XONTRO Newsletter

MiFID II

No. 3

(English Version)

Release 33

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Version   1.04 – update 4

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1 Introduction

This document serves the purpose to inform financial institutes and brokerage houses about the relevant XONTRO issues within the framework of the MiFID II implementation scheduled for the 3rd of January 2018. In addition to the information distribution, within the framework of the MiFID II preparation, the participation of all XONTRO members will also become mandatory.

This document covers the following subject areas:

- Information covering organisational demands within the frame of the MiFID II implementation
- 3270 dialog screen adaptations
- Shortcode procedure description
- Test procedure information
- Relevant MiFID II application form sheets

2   Organisational demands

In order to fulfill the MiFID II demands, the information as listed below will be required from all XONTRO members admitted for trading (financial institutes and brokerage houses) in preparation of MiFID II already.

For the purpose of transmitting this information, please use the form sheets linked resp. attached in the appendix „*MiFID-Master-Data for Banks I*" (resp. „*MiFID-Stammdaten Makler*"). The information transmitted will be included into the XONTRO base data system, and will be subject to modification via (additional) form sheets by the participants at any time.

All participants are kindly requested to submit the filled and signed form sheets by **August 31st , 2017**, latest.

All queries and clarifications regarding this issue may be addressed towards the XONTRO member help line via the phone ext. +49 – (0)69 – 58 99 78 – 110.

2.1   Company transmission - LEI

Relevant for all participants admitted for trading

Within the framework of a negotiated agreement of the G20 states, in order to create a higher degree of transparency along with financial transactions, an identification number for parties participating in financial transactions was introduced. Using the Global Legal Entity Identifier (LEI) System, an identification system has been created, which has a worldwide acceptance, and which serves to uniquely identify legal entities/persons, as well as other entities being active in the financial markets, such as, e.g., investment funds.

The LEI code is represented by a 20 bytes length alphanumeric data string. It serves to uniquely identify those legal entities participating in a transaction. Within Germany, the LEI assignment is being done by the WM Datenservice and the German Federal Gazette Publishing House (Bundesanzeiger-Verlag).

We need to know the indication resp. assignment of a valid Legal Entity Identifier (LEI) for all participating CBF account numbers admitted for trading in XONTRO.

2.2   Country code (ISO3166-1) transmission

Relevant for all participants admitted for trading

We need to know the indication resp. assignment of the currently valid country code according to ISO3166-1 in the format "char_2" for all participating CBF account numbers admitted for trading in XONTRO. The country code for German participants is "DE", for example.

2.3 „Responsible trader" transmission

Relevant for all financial institutes admitted for trading (3270 dialog as well as system connection) and acting as order issuer

Even 'though the obligation to indicate the „responsible trader" has been existing for all <u>order issuers</u> since several years already, and even 'though all relevant institutes have already been providing the corresponding data, we would still like to update the relevant database in connection with MiFID II.

Therefore, all financial institutes admitted in Berlin, Düsseldorf, Hamburg, Hannover, and Munich are kindly requested to transmit the currently valid identification data for the "responsible trader(s)" anew, per each CBF account number used. In case a deviation from the data already having been provided is detected, the respectively newest information will be used. The financial institutes affected are kindly asked to use the form sheet „*MiFID-Master-Data for Banks I*" for this purpose.

Participants that are not active in doing on-exchange order routing via the XONTRO system are not requested to label a responsible trader.

2.4 Transmission of SAKI-FIX allocation option for third parties

Relevant for all SAKI order routing participants

Financial institutes admitted for trading and allocating their SAKI FIX connection to the order routing of other legal persons – so called third party branches – are kindly requested to appoint these CBF account numbers.

Those financial institutes affected by this means are kindly requested to use the form sheet „*MiFID-Master-Data for Banks II (FIX only)*" for this purpose.

A SAKI FIX subsidiary branch is labelled third party branch if they are assigned to another legal person/entity than to the interface owner.

2.5 User legitimation deposit

Please refer to MiFID II Newsletter 04

3   3270 dialog screen modifications

In the course of the MiFID II realisation, aside from the system interfaces for the financial institutes (SWIFT & FIX), as well as for the intermediaries (SAM), in addition the XONTRO 3270 dialog screens will be enhanced resp. modified, too.

3.1   Financial institutes

3.1.1   Order entry „BREB EE"

```
TRAN: BREB FC: EE SB:

XONTRO / EINZELERFASSUNG                                 1234/99 BANK

GESCHAEFTSART: K              KAUF                        STUECK-NOT
EIGENGESCH.  : A  (A/P)       KUNDENGESCHAEFT
STCK/NOM     : 100,000        GEGENWERT:      8.110,00  KURS:     81,1000
GATTUNG      : SAP            SAP SE O.N.
LIMIT        : BILLIGST
ZUSATZ       : ...
GUELTIGKEIT  : 31.05.17
HHW          : ..             VAR. KURS
BI-ORDERNR.  : ................
EMPFAENGER   : 1235
TEXT         : ........................
AB FOLGETAG  : N  (J/N)
CLIENT-ID    : .... .................    USER/SHCO/PNAL/AGGR
EXECUTION-ID : VWHD 1234199999           USER/SHCO/VWHD
INVESTMENT-ID: .... .................    USER/SHCO
                                                  FREIGABE   (K/V): .

-- ID-KZ: 1234192799 -- PW:          ------ B9999ABC -- 24/04/17 -- 12:00:00 --

BC0120I BITTE ORDEREINSTELLUNG MIT PF3 FREIGEBEN
```

