MiFID II Transaction Error Updates

Submission Process Specification for Exchange Members
Designated as a Non Investment Firm

August 2019

Version 1

Revisions

Version	Date	Description of changes
1.0	15 August 2019	Initial Version

This document (including any enclosures and attachments) has been prepared for the exclusive benefit of the Members and Customers of ICE, and solely for information purposes and the purposes of providing assistance in relation to MiFID II and the transaction reporting requirements contained therein.

Recipients should consult with their legal and any other advisors they deem appropriate in determining how to address the MiFID II legislation and the reporting requirements in their particular circumstances. For the avoidance of doubt, neither ICE nor the Exchanges will be responsible for any errors contained in this document.

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1   Introduction

1.1   About MiFID II

The MiFID II[1]/MiFIR[2] legislative package that has applied from 3 January 2018 imposes a number of regulatory requirements on EU trading venues as well as their Members regardless of location. These include but are not limited to provision of additional data to trading venues to support obligations in respect of maintaining order records as well as transaction reporting.

The transaction reporting requirements are set out in MiFIR Article 26 and its Regulatory Technical Standard No. 22[3]. Pursuant to these provisions, Investment Firms[4] should report details of transactions they execute in financial instruments,[5] either on an EU venue or OTC, to the competent regulatory authority. The details of transactions executed on an EU trading venue by Non-Investment Firms[6] should be reported by that venue.

ICE provides the capability for Non-MiFID Investment Firms to submit specific types of transaction updates dealing with transactions that is in error status because they are missing the seven MiFID data points. This will allow the Exchange to then report the trades that is in error status with this problem. This document sets out the technical details of that process.

1.2   Document Purpose

The Exchange is aware that Member Firms may execute transactions where the Exchange does not have all the necessary information to successfully meet its MiFIR transaction reporting obligations. The Exchange requires all its Members to resolve these information gaps so that the reporting obligation can be met. This document provides technical specifications for the submission of specific types of transaction error updates that Non Investment Firms may supply to the Exchange, such that the trade can be reported to the appropriate NCA. The intention of the document is to provide analysts and

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[1] Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.
[2] Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.
[3] 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.
[4] As defined by MiFID II Article 4(1)(1). Investment Firms are entities authorized as such by one of the EU National Competent Authorities.
[5] As defined by MiFID II Article 4(1)(15).
[6] Non-Investment Firms are firms which are not Investment Firms.

technical staff of those entities with sufficient information to design solutions for producing and submitting the transaction update files, as maybe necessary.

1.3 Document Conventions

- This document is written for the perspective of a given Exchange Member. Statements that discuss data being reported, files being provided, etc., are all relative to a single Exchange Member.
- This document assumes the reader is familiar with the following:
  - MiFID II RTS 22
  - ICE Identifier Admin Application

DISCLAIMER: *To avoid future rework, the document is written in present tense.*

1.4 FAQs

ICE may publish circulars pertaining to MiFID, which are found at the following links:

https://www.theice.com/futures-europe/circulars

https://www.theice.com/endex/circulars

1.5 Terms

Term	Definition
Exchanges / ICE Exchanges	Within the context of this document, unless otherwise indicated, the terms Exchange, Exchanges, and ICE Exchanges universally apply to the ICE MICs that have MiFID II reportable products. These are: IFEU, IFLL, IFLO, IFLX, and NDEX.
ICE Identifier Admin (IIA)	The ICE Identifier Admin application is a web-based application accessible via WebICE, or as a standalone application. The application is a critical component of the solution framework ICE has developed to support the MiFID II regulation. It allows users to create reference points (Profiles and Short Codes) to the new order-level data elements required by MiFID II, and crucially provides for encrypting and safeguarding sensitive data values (e.g. Person Identifiers such as National ID, Passport Number, etc.).
ICEU	ICE Clear Europe. The Clearing House/Central Counterparty on all MiFID II reportable transactions.
Investment Firm[7]	A firm to which MiFID applies including, for some purposes only, a credit institution and collective portfolio management investment firm.(in full) a firm which is: (1) an investment firm with its head office in the EEA (or, if it has a registered office, that office); (2) a CRD credit institution (only when providing an investment service or activity in relation to the rules implementing the Articles referred to in Article 1(2) of MiFID); (3) a collective portfolio management investment firm (only when providing the services referred to in article 6(4) AIFMD or Article 6(3) of the UCITS Directive in relation to the rules implementing the articles of MiFID referred to in article 6(6) of AIFMD or Article20 6(4) of the UCITS Directive and for a full-scope UK AIFM the rules implementing article 12(2)(b) of AIFMD); unless, and to the extent that, MiFID does not apply to it as a result of Article 2 (Exemptions) or Article 3 (Optional exemptions) of MiFID.
Non-Investment Firm	An Exchange Member that is not an Investment Firm
Compliance Key	An internal ICE systems reference necessary to link the data provided on an order or transaction with the reference data contained within IIA. Where a compliance key cannot be created by ICE's systems it indicates that the order or transaction does not contain the required IIA short codes or profile information. Such transaction errors are reported to Members as "Missing Compliance Keys".

