



# **XONTRO**

## **MiFID Post Trade Transparency via XONTRO**

### Technical Description

Version 1.0

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## 1 Introduction

The MiFID Directive 2004/39/EC of the European Union re-formulates the rights and obligations for financial instruments' trading and service firms for the entire European Union anew.

One partial area to be re-formulated by this directive covers the so called "Post Trade Transparency". Within this topic, it is demanded that "OTC trades" executed anywhere off-exchange be published within a pre-defined period of time after the contraction of the trade, including a given set of publishable attributes.

This will be valid for:

- Trades generated from within so called „Multilateral Trading Facilities“, abbreviated MTFs, or
- Trades arising from so called „Systematic Internalization Platforms“, by means of which, at certain securities' services companies, a so called „inhouse-matching“ of agent/commission or proprietary orders can be conducted, or
- Trades generally having been contracted anywhere off-exchange between two counterparties (e.g. by means of the so called „telephone trading“ practice).

The question as to who will be in charge of delivering the trade report information to the public is answered by the directive as follows:

- In those cases where the trade was contracted on a trading platform, the person or firm operating the trading platform bears the publishing obligation.
- In case of trades not having been contracted on a trading platform (e.g. by means of the so called „telephone trading“ along with direct OTC trades), according to a mutual agreement one of the two trading counterparties assumes the publication obligation – normally the seller of the position. There will be no cross-check validations if a position has been published twice.

XONTRO, by means of offering the new MT513 message type, supports the implementation of the EC directive addressed to the topic „**Post Trade Transparency**“ for OTC trades.

## 1.1 Definitions

„OTC Trade Reports“ are defined as:

- Trade reports having been entered into XONTRO for the purpose of publication.

## 1.2 Framework requirements / Restrictions

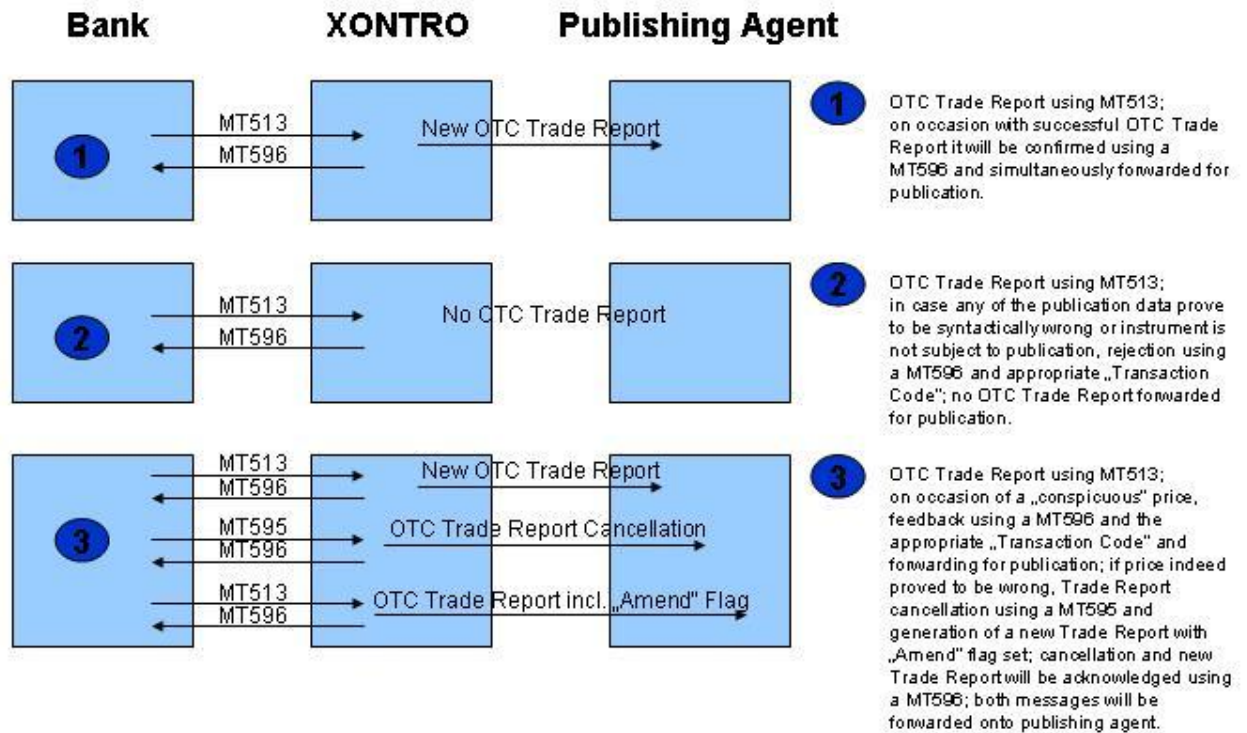
This document describes the functional implementation of the entry/acceptance and publication functions for OTC Trade Reports via XONTRO.