The XONTRO order entry mask „BREB EE" will be enhanced by the data fields Client-ID, Execution-ID, and Investment-ID. In terms of the field assignments to be done by the participants, the requirements and basic rules having been set up by ESMA with regards to the MiFID II implementation should be considered.

For each of the new data fields listed above, there is a 4-char definition part (e.g. USER, PNAL, …), followed by a data part that may have up 18 chars.

Field contents permitted - Client-ID (client identification code) - optional

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

- „SHCO" + max. 18-digits shortcode[1]
  (only for participants admitted; assuming a shortcode will be transmitted subsequently)

- ESMA keyword „PNAL" (pending allocation)
  (If, according to the legislation of the member state, a participant is entitled to assign an order to a customer after the order has been sent to the trading venue, but has not yet done this at the time the order was entered, then the Client-ID should be filled with „PNAL")

- ESMA keyword „AGGR" (aggregation)
  (If several orders are sent to the trading venue as an aggregated order, then the Client-ID should be filled with „AGGR")

Field contents permitted - Execution-ID (execution within firm) - mandatory

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

- „SHCO" + max. 18-digits shortcode[2]
  (only for participants admitted; assuming a shortcode will be transmitted subsequently)

- „VWHD" + 10-digits XONTRO User-ID
  (Pre-assignment using the XONTRO user ID of the responsible trader having been deposited)

Field contents permitted - Investment-ID (investment decision within firm) - optional

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

- „SHCO" + max. 18-digits shortcode[3]
  (only for participants admitted; assuming a shortcode will be transmitted subsequently)

---

[1] cf. the chapter „Shortcode procedure" in this connection, too

[2] cf. the chapter „Shortcode procedure" in this connection, too

[3] cf. the chapter „Shortcode procedure" in this connection, too

3.1.2 Order modification „BREB OB"

```
TRAN: BREB FC: OB SB:

XONTRO / ORDERBEARBEITUNG – VOLLANZEIGE                  1234/99 BANK

GATTUNG      : DE0007164600          SAP SE O.N.

GESCHAEFTSART: KAUF                          DWZ-ORDERNR : 1705056500000
STCK/NOM     : 100                           GEGENWERT   : 8.110,00
LIMIT        : BILLIGST                      LETZT. KURS : 81,1000
ZUSATZ       :                               STATUS      : AUSFUEHRBAR
GUELTIGKEIT  : 05.05.17                      EINST.-TAG  : 05.05.17
HHW          : ..                            BEARB.-TAG  :
BI-ORDERNR.  : ...............               BEARB.-ZEIT :
EMPFAENGER   : 1235                          BEARB.-ID   : 1234199999
TEXT         : ......................
CLIENT-ID    : PNAL ................         USER/SHCO/PNAL/AGGR
EXECUTION-ID : USER 1234199901               USER/SHCO/VWHD
INVESTMENT-ID: .... ................         USER/SHCO

                                             FREIGABE  (A): .

-- ID-KZ: 1234192799 -- PW:         ------ B9999ABC -- 24/04/17 -- 12:00:00 --

BC0470I BITTE ORDERAENDERUNG / -LOESCHUNG FREIGEBEN: DATFREIG
```

The XONTRO order entry mask „BREB OB" will be enhanced by the data fields Client-ID, Execution-ID, and Investment-ID. In terms of the field assignments to be done by the participants, the requirements and basic rules having been set up by ESMA with regards to the MiFID II implementation, as well as the entry options depicted in the previous chapter "Order entry BREB EE", should be considered.

3.1.3 Contract notes screen view „BxAG AL" – Enhancements for MiFID II

```
TRAN: BCAG FC: AL SB:

XONTRO / ANZEIGE NACHWEISE (LANGFORM)                       1234/99 BANK
                                        ABRUF-NR.:  G      1
KAUF – AUFGABESCHLIESSUNG               GNR      : B 170624 1000001

DE0007100000 DAIMLER AG NA O.N.
                                                            V-ART:  GS
NOM.: ST       5
                                        KUNDENGESCHAEFT

VENUE MIC: BERA
TVTIC: BERADE00071000001706241111111111111K

KONT. LEI: 1004  ABCDE12345FGHIJ67890
ABSCHLUSS: 24.06.17  11.11.11.111111
OTC POST TRADE: ACTX  KOMPENSATION


                  EINGABE:   24.06.17 11.11.11    COURT.:          0,00
                  ABSCHLUSS: 24.06.17 11.11.11 BS


 -- ID-KZ: 1234567899 -- PW:          ------ B9999ABC -- 25/06/17 -- 12:00:00 -
```

In „BxAG AL", a new screen page displaying additional features of MiFID II relevant data will be offered. The "retrieval groups" ("Abrufgruppen") F and V are excluded from this feature, as they are not relevant for MiFID II. The new screen page may be called within "BxAG AL" using the function key "PF5".

