

Annex G

COMMISSION DELEGATED REGULATION (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities

(Text with EEA relevance)

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Article -3

Definitions

In this Regulation, ‘Exit Day’ has the meaning given in the European Union (Withdrawal) Act 2018.

Article -2

Application

This Regulation applies to:

a MiFID investment firm (other than a collective portfolio management investment firm) and a UK RIE.

Article -1

Interpretation

In this technical standard, unless the contrary intention appears:

- (1) words and expressions used have the same meaning as in Regulation 600/2014/EU, (as amended by the Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018);
- (2) in accordance with article 2(1)(62) of Regulation 600/2014/EU, all references in this technical standard to a ‘trading venue’ are to a ‘UK trading venue’;
- (3) references to ‘UK or Union trading venues’ include ‘UK trading venues’ as defined in article 2(16A) of Regulation 600/2014/EU and ‘trading venues’ as defined by article 4(1)(24) of Directive 2014/65/EU and operated by a person authorised under

Directive 2014/65/EU; and

- (4) references to a ‘MiFID investment firm’ ‘collective portfolio management investment firm’ and ‘UK RIE’ are to the terms as defined in accordance with the Glossary to the Handbook of rules and guidance published by the Financial Conduct Authority, immediately after Exit Day.

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Article 2

Meaning of transaction

For the purposes of Article 26 of Regulation (EU) No 600/2014, the conclusion of an acquisition or disposal of a financial instrument referred to in Article 26(2) of Regulation (EU) No 600/2014 shall constitute a transaction.

...

5. A transaction for the purposes of Article 26 of Regulation (EU) No 600/2014 shall not include the following:
- (a) securities financing transactions as defined in Article 3(11) of Regulation (EU) 2015/2365 of the European Parliament and of the Council;

...

The exclusion provided for in point (a) of the first subparagraph shall not apply to the securities financing transactions to which a member of the European System of Central Banks or Bank of England is a counterparty.

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Article 4

Transmission of an order

1. An investment firm transmitting an order pursuant to Article 26(4) of Regulation (EU) No 600/2014 (transmitting firm) shall be deemed to have transmitted that order only if

the following conditions are met:

- (a) the order was received from its client or results from its decision to acquire or dispose of a specific financial instrument in accordance with a discretionary mandate provided to it by one or more clients;
- (b) the transmitting firm has transmitted the order details referred to in paragraph 2 to another investment firm (receiving firm);
- (c) the receiving firm is a MiFID investment firm and is subject to Article 26(1) of Regulation (EU) No 600/2014 and agrees either to report the transaction resulting from the order concerned or to transmit the order details in accordance with this Article to another MiFID investment firm.

For the purposes of point (c) of the first subparagraph the agreement shall specify the time limit for the provision of the order details by the transmitting firm to the receiving firm and provide that the receiving firm shall verify whether the order details received contain obvious errors or omissions before submitting a transaction report or transmitting the order in accordance with this Article;

2. The following order details shall be transmitted in accordance with paragraph 1, insofar as pertinent to a given order:

- (a) the identification code of the financial instrument;
- (b) whether the order is for the acquisition or disposal of the financial instrument;
- (c) the price and quantity indicated in the order;
- (d) the designation and details of the client of the transmitting firm for the purposes of the order;
- (e) the designation and details of the decision maker for the client where the investment decision is made under a power of representation;
- (f) a designation to identify a short sale;
- (g) a designation to identify a person or algorithm responsible for the investment decision within the transmitting firm;
- (h) country of the branch of the investment firm supervising the person responsible for the investment decision and country of the investment firm's branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client;
- (i) for an order in commodity derivatives, an indication whether the transaction is to reduce risk in an objectively measurable way in accordance with ~~Article 57 of Directive 2014/65/EU~~ regulation 17 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017;
- (j) the code identifying the transmitting firm.

For the purposes of point (d) of the first subparagraph, where the client is a natural

person, the client shall be designated in accordance with Article 6.