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[7] Taken from https://www.handbook.fca.org.uk/handbook/glossary/G1964.html

1.6 Additional References

MiFID RTS 22:

http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22_en.pdf

Annex to MiFID RTS 22:

http://ec.europa.eu/finance/securities/docs/isd/mifid/rts/160728-rts-22-annex_en.pdf

ICE MiFID II Transaction Reporting Specification for Exchange Members

https://community.theice.com/docs/DOC-21911

ICE Identifier Admin User Guide:

https://community.theice.com/docs/DOC-21622

ICE Instrument List:

IFEU: https://www.theice.com/marketdata/reports/232

NDEX:

https://www.theice.com/endex/market-resources

ISIN Data is available at the "Daily ISIN Code Data" link at https://www.theice.com/endex#products

ICE Holidays and Non-Working Days:

ICE Holiday Information is available at https://www.theice.com/holiday-hours

2   ICE Transaction Update Methodology

The following points provide a high-level overview of the transaction update process:

- Member retrieves their MiFID Transaction Missing Compliance Key Exception Report file(s) from their mifid folder on MFT (reports/transaction).
- Member provides the transaction error update in the file that they wish to update according to one of the supported scenarios (refer to section 3 - "ICE Transaction Error Update Scenarios").
- Member generates records in the same format as the MiFID Transaction Missing Compliance Key Exception Report file they downloaded.
- Member uploads Transaction Error Update file to the submission/trans_update folder in their mifid MFT folder.
- ICE processes updates, which includes:
  - Validating the submission records
  - Submitting valid records to appropriate NCA

2.1   Common Approach for Transaction Update Submissions

Unless otherwise noted, all Transaction Error Update Scenarios follow a common approach in terms of the records that the Member is expected to submit.

- One or more error updates Transaction records. Information required for these is described in the next section.

3   ICE Transaction Error Update Scenarios

3.1   Submission of Profile ID

The Exchange Member listed as the Member Company (Field 10) on a transaction may provide the Profile ID that they should have supplied on a reported transaction that is in error status. This is accomplished by submitting:

- A single record that is a full copy of the original error record, with the following updates:
  - Ensure that the Profile ID column is populated with a valid Profile ID that has been created in IIA.

3.2   Submission of Short Codes and Other MiFID Data Points

The Exchange Member listed as the Member Company (Field 10) on a transaction may provide the Short Codes and the other MiFID data points that they should have supplied on a reported transaction that is in error status. This is accomplished by submitting:

- A single record that is a full copy of the original error record, with the following fields populated where applicable:
  - DIRECT ELECTRONIC ACCESS
  - TRADING CAPACITY

- o   LIQUIDITY PROVISION ACTIVITY
- o   COMMODITY DERIVATIVE INDICATOR
- o   INVESTMENT DECISION SHORT CODE
- o   EXECUTION IN FIRM SHORT CODE
- o   CLIENT ID SHORT CODE

4   MiFID II Exchange Member Transaction Error Update File Submissions

4.1   File Submission Timings

Transaction files received before midnight (12:00 AM) UTC by the last business date of a given month, will be candidates for inclusion with the regulatory reports generated for the auto transaction correction report to NCAs in the next month. Example, reports received on or before 23:59:59 CET on 31-May-2019 are candidates to be included in the auto transaction correction reports that is submitted to the NCAs in June 2019. Reports received after this time is a candidate to be processed in next month's auto transaction correction report.

4.1.1   Holidays / Exchange Non-Working Days

Files that are submitted on Exchange Non-Working Days may not be processed until the next Exchange Working Day.

Records that reference a Trade Date that is an Exchange Non-Working Day will be rejected.

4.2   Transaction Update File Specifications

4.2.1   File Characteristics

- CSV file in the same format as the Member's MiFID Transaction Missing Compliance Key Exception Report file
- Files may be compressed in ".zip" format.

4.2.2   File Names

Transaction File Syntax: <MNEMONIC>_<LEI>_TRANSCORR_T<MIC>_YYYYMMDD_<Increment_No>.csv

Example: XYX_XYZ12345678901234567_TRANSCORR_TIFEU_20190527_01.csv

Note:

- The date represents the Business Date the file was created
- The Increment No starts at "01" for the first file for a given MIC and Trade Date. If subsequent files are submitted for the same MIC and Trade Date, they are incremented by 1.