The following new features and information bits may be displayed:

- Venue MIC
  Market Identifier Code

- TVTIC
  Trading Venue Transaction Identification Code

- Counterparty LEI (Legal Entity Identifier)

- MiFID II compliant completion / contraction time (local time, not UTC)

- OTC Post Trade Indicator – possible values:
  - ACTX (Agency Cross) or
  - CANC (Cancellation) or
  - ACTX + CANC (both)

3.2 Intermediaries

3.2.1 Order entry „BRBO SE"

The XONTRO order „collective" entry mask „BRBO SE" will be adapted fundamentally. As, within the framework of the MiFID II requirements, the collection of additional data fields has become a necessity, and due to the lack of screen space, a "real" collective order entry will not be feasible any longer in the future. Therefore, the 3270 dialog order entry screen masks for financial institutes and for intermediaries will be mutually adapted to one another.

```
TRAN: BRBO FC: SE SB:

XONTRO ORDER – MAKLER / ORDERERFASSUNG                    4321/00 MAKLER

GATTUNG      : SAP                      SAP SE O.N.
GESCHAEFTSART: K
NOMINALE     : 100
AUFGEBER     : 4001
LIMIT        : BILLIGST
ZUSATZ       : ...
GUELTIGKEIT  : 17.05.17
HHW          : VA
BI-ORDERNR.  : ...............
EMPFAENGER   : 4321
CLIENT-ID    : .... ...............      USER/PNAL/AGGR
EXECUTION-ID : VWHD 4001199999           USER/VWHD
INVESTMENT-ID: .... ...............      USER




-- ID-KZ: 4321192700 -- PW:         ------ B9999ABC -- 24/04/17 -- 12:00:00 --
 F2 HIST  F3 VERARB  F4 ABBR  F5 ORD BEAR  F6 MENU  F11 ABMELD
 BC0460I DURCHFUEHRUNG DER VERARBEITUNG: PF3
```

Field contents permitted - Client-ID (client identification code) - optional

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

- ESMA keyword „PNAL" (pending allocation)
  (If, according to the legislation of the member state, a participant is entitled to assign an order to a customer after the order has been sent to the trading venue, but has not yet done this at the time the order was entered, then the Client-ID should be filled with „PNAL")

- ESMA keyword „AGGR" (aggregation)
  (If several orders are sent to the trading venue as an aggregated order, then the Client-ID should be filled with „AGGR")

Field contents permitted - Execution-ID (execution within firm) - mandatory

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

- „VWHD" + 10-digits XONTRO User-ID
  (Pre-assignment using the XONTRO user ID of the responsible trader having been deposited)

Field contents permitted - Investment-ID (investment decision within firm) - optional

- „USER" + 10-digits XONTRO User-ID
  (assuming a valid legitimation had been provided in the user legitimation dialog BRMI LM)

3.2.2 Order modification / deletion „BRBO BO"

```
TRAN: BRBO FC: BO SB:

XONTRO ORDER - M A K L E R / VOLLANZEIGE                    4321/00 Makler

GATTUNG: DE0007164600 SAP  SAP SE O.N.                                    GS

GESCHAEFTSART: KAUF                         DWZ-ORDERNR : 1705056500001
STCK/NOMINALE:              100             BI-ORDERNR  :
LIMIT        : BILLIGST                     STATUS: AUSFUEHRBAR
LIMITZUSATZ  :                              EINST.-TAG  : 05.05.17
GUELTIGKEIT  : 31.05.17                     BEARB.-TAG  : 05.05.17
HHW          : VA                           BEARB.-ZEIT : 14:11:25
AUFGEBER     : 4321                         EINGEBER-ID.: 4321199900
EMPFAENGER   : 4321
TEXT         : AENDERUNG
CLIENT-ID    : PNAL .................       USER/PNAL/AGGR
EXECUTION-ID : USER 4321199900             USER/VWHD
INVESTMENT-ID: .... .................       USER

AENDERN/LOESCHEN: A

-- ID-KZ: 4321192700 -- PW:         ------ B9999ABC -- 24/04/17 -- 12:00:00 --
F2 HIST  F3 FREIGEB  F4 ABBR  F5 ORD SAMM  F6 MENU  F11 ABMELD
BC2140I AENDERUNG/LOESCHUNG MIT "A" BZW. "L" UND PF3 FREIGEBEN
```

The XONTRO order modification / deletion mask „BRBO BO" will be enhanced by the data fields Client-ID, Execution-ID, and Investment-ID. In terms of the field assignments to be done by the participants, the requirements and basic rules having been set up by ESMA with regards to the MiFID II implementation, as well as the entry options depicted in the previous chapter "Order entry BRBO SE", should be considered.