In a first step, only trades contracted in shares and share-substitute certificates issued for stock trading within the European Economic Area will have to be published.

As a general rule, banks may enter OTC Trade Reports for the current business day between 03:00 a.m. and 08:30 p.m.; the forwarding onto the publishing system commences at approx. 06:00 a.m. During business days for which the trading sessions are abridged (e.g. on December 24<sup>th</sup>, or December 31<sup>st</sup>), OTC Trade Reports may only be entered until the start of the end-of-day batch.

There will be an option to enter trade reports “on behalf” for “external” CBF account numbers that have been entitled to this purpose.

## 2 Message work flow



Each Trade Report is entered using the new Message Type MT513. Each MT513 will be acknowledged using a separate MT596. If the Trade Report proves to be correct, then the acknowledgement contains a so called OTC Trade Report Number that may eventually be used for the cancellation of the Trade Report.

In case the price validation detects a conspicuous price, then the confirmation contains an additional appropriate code. In this case the bank should perform an examination as to whether the reported price was correct. If this turns out to be the case, then no further action will be necessary. If the reported price turns out to be wrong, however, then the original Trade Report may be cancelled using a MT595 and the inclusion of the OTC Trade Report Number. The new OTC Trade Report (MT513), using the correct price, should then be flagged accordingly using the “Amend” flag.

## 3 Format description

### 3.1 OTC Trade Report (MT513)

Originator: Bank

Submission of XONTRO OTC Trade Reports

MT 513 OTC Trade Report			
O / M	Label	Field description	Format
O	20:	Bank internal OTC Trade Report Number	<u>13</u> x
M	31P:	Exchange location Trade date (YYMMDD) Trade time (HHMM)	<u>3x6n4n</u>
M	40:	BIC of originator Execution venue ID Deviant price indicator Negotiated price indicator Delay indicator Amendment indicator Quotation unit Deviation from UTC – signed – (+/-HHMM)	<u>11x/12x/[1a]/[1a]/ [1a]/[1a]/[1n]/ [1x4n]</u>
M	35A:	Nominal amount traded	<u>10n,3n</u>
M	35B:	ISIN	<u>ISINb12c</u>
M	33T:	Price currency Price	<u>3a6n,4n</u>
M	82D:	Issuer of the trade	<u>4n</u>

With the exception of the label M40:, all labels are identical to those of the MT511.

#### **Label 20 (Bank internal OTC Trade Report Number):**

If desired, the bank may assign a bank internal OTC number to the trade reported. This number will then be re-submitted in the acknowledgement/confirmation message.

#### **Label 31P (Exchange location):**

This field must comply to the issuer's exchange location (Label 82D).

Possible value range:

100 – Berlin	150 – Hannover
120 – Duesseldorf	160 – Munich
130 – Frankfurt	170 – Stuttgart
140 – Hamburg	

**Label 31P (Trade date):**

This field contains the contraction date of the trade using the format YYMMDD. Every calendar day is allowed, i.e. including a Saturday, Sunday, or a holiday.

**Label 31P (Trade time):**

This label indicates the time at which the trade was contracted. The local time of the appropriate authority to whom the trade is to be reported must be given here.

**Label 40 (BIC of originator):**

11-digit alphanumeric code for the identification of the reporting agent. Here, the institute that has contracted the trade to be published has to be inserted. In case of „on behalf“ trade reports, the originator's BIC thus deviates from the issuer (Label 82D). No cross check validation for the existence of the BIC given will be performed.