4.2.3 CSV File Format and Mapping

CSV Field Name	R/O (Required/ Optional)	Description	Example	Business Rule
T1_BUSINESS_ DATE	R	Represents the Business date of the error record	YYYY-MM-DD (Timestamp)	Value must be populated or the record will be rejected
T2_ORDER_ID	R	Trade ID identifying the matched pair on the execution.	290414737 (BigInt)	Value must be populated or the record will be rejected
T3_ORIGINAL_R EFERENCE_OR DER_ID	R	The Original Order that was floated into the exchange	98698857766 (BigInt)	Value must be populated or the record will be rejected
T4_MARKET_ID _OR_OPTION_M ARKET_ID	R	Market id or Option market id as defined by the Trading silo	98802602 (BigInt)	Must be populated with a valid ICE Market_ID/Option Market_ID value
T5_ISIN_ID	R	Code used to identify the financial instrument	GB00H379JJ65 (VarChar)	Must be populated with a valid 12 character ICE ISIN value
T6_TRANS_REF _NUM	R	Internal ID unique for each transaction	20190515194808896324000 01234567890000463553B (VarChar)	Value must be populated or the record will be rejected
T7_VENUE	R	The primary key identifying an exchange	IFEU (VarChar)	Must be populated with a valid ICE MIC
T8_TRADING_FI RM_ID	R	Company ID of the trading firm which executed the trade	123456 (Int)	Must be populated with a valid Trading Firm ID or the record will be rejected
T9_TRADING_FI RM_NAME	R	Name of the trading firm which executed the trade	ACD Firm (VarChar)	Must be populated with a valid Trading Firm Name or the record will be rejected
T10_MEMBER_ COMPANY_ID	R	Company ID of the member responsible for the execution	456789	Must be populated with a valid Member or the record will be rejected
T11_MEMBER_ COMPANY_NAM E	R	Name of the member responsible for the execution	XYZ Member	Must be populated with a valid Member Name or the record will be rejected

CSV Field Name	R/O (Required/ Optional)	Description	Example	Business Rule
T12_MNEMONIC	R	Mnemonic of the member responsible for the execution	ABC	Must be populated with a valid Mnemonic or the record will be rejected
T13_MIFID_INV STMNT_FIRM	R	Flag of the executing member	False	Must be populated as 'FALSE'
T14_CLEARING _FIRM_ID	O	Firm id assigned by ICE to uniquely identify a clearing firm	1111	If populated must be a valid Firm ID from ICE
T15_ACCOUNT_ ID	O	Account id assigned by ICE to uniquely identify a clearing account from a clearing firm	ABCDEF11	If populated must be a valid Account ID from ICE
T16_TRADER_I D	R	Originator/Taker User_id	TestUser	Must be populated with a valid User_ID or the record will be rejected
T17_TRADER	R	Full name associated with the Originator/Taker user id	Jane Doe	Must be populated with a valid Name or the record will be rejected
T18_AUTHORIZ ED_TRADER_ID	O	ID that identifies an individual or Automated Trading System (ATS) entering orders on the ICE Trading Platform via a FIX Trader ID	Iceid123	If populated must be a valid Authorized Trader ID from ICE
T19_AUTHORIZ ED_MEMBER_I D	O	Code or value that identifies the firm, if any, with which the Authorized Trader is associated (FIX TAG 115)	LOL	If populated must be a valid Authorized Member ID from ICE
T20_PRICE	R	Execution Price of transaction	10.00000	Must be populated with a valid Price
T21_MIFID_PRO FILE_ID	O	Single identifier for all seven of the new MiFID II order attributes (three fields represented by Short Codes and the four additional values for Deal Capacity, DEA Access, Liquidity Provision Activity and Commodity Derivative Indicator)	10000003	If populated must be a valid 8 byte integer (MiFID Profile ID from the ICE Identifier Admin)

CSV Field Name	R/O (Required/ Optional)	Description	Example	Business Rule
T22_DIRECT_ELECTRONIC_ACCESS	O	Direct Electronic Access (whether or not the order is submitted to the trading venue using direct electronic access); 'True' or 'False'	True	If populated must be either: 'True' or 'False' or '1'- True / '0'-False
T23_TRADING_CAPACITY	O	Trading Capacity (indication of whether the order submission resulted from the member or participant of the trading venue carrying out matched principal trading ('MTCH'), dealing on their own account ('DEAL'), or any other trading capacity ('AOTC')	MTCH	If populated must be either: 'DEAL' OR 'MTCH' OR 'AOTC' OR '0'-DEAL/ '1'-MTCH/'2'-AOTC
T24_LIQUIDITY_PROVISION_ACTIVITY	O	Liquidity Provision Activity (indication as to whether an order is submitted to a trading venue as party of a market making strategy); 'True' or 'False'	True	If populated must be either: 'True' or 'False' or '1'- True / '0'-False
T25_COMMODITY_DERIVATIVE_INDICATOR	O	Commodity Derivative Indicator (indication as to whether the transaction in a commodity derivative reduces risk in an objectively measurable way in accordance with Article 57 of Directive 2014/65/EU); 'True' or 'False'	False	If populated must be either: 'True' or 'False' or '1'- True / '0'-False
T26_INVESTMENT_DECISION_SHORT_CODE	O	User must provide an existing 'Investment Decision within Firm' Short Code if Trading Capacity = DEAL, otherwise optional	123456	Required when MIFID_PROFILE_ID is not provided and if Trading Capacity = 'DEAL'
T27_EXECUTION_IN_FIRM_SHORT_CODE	O	User must provide an existing 'Execution within Firm' Short Code	1234567	Required when MIFID_PROFILE_ID is not provided