For the purposes of point (j) of the first subparagraph, where the order transmitted was received from a prior firm that did not transmit the order in accordance with the conditions set out in this Article, the code shall be the code identifying the transmitting firm. Where the order transmitted was received from a prior transmitting firm in accordance with the conditions set out in this Article, the code provided pursuant to point (j) referred to in the first subparagraph shall be the code identifying the prior transmitting firm.

3. Where there is more than one transmitting firm in relation to a given order, the order details referred to in points (d) to (i) of the first subparagraph of paragraph 2 shall be transmitted in respect of the client of the first transmitting firm.
4. Where the order is aggregated for several clients, information referred to in paragraph 2 shall be transmitted for each client.

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Article 6

Designation to identify natural persons

1. A natural person shall be identified in a transaction report using the designation resulting from the concatenation of the ISO 3166-1 alpha-2 (2 letter country code) of the nationality of the person, followed by the national client identifier listed in Annex II based on the nationality of the person.
2. The national client identifier referred to in paragraph 1 shall be assigned in accordance with the priority levels provided in Annex II using the highest priority identifier that a person has regardless of whether that identifier is already known to the investment firm.
3. Where a natural person is a national of more than one European Economic Area (EEA) country, the country code of the first nationality when sorted alphabetically by its ISO 3166-1 alpha-2 code and the identifier of that nationality assigned in accordance with paragraph 2 shall be used. Where a natural person has a non-EEA nationality, the highest priority identifier in accordance with the field referring to 'all other countries' provided in Annex II shall be used. Where a natural person has EEA and non-EEA nationality, the country code of the EEA nationality and the highest priority identifier of that nationality assigned in accordance with paragraph 2 shall be used. For the purposes of this provision, a reference to 'the EEA' is to be interpreted as if the United Kingdom continues to be an EEA State.

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Article 13

Conditions upon which legal entity identifiers are to be developed, attributed and maintained

1. ~~Member States~~ The United Kingdom shall ensure that legal entity identifiers are developed, attributed and maintained in accordance with the following principles:
 - (a) uniqueness;
 - (b) accuracy;
 - (c) consistency;
 - (d) neutrality;
 - (e) reliability;
 - (f) open source;
 - (g) flexibility;
 - (h) scalability;
 - (i) accessibility.

~~Member States~~ The United Kingdom shall also ensure that legal entity identifiers are developed, attributed and maintained using uniform global operational standards, are subject to the governance framework of the Legal Entity Identifier Regulatory Oversight Committee and are available at a reasonable cost.

2. An investment firm shall not provide a service triggering the obligation to submit a transaction report for a transaction entered into on behalf of a client who is eligible for the legal entity identifier code, prior to obtaining the legal entity identifier code from that client.
3. The investment firm shall ensure that the length and construction of the code are compliant with the ISO 17442 standard and that the code is included in the Global LEI database maintained by the Central Operating Unit appointed by the Legal Entity Identifier Regulatory Oversight Committee and pertains to the client concerned.

Article 14

Reporting transactions executed by branches

1. ~~An investment firm shall report transactions executed wholly or partly through its branch to the competent authority of the home Member State of the investment firm unless otherwise agreed by the competent authorities of the home and host Member States.~~
2. Where an investment firm executes a transaction wholly or partly through its branch,

it shall report the transaction ~~only once~~ to the competent authority.

3. Where country code details in respect of an investment firm's branch are required to be included in a transaction report in accordance with fields 8, 17, 37, 58 or 60 of Table 2 of Annex I due to the partial or full execution of a transaction through that branch, the investment firm shall provide in the transaction report the ISO 3166 country code for the relevant branch in all of the following cases:

...

- (d) where the transaction was executed on a UK or Union trading venue or an organised trading platform located outside the United Kingdom or the Union using the branch's membership of that trading venue or an organised trading platform.