3.2.3 Abbreviated order entry „BROS OM" and „BROS AE"

"Abbreviated order entry" means that orders may be entered in the order entry line within the respective price fixing screen mask. Hereby, the entry functionality per se will not be modified. This means that no screen mask layout modifications will be done. Each abbreviated order entry will, however, result in a specific data storage routine, according to MiFID II RTS 24 (order record keeping).

If order issuer = Financial institute
Then the user ID of the "responsible trader" of the financial institute will be deposited as execution within firm (EWF)

If order issuer = price fixing intermediary (SKM)
Then the user ID of the price fixing intermediary will be deposited as execution within firm (EWF)

If order issuer = freelance intermediary (FM)
Then the CBF account number of the freelance intermediary + 000000 will be deposited as execution within firm (EWF)

3.2.4 Order entry „BROS OM" – Inclusion of EXWF in additional entries field "Z" (update)

In case no responsible trader has been deposited for the financial institute, or in case a deviating trader is to be specified as the EXWF (execution within firm), then the legitimized user ID may be captured in the upper additional order entries field "Z" using the mnemonic "EX" as a prefix. The optional entry of further additions is also allowed; the "#" character should then be used as a separator.

The order additions allowed may be taken from the dialog manual for intermediaries (Dialoghandbuch Makler) under Appendix A.

```
TRAN: BROS FC: OM SB: DTE#EK
DE0005557508 DTE   DT.TELEKOM AG NA                 GS
BEARBEITUNG ORDERBUCH KF: 1/EK    G E S P E R R T        4321/00
15,1 (V)
   K-ORDER     KUM.NOM          KAUF     KURS      VERKAUF   KUM.NOM    V-ORDER
                            !                              !
                            !                              !
                            !                              !
                            !                              !
  2  BILLIGST      200 !      200                          !
                   200 !      200    (15,1)                !
                   200 !      200                          !
                            !                              !
                            !                              !
                            !                              !
                            !                              !
    15,292          605   -------- AUFGABEN --------
ORDER K N 100         A 4099  L ........ Z EX4099192701#T#BI1234567890123456
KURS .......... ...    N N U ............ Z .................................
-- ID-KZ: 4321192700 -- PW:        ------ B9999ABC -- 22/01/18 -- 14:18:02 --
F1 AKTU  F2 AE  F3 BESTAET  F4 ABBR  F9 ENT-/SPERR  F11 ABMELD  F12 NB
BC0150P KEIN VERANTW. HAENDL. HINTERLEGT. ID-KZ DES AUFG. MIT KUERZEL EX ERF.
```

3.3 Financial institutes and intermediaries

3.3.1 Authorisation dialog – User legitimation maintenance „BRMI LM"
Please refer to MiFID II Newsletter 04

3.3.2 Participant legitimation
Please refer to MiFID II Newsletter 04

4   Contract notes transfer

This note is relevant for the SWIFT contract notes data carrier (MT599), for the SWIFT realtime contract notes (MT599), and for the FIX TradeCaptureReport.

Beginning with the MiFID II release 33 (as of December 4th, 2017), along with so called "Aufgabeschliessungen" (closures of open *Aufgabe* pending positions), the order resp. half-trade references will also be documented in the contract notes. As of now, these references were only included in the *Aufgabe* (pending position) contract notes, not in the *Aufgabe* closure contract notes.

5   Short sell flag

5.1   Entry options

The short sell flag may be entered via:

- System connection for brokers (SAM; cf. XONTRO Values API)

- 3270 dialog (screen masks BxEM GE and BxEM PE): Inclusion of „LV" (for the German word „Leerverkauf") and the desired supplement (without „blank") in the so called "Zusatzangaben" (additional entries) of the relevant position line:

```
TRAN: BCEM FC: GE SB:

XONTRO TRADE  / EINGABE VON GESCHAEFTEN                       7804/00 ICF KURSMAKL

GATTUNG           KURS        ZUSATZANGABEN                                    SEITE 1
nsu.........    17,45....     .......................................................
                             .......................................................
GA NOMINALE          KONT  AU  ZUSATZANGABEN
k  100..........     7003 1750 .......................................................
v  100..........     7804 .... lvkl...................................................
k  200..........     7003 1751 .......................................................
v  200..........     7804 .... lvki...................................................
k  300..........     7003 1752 .......................................................
v  300..........     7804 .... lvlm...................................................
k  400..........     7003 1753 .......................................................
v  400..........     7804 .... lvlo...................................................
.  ...........       .... .... .......................................................
.  ...........       .... .... .......................................................
.  ...........       .... .... .......................................................
.  ...........       .... .... .......................................................
DIFFERENZ:                    KAUF:                      VERKAUF:
 -- ID-KZ: 7804199900 -- PW:           ------ B9998161 -- 06/07/17 -- 17:49:30 --

 BC0050I VERARBEITUNG ABGESCHLOSSEN
```