CSV Field Name	R/O (Required/ Optional)	Description	Example	Business Rule
T28_CLIENT_ID _SHORT_CODE	O	User must provide an existing 'Client' Short Code if Trading Capacity = MTCH or AOTC, otherwise no value	1111111	Required when MIFID_PROFILE_ID is not provided and if Trading Capacity = 'MTCH' or 'AOTC'

5 Transaction Error Update File Validations and Responses

5.1 Validations

5.1.1 File Level Validations

Any of the following exceptions result in the entire file being rejected.

Exception Code	Exception Message	Example Triggering Event(s)
TUFIL-001	Corrupt file submitted	• File cannot be unzipped • File cannot be opened • File is not in recognized CSV format
TUFIL-002	Incorrect file name syntax	• The file name does not follow the prescribed format
TUFIL-003	Invalid MIC	• The MIC portion of the file name is not a valid ICE MIC within the MiFID jurisdiction
TUFIL-004	Invalid file date	• The date portion of the file name is for a future date in UTC time
TUFIL-005	Invalid sequence number	• The sequence portion of the file is not a value between "01" and "99"
TUFIL-006	File out of sequence	• The sequence portion of the file is not as expected. A sequence other than "01" was submitted as the first file for a given MIC and Trade Date, or the sequence provided was not one greater than the previous one for the MIC and Trade Date.

5.1.2 Record Level Validations

Any of the following exceptions on a given record result in the record not being processed and the entire file being rejected.

Exception Code	Exception Message	Example Triggering Event(s)
TUREC-001	Incoming Record does not match a supported business scenario.	• The Trans Error Update Scenario cannot be matched to a scenario defined in section 3 - "ICE Transaction Error Update Scenarios".
TUREC-002	UNAUTHORIZED TRANSACTION Error Update	• Users cannot update an existing Transaction record that already has a Compliance Key

Exception Code	Exception Message	Example Triggering Event(s)
TUREC-003	Invalid Trade Date	• The Trade Date specified is for a future date in UTC time • The Trade Date specified is for a Non-Working Day for the MIC specified • The Trade Date on an error update record is earlier than the Trade Date on the original trade that is being updated.
TUREC-004	Executing Entity is not a Non-MiFID Investment Firm	• Executing Entity specified on the transaction is a MiFID Investment Firm, or other firm that is not a Non-MiFID Investment Firm. The Transaction error Update facility provided by ICE is intended for use only by Non-MiFID Investment Firms.
TUREC-005	MIC for the Instrument does not match MIC on file name	• The MIC for the Instrument Id Code (ISIN) must match the MIC specified in the file name
TUREC-006	Invalid Transaction Reference Number	• The Trans_Ref_Num specified does not match to an existing trade.
TUREC-007	Invalid value of DEA	• The Direct Electronic Acess field has an invalid value
TUREC-008	Invalid value of Trading Capacity	• The Trading Capacity field has an invalid value
TUREC-009	Invalid value of LIQUIDITY_PROVISION_ACTIVITY	• The Liquidity Provision Acivity field has an invalid value
TUREC-010	Invalid value of CDI	• The Commodity Derivative Indicator field has an invalid value
TUREC-011	INVALID INSTMT_DECSN_WTHN_FIRM_ID	• The INSTMT_DECSN_WTHN_FIRM_ short code does not exist in the MiFID Compliance Key Dim • INSTMT_DECSN_WTHN_FIRM_ID is expected to be populated when TRADING_CAPACITY is 'DEAL'.
TUREC-012	INVALID EXECUTION_IN_FIRM_SHORT_CODE	• The Execution In Firm short code does not exist in the MiFID Compliance Key Dim
TUREC-013	INVALID CLIENT_ID_SHORT_CODE	• The Client ID short code does not exist in the MiFID Compliance Key Dim • CLIENT_ID is expected to be populated when Trading Capacity = 'MTCH' or 'AOTC'

5.2   Responses (Feedback to Submitting Member)

The Feedback file is a mechanism for Exchange Members to receive status updates on the Transaction Error Update file, as well as the details of any outstanding issues with the file.

Delivery method and format of feedback is to be provided in a future document update.