4. Where one or more of the cases provided in paragraph 3 do not apply to a branch of the investment firm, the relevant fields in Table 2 of Annex I shall be populated with the ISO country code ~~for the home Member State of the investment firm, or, in the case of a third country firm, the country code of the country where the firm has established its head office or registered office.~~

5. ~~The branch of a third country firm shall submit the transaction report to the competent authority which authorised the branch. The branch of a third country firm shall fill in the relevant fields in Table 2 of Annex I with the ISO country code for the Member State of the authorising competent authority.~~

~~Where a third country firm has set up branches in more than one Member State within the Union, those branches shall jointly choose one of the competent authorities from the Member States to whom transaction reports are to be sent pursuant to paragraphs 1 to 3.~~

Article 15

Methods and arrangements for reporting financial transactions

1. The methods and arrangements by which transaction reports are generated and submitted by trading venues and investment firms shall include:
 - (a) systems to ensure the security and confidentiality of the data reported;
 - (b) mechanisms for authenticating the source of the transaction report;
 - (c) precautionary measures to enable the timely resumption of reporting in the case of a failure of the reporting system;
 - (d) mechanisms for identifying errors and omissions within transaction reports;
 - (e) mechanisms to avoid the reporting of duplicate transaction reports, including where an investment firm relies on a trading venue to report the details of transactions executed by the investment firm through the systems of the

trading venue in accordance with Article 26(7) of Regulation (EU) No 600/2014;

- (f) mechanisms to ensure that the trading venue only submits reports on behalf of those investment firms that have chosen to rely on the trading venue to send reports on their behalf for transactions completed through systems of the trading venue;
 - (g) mechanisms to avoid reporting of any transaction where there is no obligation to report under Article 26(1) of Regulation (EU) No 600/2014 either because there is no transaction within the meaning of Article 2 of this Regulation or because the instrument which is the subject of the transaction concerned does not fall within the scope of Article 26(2) of Regulation (EU) No 600/2014;
 - (h) mechanisms for identifying unreported transactions for which there is an obligation to report under Article 26 of Regulation (EU) No 600/2014, including cases where transaction reports rejected by the competent authority concerned have not been successfully re-submitted.
2. Where the trading venue or investment firm becomes aware of any error or omission within a transaction report submitted to a the competent authority, any failure to submit a transaction report including any failure to resubmit a rejected transaction report for transactions that are reportable, or of the reporting of a transaction for which there is no obligation to report, it shall promptly notify the ~~relevant~~ competent authority of this fact.
 3. Investment firms shall have arrangements in place to ensure that their transaction reports are complete and accurate. Those arrangements shall include testing of their reporting process and regular reconciliation of their front-office trading records against data samples provided to them by ~~their~~ the competent ~~authorities~~ authority to that effect.
 4. Where ~~the~~ competent ~~authorities~~ authority does not provide data samples, investment firms shall reconcile their front-office trading records against the information contained in the transaction reports that they have submitted to the competent ~~authorities~~ authority, or in the transaction reports that ARMs or trading venues have submitted on their behalf. The reconciliation shall include checking the timeliness of the report, the accuracy and completeness of the individual data fields and their compliance with the standards and formats specified in Table 2 of Annex I.
 5. Investment firms shall have arrangements in place to ensure that their transaction reports, when viewed collectively, reflect all changes in their position and in the position of their clients in the financial instruments concerned at the time transactions in the financial instruments are executed.
 6. Where an ARM, in accordance with instructions from the investment firm, cancels or corrects a transaction report submitted on behalf of an investment firm, the investment firm shall retain the details of the corrections and cancellations provided to it by the ARM.

7. The reports referred to in Article 26(5) of Regulation (EU) No 600/2014 shall be sent to the competent authority of the home Member State of the trading venue.
8. Competent authorities shall use secure electronic communication channels when exchanging transaction reports with each other.