- 3270 dialog (screen mask BxEM HM): Inclusion of the desired supplement (without „LV") in the „ZA" (Zusatzangaben, additional entries) column:

```
TRAN: BCEM FC: HM SB: N#A##

XONTRO TRADE  / OFFENE HUM-GESCHAEFTE                        7805/00 ICF KURSMAKL

  GATTUNG           NOMINALE  AU  K KAUF       KURS VERK      KURS NOMINALE ZA H

. YHO                800 1803 A 7804       14,78 7805     ....... ........ KL
. YHO                700 1802 A 7804       14,78 7805     ....... ........ KI
. YHO                600 1801 A 7804       14,78 7805     ....... ........ LM
. YHO                500 1800 A 7804       14,78 7805     ....... ........ LO

 -- ID-KZ: 7805199900 -- PW:           ------ B9998161 -- 06/07/17 -- 18:10:36 --

 BC1820F ZUR ZEIT KEINE WEITEREN DATEN VORHANDEN
```

Under the following circumstances, the short sell flag will be rejected:

Along with trade entries in SAM and 3270 dialog BxEM GE/PE:

- Without value indication

- Inclusion on the buy side

- Inclusion on counterparty = bank or <> entering party

- Inclusion on *Aufgabe* (pending trades) closures

Along with countering entries in BxEM HM (in the ZA column using the permitted values 'KL', 'KI', 'LM' oder 'LO')

- Inclusion on the buy side

- Inclusion on counterparty = bank or <> entering party

5.2   Documentation

As the dialog manual for intermediaries (Anhang D Listen) presently exists in German only, and as this situation will not be changed in the foreseeable future, what follows is a brief documentation of the new short sell flag, and how it will be shown in the print version of the broker diary:

Along with a buy broker trade, in addition the short sell flag will be displayed next to the AUF flag, as follows:

KL   :   No short sale (Kein Leerverkauf)

KI   :   Information not available (Information nicht verfügbar)

LM   :   Short sale with exception (Leerverkauf mit Ausnahmeregelung)

LO   :   Short sale without exception (Leerverkauf ohne Ausnahmeregelung)

…

Excerpt from a printed broker diary:

```
I=STORNO-INFO N=INFO-NEUGESCHAEFT T=NEUGESCHAEFT-TSL S=STORNO A=AUFG.-LOE

                        MAKLERTAGEBUCH              VOM  05.05.2017   NR.  87
   GESNR      ZEIT         AN         A-KURS  VON          V-KURS   NOMINALE

DE000A0LR936   ST5             STEICO SE

B1001495   08.03      1004       17,1900   AUF XX    17,1900        50
```

```
XX: Values permitted: KL, KI, LM, oder LO
```

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6   Tick-Size Rules (new - update)

Please refer to MiFID II Newsletter 05.

7 Shortcode proceedings (update)

7.1 General framework requirements

- The shortcode technique is relevant especially for SAKI FIX order routing participants. It may, however, upon request also be used by 3270 dialog users, too.

- All contents of the FIX data fields <client identification code>, <investment decision maker> and <execution within firm> are considered relevant for the delivery via shortcode.

- The shortcode is a numeric data field.

- In normal cases one daily data submission of all shortcodes used by one participant (resp. by one so called technical main branch) is considered; a comma-separated CSV file having one header line is assumed to be used.

- Due to – among other reasons – data privacy protection purposes, the participants are encouraged not to send a daily total stock of all existing longcodes.

- A file transfer is allowed during all "exchange trading business days" and "settlement days". Files being sent more than once and bearing the same name will be processed.

- In case a participant does not have any shortcodes to deliver for a given business day, then, for documentary purposes, an empty file (only containing the header line) should be transferred.

- Multiple data deliveries per institute and business day are allowed. In case for one given CBF account number multiple deliveries of the same shortcode are detected for a given business day, then the data from the last file transferred are considered valid. Regarding the transfer for the current exchange business day, there will be a cut-off time on the following exchange trading day (time of day yet t.b.d.).

- The participants are not obliged to transfer unchanged valid shortcodes anew daily.

- The submitted files are periodically integrated into the XONTRO accounting transaction documentation via batch processing utilities; they will be stored separately and only be forwarded onto the competent authorities (CAs) upon specific demands.

- Members participating in the MAX-ONE trading system via XONTRO SAKI-FIX may dispatch their MAX-ONE shortcode information likewise via the XONTRO infrastructure. In this case, shortcode information determined for XONTRO and MAX-ONE may be transferred in a common file.

7.2 File structure

Field name	CBF-Account-No.	valid from (Trading day)	ShortCode	LongCode-ID	LongCode
Field type	mandatory	mandatory	mandatory	mandatory	mandatory
Field format (XONTRO)	num[4]	date[jjjjmmtt]	num[18]	char[2]	char[50]
Field content (XONTRO)	CBF-Account-No.	Trading day of report	Shortcode	22 = Algo 23 = LEI 24 = Nat. Person	Algo-ID LEI Nat.-ID

Notes:
- By „CBF-Account-No." the CBF account number of the original order issuer is meant.
- „Trading day of report" means the calendar date of the exchange trading day subject to report.