**Label 40 (Execution venue ID):**

Here it is to be stated whether the trade to be reported was an OTC trade, or if it was an internalized trade, or if it was contracted on a trading platform, and if so, on which trading platform.

The following values are allowed:

'OTC'	for OTC trades	constant value
'SI'	for systematic internalizers	constant value

For the identification of a platform:

'B' plus BIC (ISO 9362, 11-digit alphanumeric)	e.g. BDEUTDEFFXXX
'M' plus MIC (ISO10383, 4-digit alphanumeric)	e.g. MXFRA
'I' plus IBEL (ISO 16327, 10-digit alphanumeric)	e.g. IDE12345670

**Label 40 (Indicator: Price is deviant from market price):**

This field is to be filled with 'J' (yes), if the price deviates from the current market price. In this case, the price validation routine will be suppressed.

**Label 40 (Indicator: Negotiated price):**

This field is to be filled with 'J' (yes), if the price was a negotiated one. In this case, the price validation routine will be suppressed.

**Label 40 (Delay indicator):**

By means of this flag, the so called block trade delay will be addressed in the future. Within step 1, however, this field has no significance yet, and there will be no cross check validation.

**Label 40 (Amendment indicator):**

This field is to be filled with 'J' (yes), if, after a cancellation, a trade report was entered anew. No verification will be performed on this flag.

**Label 40 (Quotation unit):**

This field may have one of the following values:

Value	Significance
1	unit quotation
2	percentage quotation
3	per thousand quotation

**Label 40 (Deviation from UTC (signed) +/-HHMM):**

Here it is to be stated how far the reported trade time for the trading location reported deviates from the Universal Time Coordinated (UTC). CET (winter) = +0100, CET (summer) = +0200.

**Label 35A (Nominal amount):**

This field contains the nominal amount or the number of shares traded. At present, the entry of the nominal amount is only permitted using the format 9n,3n.

**Label 35B (ISIN):**

This field contains the 12-digit International Securities Identification Number (ISIN) of the instrument traded.

**Label 33T (Price currency):**

Along with unit quoted securities, this field contains the price currency using the ISO format; along with percentage quoted securities, the underlying instrument currency is given.

**Label 33T (Price):**

This field contains the price of the trade.

**Label 82D (Issuer of the trade):**

This field contains the 4-digit CBF account number of the issuer. This number must comply with the exchange location given in field 31P.

As an option, there exists the possibility to enter trade reports "on behalf" for "other" CBF account numbers having been entitled for this purpose.

## 3.2 OTC Trade Report Cancellation (MT 595)

Originator: Bank

Submission of an OTC Trade Report Cancellation. The entry of a cancellation will be forwarded onto the publishing agent immediately.

MT 595 OTC Trade Report Cancellation			
O / M	Label	Field description	Format
M	20:	OTC Trade Report Number	16x
M	21:	Order reference number: Bank internal OTC Trade Report Number	<u>13</u> x
M	75:	Transaction code Type of security Unit or par value (current value) Issuer of cancellation Exchange location	<u>3</u> n[ <u>3</u> a10n, <u>3</u> n] [ <u>4</u> n]/[ <u>3</u> x]
O	77A:	Free text	35x
M	11:	Message type and Date of original message	<u>3</u> n <u>6</u> n
O	79:	Descriptions and new contents of the fields to be changed (same depiction as in original message, i.e. field tag always at the beginning of a new line).	35*50x

**Rules:**

**Field 11 (Message type and date of original message):**

These fields are to be filled as follows:

- Message type: 513
- Date of original message: Business date using format YYMMDD

**Field 20 (OTC Trade Report Number):**

On the occasion of an OTC Trade Report Cancellation, the field 20 is to be filled with the 16-character OTC Trade Report Number having originally been assigned to the OTC Trade Report to be cancelled.

**Field 21 (Order reference number):**

Content will be ignored.

**Field 75 (Transaction code):**

The following transaction code is to be used along with the cancellation of OTC Trade Reports:

Code	Meaning
Bank to System:	
116	OTC Trade Report Cancellation

The OTC Trade Report referenced by field F:20 will be forwarded to the publishing agent as having been cancelled.