Article 16

Determination of the most relevant market in terms of liquidity

1. In the case of a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU, an emission allowance or a unit in a collective investment undertaking, the most relevant market in terms of liquidity for that financial instrument (the most relevant market) shall be determined once each calendar year on the basis of the data of the previous calendar year, provided that the financial instrument was admitted to trading or traded at the beginning of the previous calendar year, as follows:
 - (a) for instruments admitted to trading on one or more regulated markets, the most relevant market shall be the regulated market where the turnover, as defined in Article 17(4) of Commission Delegated Regulation (EU) 2017/587 (1) for the previous calendar year for that instrument is the highest;
 - (b) for instruments not admitted to trading on regulated markets, the most relevant market shall be the MTF where the turnover for the previous calendar year for that instrument is the highest;
 - (c) for the purposes of points (a) and (b), the highest turnover shall be calculated by excluding all transactions that benefit from pre-trade transparency waivers pursuant to Article 4(1)(a), (b) or (c) of Regulation (EU) No 600/2014.
2. By derogation from paragraph 1 of this Article, where a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU, an emission allowance or a unit in a collective investment undertaking was not admitted to trading or traded at the beginning of the previous calendar year or where there is insufficient or non-existent data to calculate the turnover in accordance with point (c) of paragraph 1 of this Article for the purpose of determining the most relevant market for that financial instrument, the most relevant market for the financial instrument shall be the market of the Member State in which a request for admission to trading was first made or where the instrument was first traded.
3. In the case of a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument whose issuer is established in the Union, the most relevant market shall be the market of the Member State where the registered office of the issuer is situated.
4. In the case of a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument whose issuer is established outside the Union, the most relevant market shall be the market of the Member State

where the request for admission to trading of that financial instrument was first made or where the financial instrument was first traded on a trading venue.

5. ~~In the case of a financial instrument which is a derivative contract or a contract for difference or a transferable security within the meaning of Article 4(1)(44)(c) of Directive 2014/65/EU, the most relevant market shall be determined as follows:~~
- ~~(a) where the underlying in the financial instrument is a transferable security within the meaning of Article 4(1)(44)(a) of Directive 2014/65/EU or an emission allowance which is admitted to trading on a regulated market or is traded on an MTF, the most relevant market shall be the market deemed to be the most relevant market for the underlying security in accordance with paragraph 1 or 2 of this Article;~~
 - ~~(b) where the underlying in a financial instrument is a transferable security within the meaning of Article 4(1)(44)(b) of Directive 2014/65/EU or a money market instrument which is admitted to trading on a regulated market or traded on an MTF or an OTF the most relevant market shall be the market deemed to be the most relevant market for the underlying financial instrument in accordance with paragraph 3 or 4 of this Article;~~
 - ~~(c) where the underlying in a financial instrument is a basket which contains financial instruments, the most relevant market shall be the market of the Member State in which the financial instrument was first admitted to trading or traded on a trading venue;~~
 - ~~(d) where the underlying in a financial instrument is an index which contains financial instruments, the most relevant market shall be the market of the Member State in which the financial instrument was first admitted to trading or traded on a trading venue;~~
 - ~~(e) where the underlying of the financial instrument is a derivative admitted to trading or traded on a trading venue, the most relevant market shall be the market of the Member State in which that derivative is admitted to trading or traded on a trading venue.~~
6. ~~For financial instruments that are not covered by paragraphs 1 to 5, the most relevant market shall be the market of the Member State of the trading venue which first admitted the financial instrument to trading or on which the financial instrument was first traded.~~

...

~~This Regulation shall be binding in its entirety and directly applicable in all Member States.~~

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ANNEX

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Table 2

Details to be reported in transaction reports

All fields are mandatory, unless stated otherwise.

N	FIELD	CONTENT TO BE REPORTED	FORMAT AND STANDARDS TO BE
...			
3	Trading venue transaction identification code	This is a number generated by <u>UK or Union</u> trading venues and disseminated to both the buying and the selling parties in accordance with Article 12 of Commission Delegated Regulation (EU) 2017/580. This field is only required for the market side of a transaction executed on a <u>UK or Union</u> trading venue.	{ALPHANUM-52}
...			
5	Investment Firm covered by Directive 2014/65/EU	Indicates whether the entity identified in field 4 is an investment firm covered by Article 4(1) of Directive 2014/65/EU a <u>MiFID investment firm</u>	'true'- yes 'false'- no
6	Submitting entity identification code	Code used to identify the entity submitting the transaction report to the competent authority in accordance with Article 26(7) of Regulation (EU) No 600/2014. Where the report is submitted by the executing firm directly to the competent authority, it shall be populated with the LEI of the executing firm (where the executing firm is a legal entity). Where the report is submitted by a trading venue, it shall be populated with the LEI of the operator of the trading venue. Where the report is submitted by an ARM, it shall be populated with the LEI of the ARM.	{LEI}

Buyer details

— For joint accounts fields 7-11 shall be repeated for each buyer.

— Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, the information in fields 7-15 shall be populated by the receiving firm in the receiving firm's report with the information received from the transmitting firm.

— Where the transmission is for a transmitted order that has not met the conditions for transmission set out in Article 4 the receiving firm shall treat the transmitting firm as the buyer

7	Buyer identification code	<p>Code used to identify the acquirer of the financial instrument.</p> <p>Where the acquirer is a legal entity, the LEI code of the acquirer shall be used.</p> <p>Where the acquirer is a non-legal entity, the identifier specified in Article 6 shall be used.</p> <p>Where the transaction was executed on: a <u>UK or Union</u> trading venue or on an organised trading platform outside of the <u>United Kingdom or the Union</u> that utilises a central counterparty (CCP) and where the identity of the acquirer is not disclosed, the LEI code of the CCP shall be used.</p> <p>Where the transaction was executed on a <u>UK or Union</u> trading venue or on an organised trading platform outside of the <u>United Kingdom or the Union</u> that does not utilise a CCP and where the identity of the acquirer is not disclosed, the MIC code of the trading venue or of the organised trading platform outside of the <u>United Kingdom or the Union</u> shall be used.</p> <p>...</p>	<p>{LEI}</p> <p>{MIC}</p> <p>{NATIONAL_ID}</p> <p>'INTC'</p>
8	Country of the branch for the buyer	<p>Where the acquirer is a client, this field shall identify the country of the branch that received the order from the client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client as required by Article 14(3).</p>	<p>{COUNTRYCODE_2}</p>

		<p>Where this activity was not conducted by a branch this shall be populated with the country code of the home Member State of the investment firm or the country code of the country where the investment firm has established its head office or registered office (in the case of third country firms).</p> <p>Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, this field shall be populated using the information received from the transmitting firm.</p>	
...			
16	Seller identification code	<p>Code used to identify the disposer of the financial instrument.</p> <p>Where the disposer is a legal entity, the LEI code of the disposer shall be used.</p> <p>Where the disposer is a non-legal entity, the identifier specified in Article 6 shall be used.</p> <p>Where the transaction was executed on a <u>UK or Union</u> trading venue or on an organised trading platform outside of the <u>United Kingdom or the Union</u> that utilises a CCP and where the identity of the disposer is not disclosed, the LEI code of the CCP shall be used.</p> <p>Where the transaction was executed on a <u>UK or Union</u> trading venue or on an organised trading platform outside of the <u>United Kingdom or the Union</u> that does not utilise a CCP and where the identity of the disposer is not disclosed, the MIC code of the trading venue or of the organised trading platform outside of the <u>United Kingdom or the Union</u> shall be used.</p> <p>...</p>	<p>{LEI}</p> <p>{MIC}</p> <p>{NATIONAL_ID}</p> <p>} 'INTC'</p>
...			

28	Trading date time	<p>Date and time when the transaction was executed.</p> <p>For transactions executed on a <u>UK or Union</u> trading venue, the level of granularity shall be in accordance with the requirements set out in Article of Commission Delegated Regulation (EU) 2017/574 (2).</p> <p>For transactions not executed on a <u>UK or Union</u> trading venue, the date and time shall be when the parties agree the content of the following fields: quantity, price, currencies in fields 31, 34 and 44, instrument identification code, instrument classification and underlying instrument code, where applicable.</p> <p>For transactions not executed on a <u>UK or Union</u> trading venue the time reported shall be at least to the nearest second.</p> <p>Where the transaction results from an order transmitted by the executing firm on behalf of a client to a third party where the conditions for transmission set out in Article 4 were not satisfied, this shall be the date and time of the transaction rather than the time of the order transmission.</p>	{DATE_TIME_FORMAT}
...			