- The shortcode file is a comma-separated CSV file.

- Every shortcode file must at least contain the header line.

- The inclusion of **TEST** (data submission for simulation) or **PROD** (data submission for production) will become mandatory within the first 4 digits of the header line.
  Example for header line in simulation:
  TEST-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE
  Example for header line in production:
  PROD-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE

- The shortcode file to be submitted contains the trading participant's relevant CBF account number(s), the trading day, the shortcode, the longcode-ID (algo, LEI, natural person), and the longcode (algo ID, LEI, national ID).

- The shortcode data transmitted refer to those order messages that have been entered by the trading participant on the relevant trading day, i.e. order entries, order modifications, and order deletions.

- The shortcode is a numeric value having a maximum length of **18** digits. The value range of 0 .. 99 is reserved and must not be used by the trading participants.

- It is to be ascertained that a given shortcode assignment used must be unambiguous at least within one trading / exchange business day, even if this is not checked.

- Trading participants are requested to deliver only those shortcode data for the respective exchange trading day that refer to order messages having been entered by the trading participant on that particular trading day. A "late registration" of missing, as well as a "correction report" of erroneous shortcodes is, however, allowed on the following days.

Notes concerning the shortcode data transmission within the order messages:

- Shortcode data modifications of order messages having been transmittes are not allowed.

- A party having been identified as an algorithm may, along with order messages, optionally be transferred either as an algo-ID or as a shortcode. However, the straight usage of the algorithm, in analogy to the usage of the "regulatoryID", in the order is recommended. Independently from that, the usage of an algorithm is always to be marked accordingly in the original order.

7.3   File transfer setup

In preparation of MiFID II, the bi-directional file transfers via Connect Direct will have to be defined and installed between the participants, BrainTrade, and the DBAG. The corresponding application form sheet "*MiFID-Master-Data for Banks III*" may be found in the Appendix of this Newsletter.

Between the XONTRO MiFID II production launch scheduled for December 4th, 2017, and the effective MiFID II notification obligation scheduled to begin on January 3rd, 2018, the participants are free to decide as to when to start with the shortcode transmission within the order messages. However, the shortcode file transfer jobs must mandatorily be set up before the transmission of the first shortcodes commences.

7.4 Course of file processing

The following frame conditions will be valid for the file processing:

- The shortcode transfer check will be done thereafter in two steps:

  Step 1 – Syntactical check of the data submitted (LEI, concat, national ID) immediately after the transfer. Feedback / Acknowledge per check file.

  Step 2 – Content check of all data submitted regarding completeness after cut off time (once per day). Feedback via protocol file.

- The relevant hint and error codes are listed below.

- The protocol file contains the check results of the order transactions (entry, modification, deletion), as well as the data submitted on the current exchange trading day as compared against the shortcode file.

- The protocol file encompasses all conspicuous datasets regarding their contents. Short- and longcodes that are altogether missing are labelled as "erroneous"; short- resp. longcodes that are missing, but have been transferred on a previous day, will be flagged with a "hint". The affected participants will have to transfer the corrected datasets once again then.

- In case no conspicuous features were detected, then the check as well as the protocol file to be re-transmitted will always contain a header line only.

- In case of conspicuous features detected, the check file contains one single header line and the conspicuous datasets for all CBF account numbers to follow; the protocol file contains a separate header line prior to each CBF account number to be transmitted.

Shortcode processing for MAX-ONE:

- MAX-ONE participants may deliver their shortcode information together with their XONTRO shortcode information in one common file.

- The check file contains the entry checks from step 1 for the MAX-ONE shortcode information transmitted, as well as for the XONTRO shortcode information transmitted.

- The protocol file contains each the checks from step 2, for the MAX-ONE shortcode information submitted, as well as for the XONTRO shortcode submitted. The step 2 checks are performed by the respective trading system.

Timeline provided (valid for all exchange trading and settlement days*):

- 03.00 a.m.   Shortcode file transfer option commencement

- 10.00 a.m.   Cut off time of reporting day (T*) on T*+1*

- 10.15 a.m.   Shortcode file of the day submission from XONTRO onto MAX-ONE

- until 11.30 a.m. Protocol file of the day submission from MAX-ONE onto XONTRO

- from 12.30 p.m. Protocol file distribution onto the participants

- 10.00 p.m.   End of transfer option for shortcode files

7.4.1 Response – Check file

- File naming convention: In coordination between participants and DBAG computer center

- File format: CSV file with header and comma separation

- File structure simulation environment:
  TEST-CBF account number, exchange trading day, shortcode, longcode-ID, longcode, error code, order number of the trading system (not assigned)

- File structure production environment:
  PROD-CBF account number, exchange trading day, shortcode, longcode-ID, longcode, error code, order number of the trading system (not assigned)

- File creation: After every entry file processing; in case of free of errors, only header line is created

