier	Investment Identifier	Reporting of “Investment decision within firm” to NCA
1	The investment decision was taken within the Member firm and the Member firm deals for its own account. The investment decision maker is an algorithm.	22 (algorithm)	Algo ID	Algo ID
2a	The investment decision was taken within the Member firm and the Member deals on its own account. The investment decision maker is a natural person different from the Trader submitting the order/quote.	24 (natural person)	Short code	National ID of the
2b	The investment decision is made within the Member firm and the Member firm deals on its own account. The investment decision maker is the Trader submitting the order/quote.	24 (natural person)	Empty	National ID of the entering Trader
3	The investment decision is not within the Member firm and the Member is acting on “any other capacity”.	Blank	Blank	Blank

Table 6: Population of Investment ID and Investment Qualifier

Trading Members have to populate the fields “Investment Qualifier” and “Investment ID” for all transactions directly by order entry/modification/deletion, if mandatory (as outlined above).

² Values might differ with respect to different interfaces