36	Venue	<p>Identification of the venue where the transaction was executed. Use the ISO 10383 segment MIC for transactions executed on a <u>UK or Union</u> trading venue, a <u>UK or Union</u> Systematic Internaliser (SI) or organised trading platform outside of the <u>United Kingdom or the Union</u>. Where the segment MIC does not exist, use the operating MIC.</p> <p>Use MIC code 'XOFF' for financial instruments admitted to trading, or traded on a <u>UK or Union</u> trading venue or for which a request for admission was made to a <u>UK or Union</u> trading venue, where the transaction on that financial instrument is not executed on a <u>UK or Union</u> trading venue, <u>UK or Union</u> SI or organised trading platform outside of the <u>United Kingdom or the Union</u> , or where an investment firm does not know it is trading with another investment firm acting as an a <u>UK or Union</u> SI.</p> <p>Use MIC code 'XXXX' for financial instruments that are not admitted to trading or traded on a <u>UK or Union</u> trading venue or for which no request for admission has been made and that are not traded on an organised trading platform outside of the <u>United Kingdom or the Union</u> but where the underlying is admitted to trading or traded on a <u>UK or Union</u> trading venue.</p>	{MIC}
37	Country of the branch membership	<p>Code used to identify the country of a branch of the investment firm whose market membership was used to execute the transaction.</p> <p>Where a branch's market membership was not used, this field shall be populated with the country code of the home Member State of the investment firm or the country where the firm has established its head office or registered office (in the case of third country firms).</p> <p>This field shall only be populated for the market side of a transaction executed on a <u>UK or Union</u> trading venue or on an organised trading platform outside of the <u>United Kingdom or the Union</u>.</p>	{COUNTRY CODE_2}
...			

41	Instrument identification code	Code used to identify the financial instrument This field applies to financial instruments for which a re-quest for admission to trading has been made to a <u>UK</u> or Union trading venue, that are admitted to trading or traded on a <u>UK or Union</u> trading venue or on a <u>UK or Union</u> systematic internaliser. It also applies to financial instruments which have an ISIN and are traded on organised trading platform outside of the <u>United Kingdom</u> or the <u>Union</u> where the underlying is a financial instrument traded on a <u>UK or Union</u> trading venue.	{ISIN}
<p>Fields 42-56 are not applicable where: transactions are executed on a <u>UK or Union</u> trading venue or with an investment firm acting as a <u>UK or Union</u> SI; or field 41 is populated with an ISIN that exists on the reference data list from ESMA</p>			
...			
58	Country of the branch supervising the person responsible for the investment decision	Code used to identify the country of the branch of the investment firm for the person responsible for the investment decision, as set out in Article 14(3)(b). Where the person responsible for the investment decision was not supervised by a branch, this field shall be populated with the country code of the home Member State of the investment firm or the country code of the country where the firm has established its head office or registered office (in the case of third country firms).	{COUNTRYCODE_2}
...			

60	Country of the branch supervising the person responsible for the execution	Code used to identify the country of the branch of the investment firm for the person responsible for the execution of the transaction, as set out in Article 14(3)(c). Where the person responsible was not supervised by a branch, this field shall be populated with the country code of the home Member State of the investment firm country code of the country where the firm has established its head office or registered office (in the case of third country firms) . This field is not applicable when the execution was made by an algorithm.	{COUNTRYCODE 2}
...			
64	Commodity derivative indicator	Indication as to whether the transaction reduces risk in an objectively measurable way in accordance with <u>regulation 17 of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017</u> Article 57 of Directive 2014/65/EU . Where the transaction is for a transmitted order that has met the conditions for transmission set out in Article 4, this field shall be populated by the receiving firm in the receiving firm's reports using the information received from the transmitting firm. This field is only applicable for commodity derivative transactions.	'true' – yes 'false' – no
...			

...