**Field 75 (Exchange location):**

(according to WM Key GD621). Values permitted:

100 – Berlin	150 – Hannover
120 – Duesseldorf	160 – Munich
130 – Frankfurt	170 – Stuttgart
140 – Hamburg	

For the cancellation of an OTC Trade Report, the exchange location is mandatory. The exchange location given must match the party having entered the cancellation, as given in field 75.

**Field 75 (Unit or par value):**

This field will not be validated.

**Field 75 (Cancellation issuer):**

For the cancellation of an OTC Trade Report, the issuer's CBF account number is mandatory here. The entry must correspond to the exchange location given in field 75.

**Field 77A (Free text):**

If needed, modifications or deletions may be referenced here. The text that is entered here will be forwarded, unchanged, onto the acknowledgement by the system (MT596).

**Field 79 (Descriptions and contents):**

On the occasion of an OTC Trade Report Cancellation, the ISIN must be given in the first line of the field F:79:35B.

### 3.3 Response (MT 596)

Originator: XONTRO

Acknowledgements (confirmations or error notifications) for OTC Trade Reports having been transmitted electronically (MT513).

Acknowledgements (confirmations or error notifications) for OTC Trade Report Cancellations having been transmitted electronically (MT595)

MT 596 Response (Acknowledgement)			
O / M	Label	Field description	Format
M	20:	Bank internal OTC Trade Report Number	13x
M	21:	OTC Trade Report Number	16x
M	76:	1st line: Code number Xetra order number (new) New trade number (along with trade reversals) 2nd line: Message generation time (HHMMSSHS) Version number (lastUpdateDat)	/3n[/13x][16x]     [EIN-ZEITb8n][18n]
O	77A:	Free text (to be copied from MT595 / field F:77A)	35x
M	11:	1st line: Message type 2nd line: Date of the original message	3n   6n
O	79:	Error code: Field tag, Error comments (cf. section „Error Comments“ in the Technical Connection for Financial Institutes)	3*3x[7x]

**Rules:**

**Field 20 (Bank internal OTC Trade Report Number):**

Acknowledgements for OTC Trade Reports contain either the bank internal OTC Trade Report Number (delivered in the MT513 in field 20), or the value „00000000000000“, in field 20 of the MT596. Acknowledgements for OTC Trade Report Cancellations always contain the value “00000000000000”. The OTC Trade Report Number will be delivered in field 21.

**Field 21 (OTC Trade Report Number):**

Along with OTC Trade Report acknowledgements, this field will be used for the transmission of the 16-character OTC Trade Report Number.

The OTC Trade Report Number is set up as follows:

- Position 1-3 (3x): Exchange location
  - Position 4-9 (6n): Trade day (business day) using the format YYMMDD
  - Position 10-16 (7n): serial number
- (Along with a negative acknowledgement, the field will be filled with “/NONREF”)

**Field 76 / 1<sup>st</sup> line (Code number):**

The following table shows which code numbers will be used for OTC Trade Reports:

Code number	Meaning
/3n0	Request executed with no errors
/3n1	Conversion error (Trade Report was not forwarded)
/3n5	Data contents resulted in error(s)
/3n6	Request not executed; function is currently disabled
/308	OTC Trade Report forwarded; price appears conspicuous
n =	0 Entry
	2 Deletion / cancellation

**Field 76 / 1<sup>st</sup> line (Xetra order number new):**

This field will not be filled.

**Field 76 / 1<sup>st</sup> line (New trade number):**

This field will not be filled.

**Field 76 / 2<sup>nd</sup> line (Version number - lastUpdateDat):**

This field will not be filled.

**Field 77A (Free text):**

Will be taken over from MT595, if applicable.

**Field 11 (Message type):**

This field contains the message type number on which the acknowledgement is based upon.

**Field 79 Error code (Field label):**

On the occurrence of errors, the erroneous field tag will be referenced.

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### 3.4 End of day report

At the end of each business day, XONTRO generates one file per OTC Trade Reporting participant, containing all messages that have been forwarded onto the Publishing Agent.