7.4.2 Response – Protocol file

- File naming convention: In coordination between participants and DBAG computer center

- File format: CSV file with header and comma separation

- File structure simulation environment:
  TEST-CBF account number, exchange trading day, shortcode, longcode-ID, longcode, error code, order number of the trading system

- File structure production environment:
  PROD-CBF account number, exchange trading day, shortcode, longcode-ID, longcode, error code, order number of the trading system

- File creation: Once per day after cut off time; in case of free of errors, only header line is created

7.4.3 Examples of messages – test environment

Example for a „main branch" shortcode file:

TEST-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE
1007,20170607,4711,24,DE19900201TESTITESTM
1007,20170607,4712,23,7LTWFZYICNSX8D621K86
1007,20170607,ABCDEFG,24,BLABLABLABLABLABLABL
1008,20170607,123456789012345678,24,ES1234567890
2008,20170607,1000001,23,LEILEILEILEILEILEILE
3005,20170607,4713,24,DE19900405MAXIMUST

Example for a shortcode check file with header:

TEST-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR
1007,20170607,ABCDEFG,24,BLABLABLABLABLABLABL,XO4001E,
3005,20170607,4713,24,DE19900405MAXIMUST,XO2001E,

Example for a shortcode protocol file with header:

TEST-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR
1007,20170607,4714,,,XO8000E,1706071234567
TEST-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR
2008,20170607,1000001,23,LEILEILEILEILEILEILE,MO6002E,

7.4.4 Examples of messages – production environment

Example for a „main branch" shortcode file:

PROD-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE

1007,20170607,4711,24,DE19900201TESTITESTM

1007,20170607,4712,23,7LTWFZYICNSX8D621K86

1007,20170607,ABCDEFG,24,BLABLABLABLABLABLABL

1008,20170607,123456789012345678,24,ES1234567890

2008,20170607,1000001,23,LEILEILEILEILEILEILE

3005,20170607,4713,24,DE19900405MAXIMUST

Example for a shortcode check file with header:

PROD-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR

1007,20170607,ABCDEFG,24,BLABLABLABLABLABLABL,XO4001E,

3005,20170607,4713,24,DE19900405MAXIMUST,XO2001E,

Example for a shortcode protocol file with header:

PROD-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR

1007,20170607,4714,,,XO8000E,1706071234567

PROD-CBF-NO,VALID-FROM,SHORTCODE,LONGCODE-ID,LONGCODE,ERRORCODE,ORDER-NR

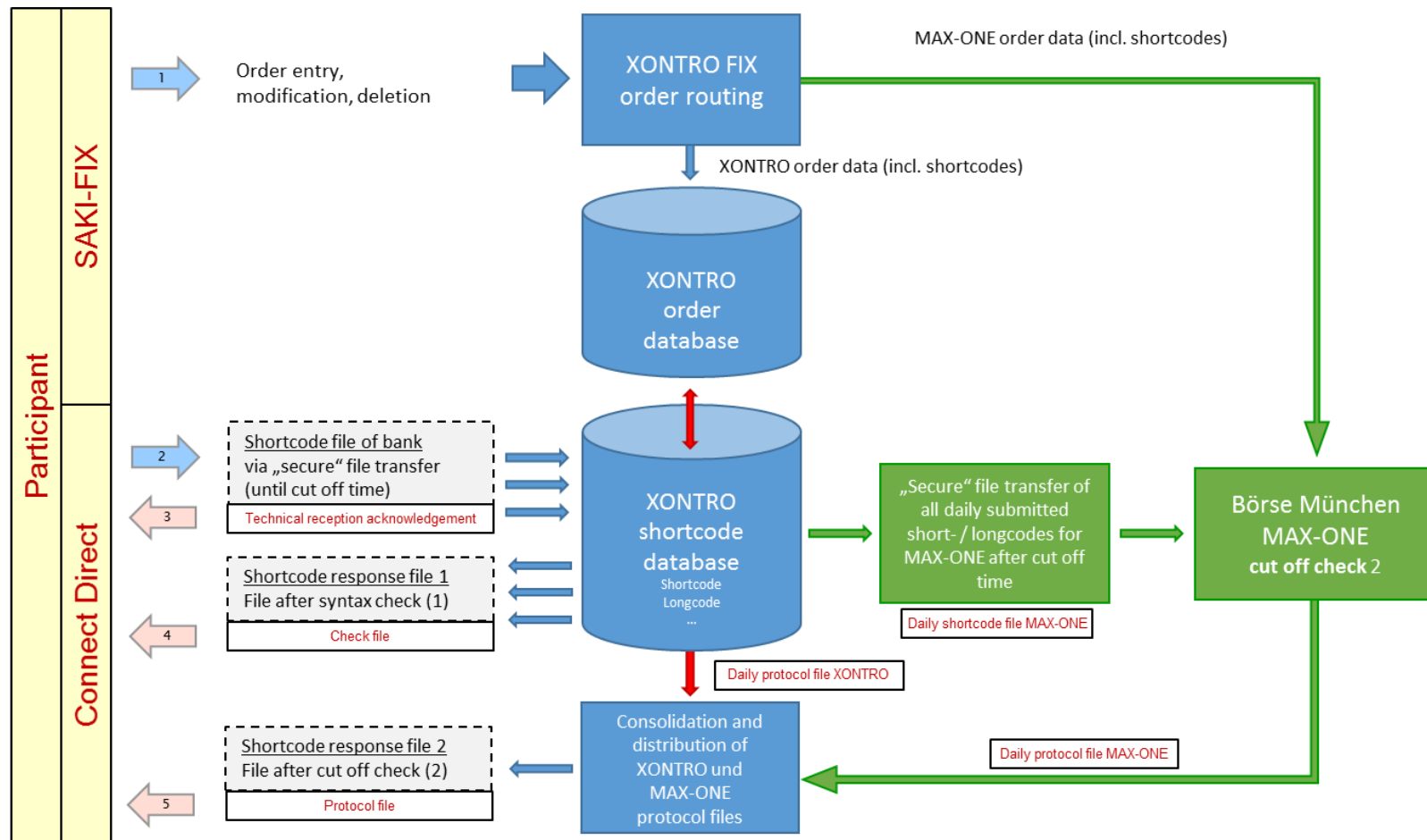2008,20170607,1000001,23,LEILEILEILEILEILEILE,MO6002E,

7.5 Hint and error messages **(update)**

The information may be taken from the document „20170919_Shortcode_Error_Codes_v009.pdf"
(or a newer version).

The document may be found at www.xontro.de / MiFID-II / Newsletter.

7.6 Graphical depiction of the file processing flow

(see next page)

8 Information regarding test cycles (update)

8.1 Simulation environment

All XONTRO Release 33 adaptations depicted in the MiFID II Newsletters, and in the MiFID interface modification documents so far, may be tested in our test and simulation environment IMS27 beginning October 9th 2017. The production launch is scheduled for December 4th 2017.

All XONTRO and MAX-ONE participants are kindly requested to make active use of these testing options during the simulation period.

The functional and technical contact persons already known to you will gladly be ready at your disposal for your questions and support during the simulation period.

The simulation support service will be limited to the regular working hours from 08:00 a.m. thru 05:00 p.m. on regular working days. Simulation / support requirements exceeding these limitations should be coordinated in advance, together with the XONTRO help line.

8.2 Conformity- and algo tests (new)

All participants are committed to conduct conformity and algorithm routine performance tests, in order to avoid trading conditions that could turn out to be disruptive to the market.

Conformity tests are to be conducted by the trading participants in case of a primary connection towards the trading venue, along with essential trading venue modifications, as well as with essential modifications of the participants' trading systems.

Algorithm tests are to be conducted by the trading members along with the introduction of a participant's algo trading system, as well as along with essential modifications of the participants trading systems.

The trading participants are responsible for setting the timeline and scope of the conformity tests, as well as for the actual testing procedures; the permanent XONTRO simulation environment will have to be used for this purpose.

BrainTrade allocates their permanent XONTRO simulation environment for these tests, supports the testing procedures upon request, and delivers the appropriate test reports to the participants, if being asked for.

9   Functional and technical support

During the implementation, simulation, and eventual production period, BrainTrade and the Deutsche Börse AG will ensure the functional and technical support for all participants and for all relevant issues.

9.1   BrainTrade Gesellschaft für Börsensysteme mbH

Tasks: Member consulting and support regarding all **functional** questions. First level support along with technical questions regarding the topics SAKI-SWIFT, SAKI-FIX, and SAM, as well as for the back end operation.
Functional supervision and assistance for new member registrations, customer data modifications, file transfer issues, connection tests, simulation and production issues.
Allocation of documents and user manuals.
Realisation of training sessions.

Telephone: +49 (69) – 58 99 78 – 110 (XONTRO and SAKI helpline)
+49 (69) – 58 99 78 – 170 (SAM helpline)

E-Mail: trade@xontro.de
saki@xontro.de
sam@xontro.de

Internet: www.xontro.de

Availability: 07:30 a.m. until 08:40 p.m. (production support)
08:00 a.m. until 05:00 p.m. (simulation support)

9.2   Deutsche Börse AG

Tasks: Technical support along with network issues.

Telephone: +49 (69) – 211 – 11281

E-Mail: tmr-zos@deutsche-boerse.com

Availability: 06:00 a.m. until 10:00 p.m. (during exchange trading days)

10 Appendix

In connection with this newsletter, the following form sheets are relevant. The download of these form sheets may be done via the following address: http://www.xontro.de/index.php?id=23&L=1

10.1 Form sheet – MiFID-Master-Data for Banks I

- Transmission of MiFID II relevant base data

10.2 Form sheet – MiFID-Master-Data for Banks II (FIX only)

- Transmission of „third party branch" information

10.3 Form sheet – MiFID-Master-Data for Banks III

- Transmission of file transfer information for the shortcode procession